

# WEEKLY ECONOMIC UPDATE

November 28, 2011

## WEEKLY QUOTE

“People always call it luck when you’ve acted more sensibly than they have.”

– Anne Tyler

## WEEKLY TIP

Visiting the mall or the grocery store when you are depressed or hungry may encourage you to spend excessively and run up a tab you regret.

## WEEKLY RIDDLE

We all have one, and even though it often demands an answer, it offers no question. What is this everyday item?

### Last week’s riddle:

Gerald Ford was our 38th President, but he was actually the 37th man to take the job. Why was that?

### Last week’s answer:

Grover Cleveland held two non-consecutive terms of office – he was both the 22nd and 24th U.S. President.

## A TINY INCREASE IN CONSUMER SPENDING

Personal spending advanced by just 0.1% in October, the smallest gain in four months, as measured by the Commerce Department. Hopefully a strong Black Friday and Cyber Monday will make November a different story. In better news, personal incomes rose 0.4% last month, the best month for that statistic since March. America’s savings rate increased 0.2% to 3.5%.<sup>1</sup>

## HOUSEHOLD CONFIDENCE RISES

Americans seems to be feeling less pessimistic about the economy. The final November Thomson Reuters/University of Michigan consumer sentiment survey came in at 64.1, much better than the final October mark of 60.9.<sup>1</sup>

## HOME SALES, DURABLE GOODS ORDERS ENCOURAGE

The National Association of Realtors reported a 1.4% increase in existing home sales in October and a 2.2% monthly reduction in the backlog of unsold properties, taking the inventory down to 8.0 months. Overall hard goods orders declined 0.7% in October but were up 0.7% with transportation orders factored out; economists polled by Bloomberg News had expected a 1.2% overall monthly retreat.<sup>2,3,4</sup>

## GOLD DIPS UNDER \$1,700

The precious metal slipped 2.27% last week, and it is down 5.71% in the past two weeks; prices settled at 1,685.50 an ounce. Oil lost 0.92% last week on the NYMEX to settle at \$96.77 at closing.<sup>5</sup>

## BUYERS CROWD THE MALLS, BUT NOT WALL STREET

Stocks were hit hard during a short trading week by two developments: the failure of the “super committee” on Capitol Hill and a German bond auction at which 35% of the 10-year notes offered went unsold. The numbers for the week: DJIA, -4.78% to 11,231.78; S&P 500, -4.69% to 1,158.67; NASDAQ, -5.09% to 2,441.51.<sup>6</sup>

**THIS WEEK:** On Cyber Monday, the numbers on October new home sales come out. Tuesday, the latest S&P/Case-Shiller home price index is released along with the Conference Board’s November snapshot of U.S. consumer confidence; also, Tiffany issues 3Q results. Wednesday, we get data on October pending home sales from the National Association of Realtors and a new Federal Reserve Beige Book. Thursday brings the latest initial claims numbers, November’s ISM manufacturing index, data on auto sales from the Commerce Department and earnings from Kroger, Barnes & Noble and H&R Block. Friday, the October unemployment report is released and Big!Lots announces 3Q earnings.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-2.99	+1.26	-1.71	+1.25
NASDAQ	-7.97	-3.67	-0.15	+2.58
S&P 500	-7.87	-2.58	-3.46	+0.0001
REAL YIELD	11/25 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.05%	0.75%	2.27%	3.50%

Sources: usatoday.com, bigcharts.com, treasury.gov, treasurydirect.gov - 11/25/11<sup>7,8,9,10</sup>  
Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly.  
These returns do not include dividends.

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