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## >> Market Update

**QUOTATION OF THE WEEK...** *"Don't talk about yourself; it will be done when you leave."* --**Wilson Mizner**, American playwright

**INFO THAT HITS US WHERE WE LIVE...** The National Association of Realtors (NAR) reports **the median single-family home price edged up to \$269,000 in Q2, a 5.3% gain year-over-year**. The median family income also rose, to \$75,106, though we'd like to see it up some more.

*Tight supply at certain price points is a drag on home sales in certain markets. But overall, the NAR notes Q2 saw a 0.5% year-over-year spike in available homes, to 1.95 million units. So reports of a housing market slowdown seem a bit premature.*

About 40% of Americans feel **buying a home is the most stressful event in modern life**, according to homes.com. Their senior content manager says "they are looking for guidance and assistance," which of course is where we all come in.

**BUSINESS TIP OF THE WEEK...** *A great time to get a referral is when you're wrapping up business with clients. If they're happy with what you delivered, ask if they know anyone else who might need your services.*

## >> Review of Last Week

**TURKEY...** A drop in the Turkish lira made the week a turkey for investors. Worries over how the lira's dive would impact European banks with Turkish exposure sent **the Dow and S&P 500 south for the week, though the tech-y Nasdaq headed up**.

The Consumer Price Index (CPI) pegged inflation at 0.2% in July. **Core CPI, excluding volatile food and energy prices, is up 2.4% the past 12 months.** Many think this could mean two more rate hikes from the Fed this year.

**Initial jobless claims sank to 213,000, while continuing claims remain in 1.7 million territory.**

Economists say these numbers point to a healthy rate of job creation--key to the health of the real estate market.

The week ended with the Dow down 0.6%, to 25313; the S&P 500 down 0.2%, to 2833, and the Nasdaq UP 0.3%, to 7839.

Bonds benefited from the flight to safety after Turkey's currency probs. The 30YR FNMA 4.0% bond ended up .14, to \$101.81. **Freddie Mac's latest Primary Mortgage Market Survey showed the national average 30-year fixed mortgage rate inched lower. Remember, mortgage rates can be extremely volatile, so check with your mortgage professional for up-to-the-minute information.**

**DID YOU KNOW?...** Realtor.com says smoking in a home can reduce its resale value up to 29%. For more on this, including tips to get of cigarette odor, [click here](#).

## >> This Week's Forecast

**HOME BUILDING, RETAIL SALES, MANUFACTURING ALL GROW...** The big economic reports this week all forecast continued growth. **Housing Starts** and **Building Permits** should show nice gains. **Retail Sales** are predicted up a tad overall and more than a tad excluding volatile auto sales. The **Philadelphia Fed Index** is expected to indicate solid expansion of factory activity in that key region

## >> The Week's Economic Indicator Calendar

Weaker than expected economic data tends to send bond prices up and interest rates down, while positive data points to lower bond prices and rising loan rates.

### Economic Calendar for the Week of Aug 13 - Aug 17

Date	Time (ET)	Release	For	Consensus	Prior	Impact
W Aug 15	08:30	Retail Sales	Jul	0.1%	0.5%	HIGH
W Aug 15	08:30	Retail Sales ex-auto	Jul	0.3%	0.4%	HIGH
W Aug 15	08:30	Productivity - Prelim.	Q2	2.0%	0.4%	Moderate
W Aug 15	08:30	Unit Labor Costs - Prelim.	Q2	0.5%	2.9%	Moderate
W Aug 15	08:30	NY Empire Manufacturing Index	Aug	22.0	22.6	Moderate

W Aug 15	09:15	Industrial Production	Jul	0.4%	0.6%	Moderate
W Aug 15	09:15	Capacity Utilization	Jul	78.3%	78.0%	Moderate
W Aug 15	10:00	Business Inventories	Jun	0.1%	0.4%	Moderate
W Aug 15	10:30	Crude Inventories	08/11	NA	-1.4M	Moderate
Th Aug 16	08:30	Initial Unemployment Claims	08/11	217K	213K	Moderate
Th Aug 16	08:30	Continuing Unemployment Claims	08/04	NA	1.755M	Moderate
Th Aug 16	08:30	Housing Starts	Jul	1.256M	1.173M	Moderate
Th Aug 16	08:30	Building Permits	Jul	1.316M	1.273M	Moderate
Th Aug 16	08:30	Philadelphia Fed Index	Aug	23.0	25.7	HIGH
F Aug 17	10:00	Leading Economic Index (LEI)	Jul	%0.5	0.5%	Moderate
F Aug 17	10:00	U. of Michigan Consumer Sentiment - prelim.	Aug	97.8	97.9	Moderate

## >> Federal Reserve Watch

*Forecasting Federal Reserve policy changes in coming months...Wall Street expects two more quarter percent rate hikes this year, the first at the end of September. Note: In the lower chart, an 89% probability of change is only an 11% probability the rate will stay the same.*

**Current Fed Funds Rate: 1.75%-2.00%**

After FOMC meeting on:	Consensus
Sep 26	2.00%-2.25%
Nov 8	2.00%-2.25%
Dec 19	2.25%-2.50%

**Probability of change from current policy:**

After FOMC meeting on:	Consensus
Sep 26	89%
Nov 8	11%
Dec 19	58%

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