

July 26, 2018

Good Morning,

Second quarter corporate earnings have been very strong, as expected, aided by revenue gains and tax law changes. Stocks continue to slowly grind higher as solid earnings have been tempered by trade tensions. Treasury yields have risen over the past week, also in reaction to trade concerns. This week is full of financial data being watched closely by economists, investors and the Federal Reserve.

As I've mentioned in the past, housing is a very important component of our economy. That sector has been strong for several years, but recent data show that trend may be topping out, if not already in decline. Housing impacts construction and mortgage financing, and a strong housing market adds to consumer confidence and personal wealth. Rising interest rates makes homes less affordable, as well. We're keeping an eye on this important sector of the economy.

On Friday, the first official estimate of second-quarter gross domestic product is expected to show rising growth, from 2 percent in the first quarter to 4 percent in the second quarter. A strong second quarter has been anticipated for some time. So, if the report comes in solid, it will simply meet expectations. Friday's GDP estimate has the potential to influence markets.

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

I know we needed the rain, but couldn't it just come at night?

Have a great weekend,

Wade

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