

Week of January 3, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	235.18	6,764	153.27	Bought DIA
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Jan 3	24,992	248.95	7,065	160.03	

Lots of records last year, and welcome to \$7,000 Nasdaq! Catch our newsletter on our website or in your quarterly emails. Disaster preparedness, and also the US stock market while in record territory, publically traded companies are down from 1996: 7,322 to the year 2017, less than 3,700. Obviously there is no longer a Russell 5,000!

Happy New Year!

Some statistics and some earnings highlights this week:

**Jan 3: Stats:** ISM Manufacturing, construction spending, FOMC minutes **Earnings:** Rite Aid, Natl Amer Univ, Unifirst Corp

**Jan 4: Stats:** Jobless claims, PMI **Earnings:** Franklink Covey, Walgreens, Monsanto, Walgreens

**Jan 5: Stats:** Unemployment, Factory Orders **Earnings:** Cal-Maine Foods, Constellation brands

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Week of January 8, 2018      **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	235.18	6,764	153.27	Bought DIA
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Jan 8	25,283	252.59	7,157	162.55	

New records today for Nasdaq and the S&P 500. And the ETFs we trade are up 5 & 7% since Nov buy. Merrill Lynch adjusted its earnings estimate on the S&P to \$153/share from \$139 mostly resulting from corporate tax drop to 21% from 35%  
Much of the increase in these indexes is in FAANG stocks (Facebook, Amazon, Apple, Netflix, & Google)

Some statistics and some earnings highlights this week:

**Jan 9: Stats:** Nov Job openings (JOLTS), **Earnings:** Sup[er]values

**Jan 10: Stats:** Dec Import prices, Not Wholesale inventories **Earnings:** Delta Air, KB Hoomes

**Jan 11: Stats:** Dec PPI **Earnings:** Bankof Amer, First Horizon Natl, Blackrock

**Jan 12: Stats:** Dec CPI, Retail Sales, Business Inventories **Earnings:** Wells Fargo, J Morgan Chase

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## Week of January 16, 2018     **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	235.18	6,764	153.27	Bought DIA
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Jan 8	25,283	252.59	7,157	162.55	
Jan 16	25,792	257.81	7,223	164.02	

Printing Jan 8 and 16 indexes and ETF values, as you can see, the DIA are up almost 2% in a week. The DOW did cross 26,000 today before it reversed. Here at Hermes Econ, we are concerned with our clients prosperity rather than politics. The Dow is up over 30% from Jan 19, 2017 fodder for facebook quotes. From 19,826 on Jan 20 to 25,792 today, or 5,977 points (30%).

Some statistics and some earnings highlights this week:

**Jan 17: Stats:** Dec Industrial Production, Capacity Utilization\* **Earnings:** Comerica, Bank of the Ozarks, Citigroup. Goldman Sachs, Bank of America, Westamerica

**Jan 18: Stats:** Dec Housing Starts **Earnings:** AmExp, Morgan Stanley, IBM, Bank of NY, Peoples United Fin'l

**Jan 19: Stats:** January Michigan Sentiment **Earnings:** Schlumberger, Kansas City Sothern, Suntrust Banks

\*Capacity Utilization: measures the potential economic output actually realized. This gives insight into the overall slack or firmness in the economy. Looking for a high percentage

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## Week of January 29, 2018     **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	235.18	6,764	153.27	Bought DIA
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Jan 8	25,283	252.59	7,157	162.55	
Jan 29	26,439	264.18	7,466	170.10	

Stocks tumbled today, after Friday's record closes for DJ Industrials, S&P 500 and Nasdaq. President's State of the Union speech tomorrow night, never know how that will go. Tuesday the Federal Reserve begins a two-day meeting. Most importantly, nearly a quarter of S&P 500 companies report earnings this week.

A big tailwind for stocks is global growth. The International Monetary Funds (IMF) expects the world economy to grow by 3.9% this year and next, up from 3.7% in 2017 and 3.2% in 2016. The EU now seems a success.

Some statistics and **some** earnings highlights this week:

**Jan 30: Stats:** Jan Consumer confidence **Earnings:** Chubb, McDonalds, Franklin Resources, Pfizer

**Jan 31: Stats:** Employment cost index Q\$, Chicago PMI **Earnings:** MetLife, AT&T, Eli Lilly, Ebay, ADP, Facebook, Qualcomm. Microsoft, Johnson Controls, Boeing

**Feb 1: Stats:** Productivity Q4, Construction Spending **Earnings:** Apple, Google, VISA, Mastercard, McKesson, Baxter, Amazon, Time Warner, Amgen, Conoco Phillips, UPS

**Feb 2: Stats:** Non-farm payroll, Jan Unemployment, Factory orders, Jan Michigan Sentiment **Earnings:** Chevron, Exxon, Merck, Lyondell-basell

\*Consumer confidence is an economic indicator that measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Higher confidence tends to higher spending

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## Week of February 5, 2018     **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	<b>235.18</b>	6,764	153.27	<b>Bought DIA</b>
Nov 7	23,557	235.42	6,767	<b>153.88</b>	<b>Bought QQQ</b>
Jan 8	25,283	252.59	7,157	162.55	
Feb 5	24,345	243.27	6,967	158.12	

Jan hot, Feb not. There was bound to be a correction in here, January's S&P 500 was up 7.5% in 18 days in Jan, which was on track to be up 158% for the year, not likely (calculations courtesy Barron's, The Trader). There is also an interesting similarity to the crash of 1987: Federal Reserve was raising rates, the economy was absorbing new tax reform package with lower marginal rates and the dollar was down amid growing tensions over US trade balance. Other than that, we've seen 7% fall in 2 days, in 1987 it was 22% in one day. At a Dow 1,787 level.

We are still above our buys prices from November!

We use a trend following analysis. Two days is generally not a trend, however as we curve the model around the past 7 days of prices we may sell out of equities, and there is a chance that markets rally from here. We will inform you of changes.

Some statistics and some earnings highlights this week:

**Feb 6: Stats:** Dec Intl Trade, Dec Job openings (JOLTS) **Earnings:** Disney, Archer Daniels, Gilead Science, GM, Emerson electric

**Feb 7: Stats:** December Consumer Credit **Earnings:** Allstate, 21 Century Fox, Prudential Final

**Feb 8: Stats: Earnings:** Yum! Brands, Viacom, CVS, Philip Morris

**Feb 9: Stats:** Dec Wholesale Inventories **Earnings:** Ventas, PG&E

NFL Stock market predictor: NFC win bullish for stocks! PS, Philadelphia is NFC

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## Week of February 20, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	<b>235.18</b>	6,764	153.27	<b>Bought DIA</b>
Nov 7	23,557	235.42	6,767	<b>153.88</b>	<b>Bought QQQ</b>
Feb 7	24,893	<b>251.26</b>	7,051	<b>161.9</b>	Sold QQQ and DIA
Feb 20	24,964	249.35	7,234	165.29	

Well, we still are on the side lines for equity markets and today was a good day to be on the side. Our econometric model cranks through weeks of data, our exchanges are not always within days. Right now, it looks likely we'll get a buy lower than our sell.

Some statistics and some earnings highlights this week:

**Feb 21: Stats:** Jan existing home sales **Earnings:** Dish Network, Host hotels, Southern Co, Dish Network

**Feb 22: Stats:** Jan leading indicators **Earnings:** Hormel, WellTower, PPL, Apache, HP, Chesapeake Energy, Newmont Mining, Edison Intl

**Feb 23: Stats: Earnings:** Cabot Oil, Eversource Energy, Public Services, Berkshire Hathaway, Entergy

Leading Indicators: Measureable economic factor that changes before the economy starts to follow a pattern or trend. For example, Bond yields, as investors use them to speculate on trends in the economy. Also Durable Goods report monthly survey of heavy manufactures, Purchasing Managers Index is another.

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Week of March 5, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	<b>235.18</b>	6,764	153.27	<b>Bought DIA</b>
Nov 7	23,557	235.42	6,767	<b>153.88</b>	<b>Bought QQQ</b>
Feb 7	24,893	<b>251.26</b>	7,051	<b>161.9</b>	Sold QQQ and DIA
Feb 20	24,964	249.35	7,234	165.29	

Bought in equities on Feb 27, and today's rally is much appreciated.

Some statistics and some earnings highlights this week:

**Mar 6: Stats:** Factory Orders **Earnings:** Autodesk, Black diamond, Target, Urban Outfitter

**Mar 7: Stats:** Trade deficit, Productivity, Beige Book, Consumer credit **Earnings:** Abercrombie, Costco, Dollar Tree, Rolls Royce

**Mar 8: Stats:** Weekly jobless claims **Spending Earnings:** Amer Eagle, Concordia, Cooper Cos, Dell, El Pollo Loco, Kroger, Progenics Pharm, Rand, Vail Resorts

**Mar 9: Statistics:** Nonfarm payroll, unemployment rate, hourly earnings, wholesale inventories; **Earnings:** BigLods, Global Water, Revlon, Total Energy

Beige Book: formally, "Summary of Commentary on Current Economic Conditions, published by US Fed Reserve. Anecdotal information of current econ conditions by each Fed Reserve district, Published 8/year, and in advance of the Fed Open Market Committee meeting.

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Week of March 12, 2018

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	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	<b>235.18</b>	6,764	153.27	<b>Bought DIA</b>
Nov 7	23,557	235.42	6,767	<b>153.88</b>	<b>Bought QQQ</b>
Feb 7	24,893	<b>251.26</b>	7,051	<b>161.9</b>	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 12	25,178	251.96	7,588	174.08	

Our QQQ trade looks great, and have patience on the DIA trade

Some statistics and some earnings highlights this week:

**Mar 13: Stats:** Feb CPI **Earnings:** DSW, Dicks Sporting Goods

**Mar 14: Stats:** Feb PPI, Retail Sales **Earnings:** Three D systems, Guess? Williams-Sonoma, Vera Bradley

**Mar 15: Stats:** Feb Import Prices **Spending Earnings:** Adobe Systems, Dollar General, Zumiez, Broadcom

**Mar 16: Statistics:** Feb Housing Starts, Ind Production, Capacity Utilization, Jan Job Openings (JOLTS), Mar Michigan Sentiment **Earnings:** Kirklands, Perry Ellis, Tiffany

Michigan Sentiment: Monthly survey of US Consumer confidence levels conducted by University of Michigan. Usually 500 telephone calls, across the continental US, 50 core questions on personal finances, business conditions and buying conditions

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Week of March 19, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	<b>235.18</b>	6,764	153.27	<b>Bought DIA</b>
Nov 7	23,557	235.42	6,767	<b>153.88</b>	<b>Bought QQQ</b>
Feb 7	24,893	<b>251.26</b>	7,051	<b>161.9</b>	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Mar 19	24,610	245.91	7,344	167.10	Glad we sold!

Our sell on March 19 looks whew!

Some statistics and some earnings highlights this week:

**Mar 20: Stats:** **Earnings:** Children's Place, FedEx

**Mar 21: Stats:** Current Account,\* Feb existing home sales **Earnings:** Gen Mills, Scholastic, Herman Miller, Winnebago

**Mar 22: Stats:** Feb leading indicators **Spending Earnings:** Nike, Darden Rest, Micron Tec, Carnival, Oxford Ind, Conagra Brands, KB Home, CoMMERCIAL Metals, Cato

**Mar 23: Statistics:** Feb Durable goods, Feb New home sales **Earnings:**

\*Current Account is defined as the sum of the balance of trade (Goods and services exports less imports), net income from abroad and net current transfers. Major indicator of country's foreign trade

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Week of March 26, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Aug 24	21,783	217.21	6,271	142.27	Bought DIA & QQQ
Oct 31	23,369	233.65	6,713	152.30	Sold DIA & QQQ
Nov 3	23,539	<b>235.18</b>	6,764	153.27	<b>Bought DIA</b>
Nov 7	23,557	235.42	6,767	<b>153.88</b>	<b>Bought QQQ</b>
Feb 7	24,893	<b>251.26</b>	7,051	<b>161.9</b>	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Mar 26	24,202	241.82	7,220	164.40	

After today's big rally, and we are still well below where we sold, so good sell thank you Hermes Econ. Markets up because China Tariffs no big deal, or Porn Star no bid deal?

Some statistics and some earnings highlights this week:

**Mar 27: Stats:** March Consumer confidence\* **Earnings:** Sonic, Shoe Carnival, McCormick

**Mar 28: Stats:** Q4 GDP **Earnings:** Worthington Inds, Walgreens Bods, Unifirst, Oxford Ind, Gamestop

**Mar 29: Stats:** Feb Personal income & consumption, March Michigan Sentiment **Earnings:** AngioDynamics, Novado, Synnex, Constellation Brands

**Mar 30: Statistics:** Feb Durable goods, Feb New home sales **Earnings:** HB Fuller

\*Consumer confidence is an economic indicator that measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation

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Week of April 2, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Apr 2	23,644	236.15	6,870	155.51	

The FANGs bite back!! That is Facebook, Amazon, Netflix and Google. Amazon has been the subject of Trump tweets, that Amazon doesn't pay its fair share of taxes and uses the US Post office for delivery while putting 1,000 of retailers out of business. According to Barron's, Amazon Web Services could receive the contract for Dept of Defense cloud computing. AWS effectively subsidizes Amazon's retail business. Wonder if Trump will notice that!

Some statistics and some earnings highlights this week:

**Apr 3: Stats: Earnings:** Intl Speedway, Greenbrier

**Apr 4: Stats:** Feb Factory orders **Earnings:** Fred's, Lennar, Carmax, Resources Connection, Acuity Brands

**Apr 5: Stats:** Feb Intl Trade **Earnings:** RPM Int'l, WD 40, Monsanto

**Apr 6: Statistics:** March Nonfarm Payrolls\*, Mar Unemployment rate, Feb Consumer Credit **Earnings:**

\*Payrolls of non-farm jobs, excludes private households, non-profit, military and Proprietors. Data used to assist policymakers and economists with determining current start of economy and predicting future levels of economic activity

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Week of April 9, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Apr 9	23,979	239.73	6,950	157.73	

Markets were up as much as 400 points only to close up 46. Some say it was the raid of Trump's attorney, but markets were coming down a lot before news of raid. A little concerning, attorney client privilege be gone? This is the attorney with ties to Stormy Daniels, and Mueller is in charge of Russian ties? Confusing.

Some statistics and some earnings highlights this week:

**Apr 10: Stats:** NFIB Small Business Index, Producer Prices, Wholesale Inv **Earnings:** David's Tea, Link Motion, Mitcham Ind

**Apr 11: Stats:** Consumer prices, Core CPI, Fed budget, FOMC minutes **Earnings:** Bed, Bath & Beyond, Biostar Pharma, China Finance, Fastenal, Taylor Devices, Wash Federal, Yingli Green Emergy

**Apr 12: Stats:** Weekly jobless, Import prices **Earnings:** Blackrock, Commerce Banc, Delta, Nova Lifestyle, PermaPipe, Skyline, TSR

**Apr 13: Statistics:** Job openings, Consumer sentiment index **Earnings:** Citigroup. Ditech Holding, First Horizon, First Republic, Jamba, JPMorgan, PNC Financial, Wells Fargo

\*NFIB (Natl Federation of Independent Business) Small Business index derived from 10 components, 1986=100. Seasonally adjusts. Survey is from a large sample of respondents drawn from membership files of NFIB. Early health check on small businesses, which are be critical to the economy

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Week of April 16, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Apr 12	24,483	244.75			Bought DIA
Apr 13			7,106	161.25	Bought QQQ
Apr 16	24,573	245.62	7,156	162.6	

Nice trades last week. We'd say markets are reacting to upcoming earnings, Some statistics and some earnings highlights this week:

**Apr 17: Stats:** March Housing starts, Mar Ind Production, Mar Capacity Utilization

**Earnings:** Intuitive Surgical, Kinder Morgan, IBM, Goldman, United Health, J&J, Northern Trust, CSX, Progressive

**Apr 18: Stats: Earnings:** Abbott Labs, Mattel, AmExp, Morgan Stanley, US Bancorp, Crown Castle

**Apr 19: Stats:** March Leading Indicators **Earnings:** Nucor, Philip Morris, Bank of NY, PPG, BB&T, WW Grainger

**Apr 20: Statistics: Earnings:** Proctor & Gamble, Suntrust Banks, Baker Hughes, Waste Management, GE, Honeywell, Schlumberger, State Street, Stanley Black & Decker

\*Industrial Production: a measure of output of industrial sector, includes manufacturing, mining and utilities. Small portion of GDP but highly sensitive to interest rates and consumer demand

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Week of April 30, 2018

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	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Apr 12	24,483	244.75			Bought DIA
Apr 13			7,106	161.25	Bought QQQ
Apr 30	24,163	241.54	7,066	160.94	

A little behind on these trades, but Apple reports earnings after the bell tomorrow.  
Some statistics and some earnings highlights this week:

**May 1: Stats:** March Construction spending **Earnings:** Merck, Apple, Gilead, Emerson Electric

**May 2: Stats: Earnings:** Metlife, Yum!, ADP, Mastercard, Apache, Estee Lauder, Express Scripts CVS Health, Prudential, Marathon Oil, Southern, Williams

**May 3: Stats:** March Intl trade, Q1 Productivity, March Factory orders **Earnings:** CBS, Con Ed, Berkshire Hathaway, PG&E

**May 4: Statistics:** April Nonfarm Payrolls, April Unemployment rate **Earnings:** Celgene

\*Nonfarm Payroll: employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, or non-profit organization employees.

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## Week of May 7, 2018 **Market Notes**

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Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
Apr 12	24,483	244.75			Bought DIA
Apr 13			7,106	161.25	Bought QQQ
May 3	23,930	239.1	7,088	161.8	Sold DIA and QQQ

A little behind on the EFTs, but go Apple!. Great earnings, stock buy back and now Warren Buffett owns 5% of the company. That's confidence!

**May 8: Stats:** March Job openings **Earnings:** Dish Network, Disney, TripAdvisor, Discovery, Monste Bev, Realty income, Oxy Petro, Marriott

**May 9: Stats:** April PPI, March Wholesale Inventories **Earnings:** Mylan, CenturyLink, BookingHoldings, Ameren

**May 10: Stats:** April CPI **Earnings:** Duke Energy, FlowServe, Symantec, Nvidia

**May 1: Statistics:** April Import Prices, May Michigan Sentiment **Earnings:** Celgene

\*Michigan Sentiment: consumer confidence index published by U of Michigan. Each month, 500 telephone interviews, 50 core questions, to survey household opinion of economy

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Week of May 14, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.5	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
May 14	24,899	249.27	7,411	169.75	

Last trade looks ok. Lots of retail earnings this week  
Some statistics and some earnings highlights this week:

**May 15: Stats:** April Retail Sales, March Business Inventories **Earnings:** Virtusa, Home Depot, Eagle Materials, Goodrich Petroleum, National Vision Holdings

**May 16: Stats:** April Housing Starts, Ind Production, Capacity Utilization\* **Earnings:** Perry Ellie, Take-Two Interactive software, Jack in the Box, Cisco, Macys

**May 17: Stats:** April leading indicators **Earnings:** Kemet, Walmart, Nordstrom Applied Materials, JC Penney

**May 18: Statistics: Earnings:** Campbell Soup, Deere, Hibbett Sports

\***Capacity utilization** is the extent to which an enterprise or a nation uses its installed productive **capacity**. It is the relationship between output that is produced with the installed equipment, and the potential output which could be produced with it, if **capacity** was fully used.

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Week of May 21, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
May 21	25,013	249.94	7,394	168.40	

Dowie wowie! Above 25k again!

Some statistics and some earnings highlights this week:

**May 22: Stats:** April Retail Sales, March Business Inventories\* **Earnings:** Eaton Vance, Advance AutoParts, Toll Bros, Urban Outfitters, Kohls, Intuit

**May 23: Stats:** New home sales, FOMC minutes **Earnings:** Ralph Lauren, L Brands, Tiffany, NetApp, Target, Williams-Sonoma, Lowe's

**May 24: Stats:** Existing home sales **Earnings:** Ross Stores, Gap, Hormel Food, McKesson, Autodesk, Big Lots, Best Buy, Toro

**May 25: Statistics:** April durable goods, May Michigan Sentiment **Earnings:** Foot Locker, Buckle, Hibbett Sports

\***Business inventories** is an economic figure that tracks the dollar amount of inventories held by retailers, wholesalers and manufacturers across the nation. Business inventories is the short version term for "Manufacturing and Trade Inventories and Sales," a monthly report released by the **U.S. Department of Commerce**.

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Week of May 29, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
May 29	24,361	243.49	7,396	168.97	

Our QQQ trade still looks good. Today's market drops in the US were mostly large cap, which is a response to Italy's possible exit from the Euro. It did rally the bond market, 30 year treasuries are yielding below 3%. Anyone getting a mortgage, quick!

Some statistics and some earnings highlights this week:

**May 30: Stats:** GDP Q1 **Earnings:** Daktronics, PVH, Analog devices, Guess? Movado, DSW, Michael Kors, Chico's, Dick's Sporting Goods

**May 31: Stats:** April Personal Income, Consumption, May Chicago PMI **Earnings:** Dollar Tree, Perry Ellis, Gamestop, Kirkland's, Dollar General, Donaldsossn, AmEagle outfitters, Costco Wholesale, Express, Ulta Beauty

**June 1: Stats:** May Nonfarm Payrolls\*, Unemployment Rate, April Construction Spending **Earnings:** Abercrombie & Fitch, Big Lots

**June 2:**

\*

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## Week of June 4, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
June 4	24,813	248.20	7,606	174.30	

Equity markets were up and down last week, Italy situation, tariffs, on-again off-again. But looking good now! QQQs up over 2% in one week. Apparently to catch employment numbers, tune into Twitter and follow Trump!

Some statistics and some earnings highlights this week:

**June 5: Stats:** April Job Openings (JOLTS)\* **Earnings:** Comtech Telecomm, Francesca's, G-III Apparel

**June 6: Stats:** April Intl trade, Q1 Productivity **Earnings:** Signet Jewel, ABM Industries, Greif, Verifone, United Nat Foods, Brown-Forman, Vera Bradley

**June 7: Stats:** April Consumer Credit **Earnings:** Smuckers, Cooper Co, Zumiez, Broadcom

**June 8: Stats:** April Wholesale Inventories Earnings:

\*JOLTS The job openings and labor turnover survey (JOLTS) is a survey done by the United States [Bureau of Labor Statistics](#) to help measure job vacancies. It collects data from employers including retailers, manufacturers and different offices each month. Respondents to the survey answer quantitative and qualitative questions about their businesses' employment, job openings, recruitment, hires and separations. The job openings and labor turnover survey data is published monthly and organized by region and industry.

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Week of June 18, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
June 18	24,987	249.73	7,747	176.50	

Some statistics and some earnings highlights this week:

**June 19: Stats:** May Housing Starts **Earnings:** Oracle, La-Z-Boy, FedEx

**June 20: Stats:** Q1 Current Account\*, May Existing Home Sales **Earnings:** Micron Tech, Actuant, Winnebago

**June 21: Stats:** May Leading Indicators **Earnings:** Barnes & Noble, Kroger, Methode Elect, Darden Rest, Patterson, Finish Line, Ret Hat, Mmercial Metals

**June 22: Stats:** April Wholesale Inventories **Earnings:** Carmax, Carnival

\*Current Account: one of two components of balance of payments. turnover survey data is published monthly and organized by region and industry. The current account consists of the [balance of trade](#), net *primary income* or *factor income* (earnings on foreign investments minus payments made to foreign investors) and net cash transfers, that have taken place over a given period of time. The current account balance is one of two major measures of a country's foreign trade (the other being the [net capital outflow](#)). A current account surplus indicates that the value of a country's net foreign assets (i.e. assets less liabilities) grew over the period in question, and a current account deficit indicates that it shrank. Both government and private payments are included in the calculation. It is called the current account because [goods](#) and [services](#) are generally consumed in the current period.

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Week of June 25, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
June 25	24,252	242.31	7,532	171.37	

Not a great day for the Dow, but looked like a buying opportunity toward the end.

Some statistics and some earnings highlights this week:

**June 26: Stats:** June Consumer Confidence\***Earnings:** Sonic, Paychex, Lennar, Factset, Worthington Inds, Aerovironment

**June 27: Stats:** May Durable Goods **Earnings** Nike, General Mills, HB Fuller, Bed Bath & Beyond

**June 28: Stats:** Q1 GDP **Earnings:** Accenture, McCormick, KB Home Walgreens

**June 29: Stats:** May Personal Income, May Consumption, June Chicago PMI, June Michigan Sentiment **Earnings:** Constellation Brands

\* **Consumer confidence** is an [economic indicator](#) that measures the degree of optimism that [consumers](#) feel about the overall state of the [economy](#) and their [personal financial](#) situation. If the consumer has confidence in the immediate and near future economy and his/her personal finance, then the consumer will spend more than save. The ability to predict major changes in consumer confidence allows businesses to gauge the willingness of consumers to make new purchases.

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## Week of July 9, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
July 9	24,776	247.82	7,756	177.19	

We've moved! New address: 1615 Hill Rd, Sunny Novato, CA

Some statistics and some earnings highlights this week:

**July 10: Stats:** May Job openings **\*Earnings:** PepsiCo, WD 40

**July 11: Stats:** June PPI. May Wholesale inventories **Earnings** Bank of the Ozarks, Angiodynamics, Fastenal

**July 12: Stats:** June CPI **Earnings:** Delta Commerce Bancshares

**July 13: Stats:** June import prices, Michigan sentiment\* **Earnings:** Citigroup, Wells Fargo, PNC Financial, JP Morgan

\* The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. It is based on telephone surveys that gather information on consumer expectations regarding the overall economy.

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Week of July 16, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	Status
Nov 7	23,557	235.42	6,767	153.88	Bought QQQ
Feb 7	24,893	251.26	7,051	161.9	Sold QQQ and DIA
Feb 27	25,410	256.12	7,330	169.50	Bought QQQ and DIA
Mar 15	24,876	251.40	7,481	171.53	Sold QQQ and DIA
May 10	24,739	247.46	7,404	169.62	Bought QQQ & DIA
July 16	25,064	250.67	7,805	179.18	

A little tariff is nothing, a lot of tariff, well it was de nada for the Dow last week

Some statistics and some earnings highlights this week:

**July 17: Stats:** June Ind production, June Capacity Utilization\* **Earnings:** Prologis, Omnicom Grp, Charles Schwab, J&J, CSX

**July 18: Stats:** June Housing Starts **Earnings:** Abbott Labs, Ebay, Am Exp, Morgan Stanley, IBM, Crown Castle, Grainger

**July 19: Stats:** June Leading Indicators **Earnings:** Intuitive Surgical, Union Pacific, Travelers, Microsoft, Philip Morris, Bank of NY, PPG, BB&T, Capital One

**July 20: Stats: Earnings:** Suntrust, Baker Hughes, GE, Honeywell, Schlumberger, Tate Street

\* *Capacity utilization* or *capacity* utilisation is the extent to which an enterprise or a nation uses its installed productive *capacity*. It is the relationship between output that is produced with the installed equipment, and the potential output which could be produced with it, if *capacity* was fully used.

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Week of July 23, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ
July 16	25,064	250.26	7,841	179.56
July 23	25,044	250.67	7,805	179.18

The stinky in Helsinki. Didn't appear to affect US equity markets. We're on track to have another year M&A activity exceeding \$1 trillion. (\$966 billion so far)

Some statistics and some earnings highlights this week:

**July 24: Stats: Earnings:** AT&T, Eli Lilly, Texas Instruments, 3M, Verizon, Biogen, Kimerly-Clark, United Tech

**July 25: Stats:** June Home sales **Earnings** Visa, Facebook, Ford, Gilead, Qualcomm, GM, Freeport, UPS

**July 26: Stats:** June Durable goods **Earnings:** McDonald's, Comcast, Mastercard, Amazon, Intel, Amgen, ConocoPhillips, Starbucks, Bristol Myers

**July 27: Stats:** Q2 GDP\*. July Michigan sentiment **Earnings:** Merck, Chevron, Exxon, Colgate Palmolive

[William Petty](#) came up with a basic concept of GDP to attack landlords against unfair taxations during [warfare between the Dutch and the English](#) between 1652 and 1674. [Charles Davenant](#) developed the method further in 1695. The modern concept of GDP was first developed by [Simon Kuznets](#) for a [US Congress](#) report in 1934. In this report, Kuznets warned against its use as a measure of welfare. After the [Bretton Woods conference](#) in 1944, GDP became the main tool for measuring a country's economy. At that time [gross national product](#) (GNP) was the preferred estimate, which differed from GDP in that it measured production by a country's citizens at home and abroad rather than its 'resident institutional units'

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Week of July 30, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ
July 23	25,044	250.67	7,805	179.18
July 30	25,306	252.87	7,630	175.11

Not a great week for Nasdaq, or as Barron's put it: Mark Zuckerberg, meet David Copperfield! Although disappearing \$119 billion more impressive than a disappearing Jetliner. Much worse week for Nasdaq

Some statistics and a slew of earnings earnings highlights this week:

**July 31: Stats:** Q2 Employment Cost Index, June Personal Income, July Chicago PMI\*, July Consumer confidence **Earnings:** Proctor & Gambol, Cummins, Archer Daniels Midland, Pfizer, American Tower, Apple, Johnson controls

**Aug 1: Stats:** June Construction spending **Earnings** Metlife, Allstate, Dominion Energy, Apache, Prudential, Express Scripts, Public Storage, Marathon Oil, Williams

**Aug 2: Stats:** June Factory Orders **Earnings:** Yum! Brands, CBS, Duke Energy, Kellogg, Consolidated Edisons, HCP, Cognizant Tech, American Intl, Berkshire Hathaway

**Aug 3: Stats:** July Nonfarm Payrolls, July Unemployment rate, June Intl trade **Earnings:** Lyondell Basell Industries

\*The Chicago Purchasing Managers Index (PMI) is an index released monthly and it indicates how vibrant regional manufacturing activity is. The index reports on data such as production, new orders, order backlog, inventories, prices paid, employment, and supplier deliveries.

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Week of August 6, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ
July 23	25,044	250.67	7,805	179.18
Aug 6	25,502	254.85	7,859	181.14

Well we'd say Nasdaq /Fang stocks recovering now! Of course, the trillion dollar monster company helps!

Some statistics and a slew of earnings earnings highlights this week:

**Aug 7: Stats:** June Job Openings (JOLTS)\*, June Consumer Credit **Earnings:** Disney, Denbury Resources, Discovery, PPL, Pioneer, Expeditors, Host Hotels, Emerson Electric

**Aug 8: Stats: Earnings** Mylan, Flowserve, CenturyLink, Booking, Monster Bev, Murphy Oil, 21<sup>st</sup> C Fox, CVS Health, Oxy petro, Wyndham, Michael Kors, Southern, Equinix

**Aug 9: Stats:** July PPI, June Wholesale Inventories **Earnings:** Microchip Tech, Viacom, Perrigo plc

**Aug 10: Stats:** July CPI **Earnings:**

\*JOLTS: The Job Openings and Labor Turnover Survey (JOLTS) is conducted by the Bureau of Labor Statistics of the U.S. Department of Labor. The program involves the monthly collection, processing, and dissemination of job openings and labor turnover data. The data, collected from sampled establishments on a voluntary basis, include employment, job openings, hires, quits, layoffs and discharges, and other separations.

The number of unfilled jobs—used to calculate the job openings rate—is an important measure of the unmet demand for labor. With that statistic, it is possible to paint a more complete picture of the U.S. labor market than by looking solely at the unemployment rate, a measure of the excess supply of labor.

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## Week of August 13, 2018      **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
July 23	25,044	250.67	7,805	179.18	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 13	25,187	252.04	7,819	180.51	

We sold DIA and QQQ on Aug 2, so far looks good. A slew of statistics Wednesday and earnings highlights this week:

**Aug 14: Stats:** Small Business Index, Import price index, household debt **Earnings:**

Nordic American, Aerpio Pharma, Alta Mesa, Axa holdings,

**Aug 15: Stats:** Retail sales, sales x-autos, Empire State index\*, productivity, Unit labor costs. Industrial production, Capacity utilization, home builders index, business inventories **Earnings:** Macys, NetApp

**Aug 16: Stats:** Weekly jobless claims, housing starts, building permits, Philly Fed Index

**Earnings:** Applied Materials, Nvidia, JC Penney, JD.com, Nordstrom, Walmart, Madison Square Garden

**Aug 17: Stats:** Consumer sentiment, leading economic indicators **Earnings:** Deere, Pacific Drilling, Lombard Medical

\*Empire State Index, also known as Empire State Manufacturing Survey, is conducted by the Federal Reserve of New York. Its responses to a questionnaire sent out on the first day of each month to an unchanged pool of 200 top manufacturing executives. Seeks their opinion of the change in a number of business indicators and their six-month projections. Widely watched for insights o the state and direction of manufacturing in New York.

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## Week of August 20, 2018      **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
July 23	25,044	250.67	7,805	179.18	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Aug 20	25,758	257.43	7,821	179.70	

We sold DIA and QQQ on Aug 2, and then bought back lower. Nice trade

**Aug 21: Stats:** Small Business Index, Import price index, Household debt\* **Earnings:** Toll Brothers, Smuckers, Urban Outfitters, Medtronic, American Eagle, Kohls

**Aug 22: Stats:** Existing Home Sales **Earnings:** Synopsys, L Brands, Analog Devices, Raven Ind, Target, Williams-Sonoma, Lowe's

**Aug 23: Stats:** July New Home sales **Earnings:** Ross stores, Gap, Hormel Foods, Childrens place, Autodesk, HP, Big Lots, Intuit, OSI Systems

**Aug 24/: Stats:** July Durable Goods **Earnings:** Foot Locker, Buckle, Gamestop

\* Household debt is defined as the amount of money that all adults in the household owe financial institutions. It includes consumer debt and mortgage loans. A significant rise in the level of this debt coincides historically with many severe economic crises and was a cause of the U.S. and subsequent European economic crises of 2007–2012.

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## Week of August 27, 2018      **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
July 23	25,044	250.67	7,805	179.18	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Aug 27	26,049	260.51	8,017	184.34	

We sold DIA and QQQ on Aug 2, and then bought back lower and now look at the prices! . Nice trade

Analysis in Barron's today about Sen Warren's proposal to have US companies have a material impact on society rather than shareholders. Without the detail, she doesn't acknowledge the aggregate level of companies impact. Then she suggests that US should be more like Germany. Strange, considering Germany has become one of the most unequal societies in the world. If you'd like a copy, buzz!

**Aug 28: Stats:** August Consumer confidence **Earnings:** Standex, Scansource, Tiffany, Shoe Carnival, H&R block, DSW, Best buy

**Aug 29: Stats:** Q2 GDP **Earnings:** Eaton Vance, Greif, Brown-Forman, Guess>, Movado, Chico's FAS, Dick's Sporting Goods, Express, Salesforce

**Aug 30: Stats:** July Personal Income, July Consumption **Earnings:** Dollar /tree, Methode Electronics, Campbell Soup, Abercrombie & Fitch, Cooper, Kirklands, Tech Data, Dollar General, Ciena

**Aug 31:: Stats:** August Chicago PMI\*, august Michigan Sentiment **Earnings:** BigLots

**Purchasing Managers' Indexes (PMI)** are economic indicators derived from monthly surveys of private sector companies. The data for the index are collected through a survey of 400 purchasing managers in the manufacturing sector on five different fields, namely, new orders from customers, speed of supplier deliveries, inventories, order backlogs and employment level. Respondents can report either better, same or worse conditions than previous months. For all these fields the percentage of respondents that reported better conditions than the previous months is calculated. The five percentages are multiplied by a weighing factor (the factors adding to 1) and are added

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## Week of September 4, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
July 23	25,044	250.67	7,805	179.18	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 4	25,952	259.73	8,091	185.85	

We brought again Aug 14 & 15, looks great. Another US company trades above \$ 1,000,000,000, Amazon, but didn't close there. Guessing this week Amazon closed with market cap above a trillion. o

**Sep 5: Stats:** July Construction Spending **Earnings** Calavo Growers, Caleres, Casey's General

**Sep 6: Stats:** July International Trade **Earnings:** vera Bradley, Aerovironment

**Sep 7: Stats:** Q2 Productivity, July Factory Orders **Earnings:** Barnes & Noble, Finisar, Donaldson, ABM Industries. KornFerry. Gamestop, Zumiez, Broadcom

**Sep 8:: Stats:** August Nonfarm payroll, August Unemployment Rate **Earnings:** Genesco

**Q2 Productivity** Productivity, in economics, measures output per unit of input, such as labor, capital or any other resource – and is typically calculated for the economy as a whole, as a ratio of gross domestic product (GDP) to hours worked. Labor productivity may be further broken down by sector to examine trends in labor growth, wage levels and technological improvement. Corporate profits and shareholder returns are directly linked to productivity growth.

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## Week of September 18, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
July 23	25,044	250.67	7,805	179.18	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 18	26,246	262.91	7,956	182.84	Sell DIA,QQQ

We sold our DIA, QQQ, and SPY etfs today. Tidy profit, sell off amid a weeks of threaten tariffs and nice prices today. Light earnings and economic reports this week

**Sep18: Stats: Earnings** General Mills, Autozone, Cracker Barrel

**Sep 19: Stats:** August housing starts **Earnings:** Scholastic, Herman Miller, Copart, Redhat

**Sep 20: Stats:** August Existing Home Sales, Leading Indicators **Earnings:** Thor Industries. United Nat Foods, Darden Restaurants, Micron Tech

**Sep 21: Stats: Earnings:**

### **What is a 'Leading Indicator**

A leading indicator is any economic factor that changes before the rest of the economy begins to go in a particular direction. Leading indicators help market observers and policymakers predict significant changes in the economy.

Leading indicators aren't always accurate. However, looking at leading indicators in conjunction with other types of data can help provide information about the future health of an economy.

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## Week of September 25, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
July 23	25,044	250.67	7,805	179.18	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 25	26,492	264.73	8,007	184.14	

Our sell may have been premature, but it isn't closed. Lots of crazy rocking the stock markets. We remained in our long stock positions

**Sep 25: Stats:** Sep Consumer Confidence\* **Earnings** Nike, AAR, Comtech, Jabil, KB Homes

**Sep 26: Stats:** August New Home Sales **Earnings:** Carmax, HB Fuller, Worthington Inds, Actuant, Bed Bath & Beyond

**Sep 27: Stats:** August Durable Goods, Q2 GDP **Earnings:** Accentura, Scholastic, Angiodynamics, Carnival, Progress Software, McCormick, Conagra Brands, Cantel

**Sep 28: Stats:** August Personal Income, Personal Spending, Sep Chicago PMI, Sep Michigan Sentiment **Earnings:**

### **\*Consumer Confidence Index**

The U.S. consumer confidence index (CCI) is an indicator designed to measure consumer confidence, which is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending. Global consumer confidence is not measured. Country by country analysis indicates huge variance around the globe.

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## Week of October 1, 2018      **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 1	26,651	266.47	8,037	186.17	

Yes we bout above our previous sell, a cautionary trade. Glad we jumped back in, as indexes are higher

**Oct 2: Stats:** August Factory Orders **Earnings** Pepsico, Paychex

**Oct 3: Stats:** August New Home Sales **Earnings:** Lennar, Synnex, Acuity Brands

**Oct 4: Stats:** Sep Nonfarm payrolls, Sep Unemployment, Aug Intl Trade, Aug Consumer Credit\* **Earnings:** Intl Speedway, Constellation Brands, Costco

**Oct 5: Stats: Earnings:**

**\*Consumer Credit**

## What is a 'Consumer Credit'

Consumer credit is a debt that a person incurs when purchasing a good or service. Consumer credit includes purchases obtained with credit cards, [lines of credit](#) and some loans. Consumer credit is also known as [consumer debt](#). Consumer credit is divided into two classifications: [revolving credit](#) and installment credit. The most common form of consumer credit is a credit card.

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Week of October 8, 2018

## Market Notes

	DJIA	DIA	Nasdaq	QQQ	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 8	26,486	264.86	7,735	179.05	

**Oct 9: Stats:** August Factory Orders **Earnings** Helen of Troy, AZZ

**Oct 10: Stats:** Sep CPI, August Wholesale inventories **Earnings:** Lindsay, Fastenal

**Oct 11: Stats:** Sept CPI **Earnings:** Delta Airlines, Commerce Bancshares, Walgreens Boots Alliance

**Oct 12: Stats:** Sept Import Sept Export Prices, Oct Michigan Sentiment **Earnings:**

### \*Wholesale Inventories

Amount of unsold *inventory* still in the possession of the *wholesaler*. If *wholesale inventories* start to become elevated, that typically means that retailers are purchasing less because demand for the products has decreased. Analysts look to *wholesale inventory* figures to see how the consumer market is performing.

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## Week of October 15, 2018     **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Oct 15	25,250	252.34	7,430	172.21	

That was a bad week, last week. This week isn't starting better. As luck would have it, we sold on Friday, while the Dow was up 300! Lots of earnings this week!

**Oct 16: Stats:** Sep Industrial Production, Capacity Utilization\*, August Job Openings  
**Earnings** Morgan Stanley, IBM, Goldman Sachs, J&J, CSX, Progressive. Blackrock, WW Grainger

**Oct 17: Stats:** Sept Housing starts **Earnings:** Abbott Labs, Kinder Morgan, US Bancorp, Northern Trust, M&T Bank, Crown Castle

**Oct 18: Stats:** Sept Leading Indicators **Earnings:** Dover, Intuitive Surgical, AmExp, Nucor, Travelers, Philip Morris, Bank of NY, PPG Ind, BB&T

**Oct 19: Stats:** Sept Existing Home Sales **Earnings:** Procter & Gamble, Suntrust Banks, Honeywell, Schlumberger State Street

### **\*Capacity Utilization**

The capacity utilization rate measures the proportion of potential economic output that is actually realized. Displayed as a percentage, capacity utilization levels give insight into the overall slack that is in the economy or a firm at a given point in time. The formula for finding the capacity utilization rate is:

$$(\text{Actual Output} / \text{Potential Output}) \times 10$$

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Week of October 22, 2018     **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
Aug 2	25,326	253.10	7,802	179.53	Sell
Aug 14	25,299	252.68	7,819	180.45	Buy DIA
Aug 15	25,162	251.23	7,870	179.23	Buy QQQ
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Oct 22	25,317	253.04	7,468	173.91	

Investing without a net can be risky! Vote Hermes Econometrics for Stock Market Net!

**Oct 23: Stats: Earnings:** Chubb, McDonalds, TI, 3M, Verizon, Biogen, Lockheed Martin, Caterpillar, United Tech, Capital One

**Oct 24: Stats:** Sept Housing starts **Earnings:** AT&T, Visa, Ford, Microsoft, Freeport-McMoran, Boeing, UPS

**Oct 25: Stats:** Sept Durable Goods **Earnings:** Google, Comcast, Merck, Celgene, Union Pacific, Amazon, Gilead, Intel, Conoco, Bristol Myers

**Oct 26: Stats:** Q3 GDP, Oct Michigan Sentiment **Earnings:** Colgate-Palmolive

**\*GDP**

The GDP or [gross domestic product](#) of a country provides a measure of the monetary value of the goods and services that country produces in a specific year. This is an important statistic that indicates whether an economy is growing or contracting. In the United States, the government releases an annualized GDP estimate for each quarter and also for an entire year.

country's GDP is a measure of consumer spending (C) plus business **investment** (I) and **government spending** (G) as well as its net **exports**, which is **exports** minus **imports** (X-M).  $GDP = C + I + G + (X - M)$

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## Week of October 29, 2018    **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Oct 29	24,442	244.47	7,050	163.23	

Check out where we are from the Nov 2016 election! Still a lot higher. Yes these down markets hurt. What is causing the stock markets correction? Besides deteriorating trade relations with China, midterm elections, rising rates, free-spending Italians, Saudi cover up? Michael Arone, Chief Invest Strategist for State Street SPDR, suggested that the Fed doesn't know where the "neutral Federal funds" is. So markets are pricing in the possibility of a monetary policy mishap. Bond markets can adversely effect stock markets.

**Oct 30: Stats:** Oct Consumer Confidence **Earnings:** Ebay, Mastercard, Facebook, Pfizer, GE, Cummings, Coke, Amgen

**Oct 31: Stats:** Oct Chicago PMI **Earnings:** Yum!, Am Int'l, Baxter, Apache, Estee Lauder, Anthem, GM, Express Scripts

**Nov 1: Stats:** Q3 Productivity, Sep Construction Spending **Earnings:** MetLife, CBS, Exelon, Berkshire Hathaway, Apple, Starbucks

**Nov 2: Stats:** Oct Non-farm payrolls, Unemployment rate, Sep Int'l trade, Sep Factory Orders **Earnings:** Duke Energy, Chevron, Exxon Mobil

### **\*Productivity**

Productivity, in economics, measures output per unit of input, such as labor, capital or any other resource – and is typically calculated for the economy as a whole, as a ratio of [gross domestic product](#) (GDP) to hours worked. Labor productivity may be further broken down by sector to examine trends in labor growth, wage levels and technological improvement. Corporate profits and shareholder returns are directly linked to productivity growth.

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## Week of November 5, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ

MidTerm Madness, almost over

**Nov 6, Stats:** Sep Job Openings (JOLTS)\* **Earnings:** Eli Lilly, Ralph Lauren, Archer Daniels Midland, Regeneron Pharma

**Nov 7: Stats:** Sep Consumer Credits **Earnings:** Dish Network, Qualcomm, 21C Fox, Sempra Energy, Marathon Oil, Humana, Wynn

**Nov 8: Stats: Earnings:** Disney, Centurylink, Activision Blizzard, Johnson Controls

**Nov 9: Stats:** Oct PPI, Nov Michigan Sentiment, Sep Wholesale Inventories **Earnings:**

### **\*JOLTS**

Job Openings and Labor Turnover Survey is a survey done by the United States [Bureau of Labor Statistics](#) to help measure job vacancies. It collects data from employers including retailers, manufacturers and different offices each month. Respondents to the survey answer quantitative and qualitative questions about their businesses' employment, job openings, recruitment, hires and separations. The job openings and labor turnover survey data is published monthly and organized by region and industry.

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## Week of November 12, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ
Nov 12	25,387	254.22	7,200	166.33	

Day after Midterm was election great for investors. According to Barron's, Average stock market rally after midterms: 13.6% Today we see how influential Apple stock is, not just because it's in all major indexes (Dow, Nasdaq, S&P), also as Apple's sales go, so do a lot of other companies sales go. We think Wall Street was a little harsh today and really represented good buying opportunities

**Nov 13: Stats: Earnings:** Childrens Place, Home Depot, Tyson Foods, EZCorp, Hillenbrand

**Nov 14: Stats:** October CPI **Earnings:** GAP, NetApp, Cisco, Macy's

**Nov 15: Stats:** October Import Prices, Oct Retail Sales, Sept Business Inventories

**Earnings:** Walmart, Nordstrom, Nvidia, Williams-Sonoma, Cubic, Applied Materials

**Nov 16: Stats:** Oct Industrial production, Oct Capacity Utilization **Earnings:** Rockwell Collins, Viacom, Helmerich & Payne

### **\*Capacity Utilization**

The capacity utilization rate measures the proportion of potential economic output that is actually realized. Displayed as a percentage, capacity utilization levels give insight into the overall slack that is in the economy or a firm at a given point in time. The formula for finding the capacity utilization rate is:

$$(\text{Actual Output} / \text{Potential Output}) \times 100$$

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## Week of November 26, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ
Nov 26	24,640	246.00	7,081	162.67	Sell DIA, QQQ

That was a turkey of a week on Wall Street! Big upcoming questions: Will the Fed continue to increase rates, and how bad will the discontinuation of Quantitative Easing be? Being felt at banks overseas. We did get a sell after all the activity of the past week.

A word about Apple (Not the FAANG stocks, most were trading at very high PE). Shares were up 40% through October. Then plunged 17%. Part is investor perceived sales of iphones. This last happened in 2015-16, when the stock dropped 30%, again perceived sales of iphones. For now, Analysts are only expecting a 2% decline in iphone sales, so the market has priced in a much worse decline. Also not priced in: Apple has \$123 Billion in net cash. Executives have vowed to spend that in increasing capital returns to investors. The company is on the side of shareholders. Hold that stock.

**Nov 27: Stats:** Nov Consumer Conf **Earnings:** Eaton Vance, Hibbet Sports, Salesforce, Cracker Barrel, Photronics

**Nov 28: Stats:** Q3 GDP, Oct New Home Sales **Earnings:** Semitech, Smuckers, Tiffany, Guess, La Z-Boy, Chico's, Dick's Sporting Goods

**Nov 29: Stats:** October Personal Income, Oct Personal Consumption Expenditures\*

**Earnings:** Dollar Tree, Abercrombie & Fitch, Gamestop, HP, Kirkland, Big Lots

**Nov 30: Stats:** Nov Chicago PMI **Earnings:** Childrens place, Movado, Rockwell Collins

\* Personal Consumption Expenditures: A measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services. The PCE price index is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior.

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Week of December 3, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Sep 18	26,246	262.91	7,956	182.84	Sell DIA, QQQ
Sep 27	26,439	264.25	8,041	185.75	Buy DIA, QQQ
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ
Nov 26	24,640	246.00	7,081	162.67	Sell DIA, QQQ

Cheers to a better December! Go apple and good luck with China

**Dec 4: Stats: Earnings:** Toll Brothers, Comtech, Autozone, Movado, Donaldson, Dollar General

**Dec 5: Stats:** Q3 Productivity **Earnings:** Synopsys, Greif, UN Foods, H&R Block, John Wiley & Sons, G-III Apparel, American Eagle, Ciena

**Dec 6: Stats** Oct Intl Trade, Oct Factory Orders, Oct Durable Goods **Earnings:** Signet Jewelers, Methode Electronics, Childrens Place, Patterson, Thor Indust, Genesco, Cooper Co, Broadcom, Liquidity Services, Kroger, Ulta Beauty, Toro

**Dec 7: Stats:** Nov Nonfarm Payrolls, Nov Unemployment, Dec Michigan Sentiment\* **Earnings:** Big Lots

\* What is the 'Michigan Consumer Sentiment Index - MCSI'

The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. It is based on telephone surveys that gather information on consumer expectations regarding the overall economy.

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## Week of December 10, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ
Nov 26	24,640	246.00	7,081	162.67	Sell DIA, QQQ
Dec 10	24,423	243.79	7,020	163.07	Buy DIA QQQ

Markets traded way down (down 500 at one point), to close up 34. A good sign, and we have a buy implemented today for ETFs

**Dec 11: Stats:** Nov PPI **Earnings:** Francesca's, DSW, American Eagle, Powell Inds

**Dec 12: Stats:** Nov CPI **Earnings:** Scholastic

**Dec 13: Stats** Nov Import Prices **Earnings:** Adobe, Costco

**Dec 14: Stats:** Nov Retail Sales, Nov Industrial Prod, Nov Capacity Utilization\* and Oct Business inventories **Earnings:**

\* The capacity utilization rate measures the proportion of potential economic output that is actually realized. Displayed as a percentage, capacity utilization levels give insight into the overall slack that is in the economy or a firm at a given point in time. The formula for finding the capacity utilization rate is:

$(\text{Actual Output} / \text{Potential Output}) \times 100$

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## Week of December 17, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ
Nov 26	24,640	246.00	7,081	162.67	Sell DIA, QQQ
Dec 10	24,423	243.79	7,020	163.07	Buy DIA QQQ
Dec 17	23,592	236.59	6,753	157.43	

This was a profitable trade prior to Dec 14. Let's watch Fed move on Wed

**Dec 18: Stats:** Nov Housing starts **Earnings:** Darden, Micron, Jabil, Fedex

**Dec 19: Stats:** Q3 current account, Nov existing Home sales **Earnings:** General Mills, Paychex, Herman Miller, Winnebago

**Dec 20: Stats** Nov leading indicators **Earnings:** Accenture, Nike, scholastic, Carnival, Walgreens, Conagra brands

**Dec 21: Stats** Nov Durable Goods , Q3 GDP, Nov Personal income, Dec Michigan Sentiment **Earnings:** Carmax

\* A leading indicator is any economic factor that changes before the rest of the economy begins to go in a particular direction. Leading indicators help market observers and policymakers predict significant changes in the economy.

Leading indicators aren't always accurate. However, looking at leading indicators in conjunction with other types of data can help provide information about the future health of an economy.

For instance, many market participants consider the [yield curve](#), specifically, the spread between two-year yields and 10-year yields, a leading indicator. This is because two-year yields in excess of 10-year yields is correlated with both recession and related market turbulence.

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Week of December 27, 2018 **Market Notes**

	DJIA	DIA	Nasdaq	QQQ	
11/8/16	18,332		5,193		
Oct 12	25,339	253.30	7,496	174.32	Sold DIA, QQQ
Nov 5	25,461	254.48	7,328	168.96	Buy QQQ
Nov 26	24,640	246.00	7,081	162.67	Sell DIA, QQQ
Dec 10	24,423	243.79	7,020	163.07	Buy DIA QQQ
Dec 20	22,858	236.59	6,525	157.43	sold DIA, QQQ

What a week! As they say, the biggest one day moves are generally during down markets.

**Dec 27: Stats: Earnings:** none

**Dec 28: Stats:** Dec Consume confidence Nov New Home sales **Earnings:** none

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