



WEALTH MANAGEMENT GROUP

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Presents:

WEEKLY ECONOMIC UPDATE

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WEEKLY QUOTE

“It is better to be absolutely ridiculous than absolutely boring.”

– Marilyn Monroe

WEEKLY TIP

Don't “fake it to make it” – that is, don't live as if you are wealthy to create a perception of success. This is a very good way to get into debt, and to live according to your wants instead of your needs or goals.

WEEKLY RIDDLE

Wilson, Xavier, Yolanda, and Zach are standing in line at the market. See if you can figure out their order from these clues: Yolanda is between Wilson and Xavier, Zach is next to Wilson, and Xavier is not first.

Last week's riddle:

How much dirt is in a 2-foot diameter hole that is 4 feet deep?

Last week's answer:

None - there is no dirt

PEAK HOMEBUYING SEASON, BUT FEWER HOME SALES

The National Association of Realtors reported a 3.8% dip in existing home sales in May, and the Census Bureau noted a 2.1% reduction in new home purchases last month. The good news? New home sales were up 13.5% from last May, with the average price of a new home up \$1,400 to \$266,400. However, existing home sales were down 15.3% from a year before while the median existing home price was down 4.6% across the past 12 months.^{1,2}

IEA RELEASE SHIFTS SENTIMENT IN OIL MARKET

Thursday, the International Energy Agency decided that major oil-producing countries should release oil from their reserves to address a global shortfall. The U.S. will supply half of the 60 million barrels from its Strategic Petroleum Reserve, with the balance coming from nations in Europe and Asia. On Friday, oil futures in Europe slipped about 8% and settled at a four-month low; U.S. oil futures lost only 2.4% on the week and settled at \$91.16 a barrel on the NYMEX.³

POSITIVE SIGNALS FOR BUSINESS INVESTMENT

The Commerce Department reported a 1.9% increase in durable goods orders for May. That's a nice news item in itself, but consider the last few quarters and you notice that business investment is really ramping up: data from the Census Bureau has orders for new capital equipment rising at a 28% annualized pace during the last three months, and shipments of new capital equipment are up 15% in that span.^{4,5}

NASDAQ GLIDES THROUGH VOLATILE WEEK

The tech-heavy index pulled out a 1.39% advance across June 20-24 to settle at 2,652.89 Friday, having a very different week from the Dow (-0.58% to 11,934.58) and the S&P 500 (-0.24% to 1,268.44).⁶

THIS WEEK: Monday, we get the Commerce Department's report on consumer spending for May, plus earnings from Nike. Tuesday offers the April edition of the S&P Case-Shiller home price index and the Conference Board's June look at consumer confidence. Wednesday, we have 2Q results from General Mills, Family Dollar, KB Home and Monsanto plus the NAR's report on May pending home sales. June ends on Thursday, and QE2 ends with it; of course, the latest initial and continuing claims figures will be released. Friday, July begins with the University of Michigan's final June consumer sentiment survey, the June ISM manufacturing index, and data on May construction spending.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+3.08	+17.55	+1.72	+1.36

at all in the hole you have dug.

NASDAQ	+0.000008	+19.64	+5.00	+2.94
S&P 500	+0.86	+18.14	+0.38	+0.41
REAL YIELD	6/24 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.64%	1.23%	2.64%	3.52%

Sources: cnbc.com, bigcharts.com, treasury.gov, treasurydirect.gov - 6/24/11^{6,7,8,9}
Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly.

These returns do not include dividends. **If you would like to receive the weekly updates via email please give us a call at the office or send a note to: amy@masterswealth.com**



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