

GIESTING FINANCIAL WEEKLY UPDATE

May 18, 2015



WEEKLY QUOTE

“The truth is not simply what you think it is; it is also the circumstances in which it is said, and to whom, why and how it is said.”

- Vaclav Havel

WEEKLY TIP

Wondering what your cash flow might be like in retirement? Think about your potential income needs in your eighties and nineties as well as your sixties and seventies. Take sustained moderate inflation and the possibility of major medical expenses into account for the long term.

WEEKLY RIDDLE

No matter how little or how much you use me, you change your view of me every month. What am I?

A MESSAGE FROM MARK...

“Helping you get the most out of life.” That’s our Mission. When you’ve been in our office you’ve seen the photos of Denise and our children, my New York City marathon memorabilia, my Oldenburg poster - and notes from our clients. Those are some of the things that mean the most to me. What does “getting the most out of life” mean to you? What do you enjoy doing most right now, what are your dreams for an ideal retirement and what do you enjoy about being retired if you’ve already reached that stage?

We want to know – and we want pictures! Send us a photo of what “getting the most out of life” means to you to bill@giestingfinancial.com. Once our office renovations are complete we’d like to fill our walls and desks with pictures of you doing what you enjoy most – because that’s what we’re here for.

RETAIL SALES WERE FLAT IN APRIL

Analysts surveyed by MarketWatch had forecast only a 0.1% advance, so this news was no shock. Still, it was disappointing after the (revised) 1.1% gain noted by the Commerce Department for March. The year-over-year improvement in the pace of retail sales was just 0.9%; last August, it reached 5.0%. Core retail sales (minus car and truck buying and fuel purchases) only increased 0.1% last month.^{1,2}

CONSUMER SENTIMENT DIPS

The decline in the preliminary May University of Michigan consumer sentiment index defied expectations. At 88.6, the index fell 7.3 points from its final April mark. A consensus forecast of analysts contacted by Reuters projected a 96.0 reading.³

PRODUCER PRICES & INDUSTRIAL OUTPUT RETREAT

The Producer Price Index is still showing the impact of cheaper energy costs – it fell 0.4% in April after rising 0.2% a month earlier. According to the Federal Reserve, industrial production declined 0.3% in April, the same as in March.²

STOCKS & OIL CLIMB

Light sweet crude settled at \$59.69 on the NYMEX Friday, advancing for a ninth straight week – its longest weekly winning streak since 1983. As a Thursday rally offset losses from previous trading days, the Dow advanced 0.45% for the week to 18,272.56. The Nasdaq Composite rose 0.89% last week to 5,048.29, the S&P 500 0.31% to 2,122.73.^{4,5}

Last week's riddle:
I'm tall when I'm young and short when I'm old, usually indoors and sometimes on fire. What am I?

Last week's answer:
A candle.



THIS WEEK: Urban Outfitters and Take-Two Interactive issue quarterly results Monday. On Tuesday, earnings arrive from Walmart, Dick's Sporting Goods, TJX, Home Depot, Red Robin, and Etsy along with data on April housing starts and groundbreaking. Minutes from April's Federal Reserve policy meeting appear Wednesday, plus earnings from American Eagle Outfitters, Hormel, L Brands, Target, Lowe's, NetApp, Salesforce.com, Staples and Williams-Sonoma. Thursday, Wall Street reviews April existing home sales, new initial claims numbers, April leading indicators from the Conference Board and earnings from Aeropostale, Advance Auto Parts, America's Car-Mart, Best Buy, Booz Allen Hamilton, Intuit, Dollar Tree, The Fresh Market, Gap, Hewlett-Packard, Lions Gate Entertainment, Ross Stores, Toro and Stein Mart. Friday, Fed chair Janet Yellen speaks in Rhode Island on the outlook for the U.S. economy; in addition, April's CPI appears plus earnings from Foot Locker, Ann, Deere & Co. and Campbell Soup.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+2.52	+11.10	+14.41	+7.82
NASDAQ	+6.59	+24.06	+23.02	+15.31
S&P 500	+3.10	+13.46	+17.38	+8.21
REAL YIELD	5/15 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.31%	0.31%	1.26%	1.66%

Sources: wsj.com, bigcharts.com, treasury.gov - 5/15/15^{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. 10-year TIPS real yield = projected return at maturity given expected inflation.

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Citations.

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