

Tim Hummel and Steve Newman Present

Weekly Economic Update for the Week of August 4, 2008

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Quote of the week. "The wisest men follow their own direction." – Euripides

5.7% jobless rate. On Friday, Labor Department data put joblessness at a four-year high. In June, the economy shed 51,000 jobs, better than the 75,000 forecast by economists at Briefing.com. The jobless rate has risen 1% in the last 12 months.¹

Upturn in consumer confidence. So says the Conference Board's July survey. The 51.9 July reading beat the even 50 reading forecast by economists, reversing six months of decline - but the index was only about half of what it was a year ago.²

New GDP data. According to the Commerce Department, 2Q 2008 GDP was 1.9%, well under the 2.4% median prediction of economists polled by Thomson Financial/IFR. But that was still much better than the 0.9% expansion in the first quarter. The revised 4Q 2007 GDP (-0.2%) raised eyebrows.³

Gas under \$3.90 per gallon. On Friday, retail gas prices fell for the 15th consecutive day according to the American Automobile Association, even with oil prices rallying at midweek. The average price for a gallon of regular unleaded has dropped \$0.21 since July 16.⁴ Oil futures closed at \$125.10 per barrel on the New York Mercantile Exchange Friday.⁵

Topsy-turvy week. After a few triple-digit ascents and descents, the Dow Jones Industrial Average ultimately lost 0.5% last week. The S&P 500 advanced 0.2%, and the NASDAQ was flat.⁶

% Change	Y-T-D	1-Year	5-Yr Avg
DJIA	-14.61	-17.98	+4.75
NASDAQ	-12.87	-10.51	+6.94
S&P 500	-14.17	-16.31	+5.72

(Source: USA Today.com, CNNMoney.com, 8/1/08) ^{7,8}

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.

Riddle of the week. Is it legal in Wales for a man to marry his widow's sister?

Contact my office or see next week's Update for the answer.

Last week's riddle: A doctor in Paris has a brother in Toronto who is a lawyer. The lawyer does not have a brother who is a doctor in Paris. How is this possible?

Answer: The doctor in Paris is a woman.

Please feel free to forward this article to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will contact them and ask for their permission to be added.

The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is not possible to invest directly in an index. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx[®], and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. All economic and performance data is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot invest in unmanaged indices. The publisher is not engaged in rendering legal, accounting or other professional services. If other expert assistance is needed, the reader is advised to engage the services of a competent professional. Please consult your Financial Advisor for further information. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards.

- Citations.** ¹ money.cnn.com/2008/08/01/news/economy/jobs_july/?postversion=2008080111 [8/1/08]
² chicagotribune.com/business/chi-wed-consumer-confidence-jul30,0,3658951.story [7/30/08]
³ online.wsj.com/article/SB121750718275300573.html?mod=googlenews_wsj [8/1/08]
⁴ money.cnn.com/2008/08/01/news/economy/fuel/?postversion=2008080107 [8/1/08]
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⁶ marketwatch.com/news/story/us-stocks-fall-after-jobs/story.aspx?guid=%7b425A492A-951C-40DB-8C0A-61F59D2E79DA%7d&dist=msr_25&print=true&dist=printMidSection [8/1/08]
⁷ usatoday.com/money/default.htm [8/1/08]
⁸ money.cnn.com/quote/historical/historical.html?pg=hi&close_date=8%2F1%2F07&mode=add&symb=DJIA [8/1/08]
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