



WEALTH MANAGEMENT GROUP

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Presents:

WEEKLY ECONOMIC UPDATE

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WEEKLY QUOTE

“A happy person is not a person in a certain set of circumstances, but rather a person with a certain set of attitudes.”

– Hugh Downs

WEEKLY TIP

If you’re going to start a home-based business, make sure your local zoning regulations permit it. The Small Business Administration’s website has an overview (Zoning Laws for Home-Based Businesses).

WEEKLY RIDDLE

Two trains are crossing America from coast to coast, traveling over 3,000 miles of track. The Gentle Zephyr is going west at 70mph; the Western Wind is headed east at 80mph. So which train will be closer to the east coast when they roll by each other in Kansas?

CRUNCH TIME ON CAPITOL HILL

After the defeat of the “Cut, Cap and Balance” bill in the Senate Friday, President Obama and House Speaker John Boehner (R-OH) were left to work on a deficit reduction plan with a projected \$3 trillion cut in federal spending. Discussions stalled Friday, and Congress was not in session over the weekend. While Obama seeks tax increases as part of any accord, Congressional sources told Reuters that they may be tossed out of the deal. Any new bill will likely have to pass this week in the House in order to exit the Senate before the Treasury Department’s August 2 deadline. Overseas, the European Union approved a \$157 billion bailout package for Greece that could also bring significant debt relief to Portugal and Ireland.<sup>1,2,3</sup>

LESS HOMEBUYING, MORE HOMEBUILDING

Existing home sales declined by 0.8% in June, according to the National Association of Realtors. They were down 8.8% from a year ago, when the federal homebuyer tax credit was poised to expire. In better news, U.S. housing starts were up 14.6% for June and up 16.7% year-over-year.<sup>4,5</sup>

GOLD TOPS \$1,600, OIL SETTLES NEAR \$100

Gold gained \$11.50 last week and settled at \$1,601.30 per ounce Friday. Oil futures ended the week at \$99.87 on the NYMEX, logging a 2.33% weekly advance.<sup>6</sup>

STOCKS ADVANCE 2.2% IN 5 DAYS

Progress in European debt talks and solid earnings sent U.S. benchmarks higher last week. Across July 18-22, the S&P 500 gained 2.19%, the NASDAQ 2.47% and the DJIA 1.61%. Friday, the major indices finished as follows: DJIA, 12,681.16; S&P 500, 1,345.01; NASDAQ, 2,858.83. Something notable occurred at One Liberty Plaza: the NASDAQ-100 hit its highest level since February 2001 on Friday.<sup>6,7</sup>

THIS WEEK: On Monday, earnings roll in from Netflix, Broadcom and Texas Instruments. Tuesday brings a new S&P/Case-Shiller Home Price Index, June new home sales data, the Conference Board’s July Consumer Confidence Index and 2Q results from GlaxoSmithKline, Ford, Deutsche Bank, BP, US Steel, 3M, UBS, UPS and Amazon. Wednesday we get a new Federal Reserve Beige Book, June durable goods orders data and earnings from ConocoPhillips, Boeing, Delta, AutoNation, Aetna, Dow Chemical, Visa, Aflac, Symantec and WholeFoods. Thursday brings earnings from Credit Suisse, ExxonMobil, DR Horton, DuPont, Kellogg, Starbucks, Bristol-Myers Squibb, Motorola, Time Warner Cable, Sprint and MetLife plus weekly initial and continuing claims numbers. Friday offers 2Q results from Chevron and Merck and the final University of Michigan consumer sentiment survey for July.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
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**Last week's riddle:**  
Name two words in the English language that have the letter I twice in the middle of the word.

**Last week's answer:**  
Skiing, taxiing.

DJIA	+9.53	+22.85	+3.34	+2.16
NASDAQ	+7.76	+27.29	+8.30	+4.38
S&P 500	+6.95	+22.98	+1.69	+1.29
<b>REAL YIELD</b>	<b>7/22 RATE</b>	<b>1 YR AGO</b>	<b>5 YRS AGO</b>	<b>10 YRS AGO</b>
10 YR TIPS	0.61%	1.21%	2.49%	3.50%

Sources: cNBC.com, bigcharts.com, treasury.gov, treasurydirect.gov - 7/22/11<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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