

MARKET STATISTICS

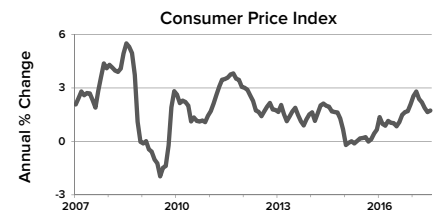
	LAST	WEEKLY CHANGE	% CHANGE
<i>S&P 500</i>	2,441	- 35	- 1.4%
<i>DJIA</i>	21,858	- 234	- 1.1%
<i>10-year U.S. Treasury</i>	2.19%	- 7 BP	

	LAST	WEEKLY CHANGE	% CHANGE
<i>30-year fixed mortgage</i>	3.90%	- 3 BP	
<i>Gold</i>	\$1,291	+ \$32	+ 2.5%
<i>WTI crude oil</i>	\$48.82	- \$0.76	- 1.5%

THIS WEEK'S HIGHLIGHTS

Sluggish Inflation Threatens Rate Hike

The Consumer Price Index (CPI) rose at a 1.7% year-over-year pace in July according to the Labor Department. Expectations fell short of the 1.8% expected by economist and were drug lower by declines in hotel and motel costs as well as weak new vehicle prices. Inflation continues to be a major concern for the Federal Reserve and may cause policy makers to take pause when considering an additional interest rate increase in December.



Jobless Claims Becoming Predictable

Weekly jobless claims readings have been locked in a historically low and relatively narrow range for the last several months. The highest claims level of the year was 261,000 jobs in the third week of March while the lowest was the last week of February at 227,000. The gap has narrowed even further in recent weeks. The most recent claims reading of 244,000 jobs was essentially in line with the four-week average of 241,000.

Period: August 5, 2017
Announced: 244,000
Expected: 240,000
Source: Department of Labor

Help Wanted!

Small business optimism had weakened in recent months but bounced back nicely in July. The National Federation of Independent Business (NFIB) Small Business Optimism Index rose 1.6 points to 105.2 exceeding consensus estimates of 103.5. The plan to hire index jumped 4 points to 19, reaching the highest level since 2003. Yet, small businesses are still having trouble finding workers as the positions not able to fill index (up 5 to 35) was the highest reading since November 2000.

Period: July 2017
Announced: 105.2
Expected: 103.5
Source: Natl. Fed. of Ind. Business

North Korean Drama Upsets Markets

Equity markets were rattled this week after a war of words erupted between Donald Trump and Kim Jong Un. Volatility returned and investors became concerned about a potential conflict causing the S&P 500 to fall 1.4% to close the week at 2,441. Safe haven asset classes rallied on the news. Gold climbed 2.5% to 1,291 per ounce and the 10-year Treasury rallied to a yield of 2.19%.

2-year UST - 6 bp to 1.29%
5-year UST - 7 bp to 1.74%
10-year UST - 7 bp to 2.19%
30-year UST - 6 bp to 2.78%
S&P 500 - 35 (-1.4%) to 2,441
DJIA - 234 (-1.1%) to 21,858
Nasdaq - 95 (-1.5%) to 6,257
FTSE - 202 (-2.7%) to 7,310