



**DOT MECHTENBERG, INC.**  
Specializing in Wealth Management

Dot Mechtenberg is the exclusive Financial Planning expert for the Haystack Help Radio Show and the Sportsman Of Colorado Radio Show airing on 560AM KLZ The Source in Denver, CO. Dot is a regular featured guest on both radio shows. Dot also continues to be featured on CBS4 Haystack Help TV in Denver, CO.



Dot Mechtenberg  
President



*Dot Mechtenberg Presents:*

# WEEKLY ECONOMIC UPDATE

June 6, 2016

## WEEKLY QUOTE

“All the world’s a stage and most of us are desperately unrehearsed.”

- Sean O’Casey

## WEEKLY TIP

Self-employed? Note that you can deduct 100% of your health insurance premiums (for yourself and your family) as an adjustment to gross income.

## WEEKLY RIDDLE

Three feet have I, yet not a single leg. What am I?

### Last week’s riddle:

I descend softly, fade away gently, change the color of the ground, but I never go up the way I come down. What am I?

### Last week’s answer:

Snow.

## MAY SAW WEAKEST JOB GROWTH IN 5+ YEARS

Did any economist foresee payrolls expanding by just 38,000 jobs in May? The median forecast compiled by MarketWatch projected a gain of 155,000, not the worst number since September 2010. The Department of Labor reduced March and April payroll gains by 59,000 in its new report, meaning monthly job creation averaged 116,000 in the past three months. As labor force participation declined 0.6% in May, the headline jobless rate fell to 4.7%. Annualized wage growth was at 2.5%.<sup>1,2</sup>

## CONSUMERS FLEX THEIR PURCHASING POWER

In better news, personal spending rose 1.0% in April according to the Department of Commerce. This was the biggest monthly spending gain since August 2009. Personal incomes were up 0.4% in April as well.<sup>2,3</sup>

## ONE OF TWO ISM PMIS IMPROVE

Both of the purchasing manager indices maintained by the Institute for Supply Management were above the 50 level in May, indicating sector growth. The upside? The manufacturing PMI improved 0.5 points to 51.3. The downside? The service sector PMI slipped 2.8 points to 52.9.<sup>2</sup>

## CONSUMER CONFIDENCE DIPS

Last month brought a decline in the Conference Board’s index of consumer confidence. Analysts surveyed by MarketWatch forecast a May reading of 96.7 for the index, yet it fell 2.1 points to 92.6 in its second straight monthly descent.<sup>2,3</sup>

## NASDAQ ADVANCES, UNLIKE S&P & DOW

Immediately after the May jobs report, futures traders put the odds of a June interest rate hike under 10%. Even so, there was no rally at the end of a short trading week. While the Nasdaq rose 0.83% in four days, the S&P 500 was flat for the week (to be precise, it added 0.07 points) and the Dow lost 0.12%. The Friday settlements: DJIA, 17,807.06; S&P, 2,099.13; NASDAQ, 4,942.52.<sup>1,4</sup>

**THIS WEEK:** Federal Reserve chair Janet Yellen speaks on the economy and

monetary policy Monday in Philadelphia; investors will also consider earnings from Casey's General Stores and Thor Industries. Tuesday, Michaels and VeriFone report earnings. Wednesday, Lululemon Athletica presents Q1 results. Thursday offers quarterly results, plus the latest initial claims numbers, from H&R Block and J.M. Smucker. The University of Michigan's preliminary June consumer sentiment index appears Friday.

<b>% CHANGE</b>	<b>Y-T-D</b>	<b>1-YR CHG</b>	<b>5-YR AVG</b>	<b>10-YR AVG</b>
DJIA	+2.19	-1.49	+9.31	+5.83
NASDAQ	-1.30	-3.07	+16.17	+12.27
S&P 500	+2.70	-0.71	+12.29	+6.29
<b>REAL YIELD</b>	<b>6/3 RATE</b>	<b>1 YR AGO</b>	<b>5 YRS AGO</b>	<b>10 YRS AGO</b>
10 YR TIPS	0.19%	0.55%	0.75%	2.37%

Sources: wsj.com, bigcharts.com, treasury.gov - 6/3/16<sup>5,6,7,8</sup>

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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