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The Markets (as of market close September 8 2017)

Retail gas prices surged as Hurricane Harvey forced refineries to shut down, leading to curtailed petroleum shipments. Higher gas prices cut into investors' pockets, prompting them to move money from stocks to bonds. Hurricanes Harvey and Irma, plus continued tensions between the United States and North Korea, didn't help equities. The yield on 10-year Treasuries fell 11 basis points as prices rose.

Last Week's Economic Headlines

The Bureau of Economic Analysis releases a monthly report on the trade deficit for goods, as well as a more comprehensive report on the deficit for both goods and services. For July, the goods and services deficit was \$43.7 billion, up \$0.1 billion from June. July exports were \$194.4 billion, \$0.6 billion less than June exports. July imports were \$238.1 billion, \$0.4 billion less than June imports. Year-to-date, the goods and services deficit increased \$27.9 billion, or 9.6%, from the same period in 2016. Examining the trade balance provides an indication of a country's relative standing in the world economy, and affords a comparison of the prices of domestically produced goods and services to those produced in other countries.

A survey of the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® Report On Business® shows economic activity in the non-manufacturing sector expanded in August over July. Business activity, new orders, employment, and prices all increased in August, according to the survey.

In the week ended September 2, the advance figure for initial claims for unemployment insurance was 298,000, an increase of 62,000 from the previous week's revised level. This is the highest level for initial claims since April 18, 2015, when it was also 298,000. The advance insured unemployment rate remained at 1.4%. The advance number of those receiving unemployment

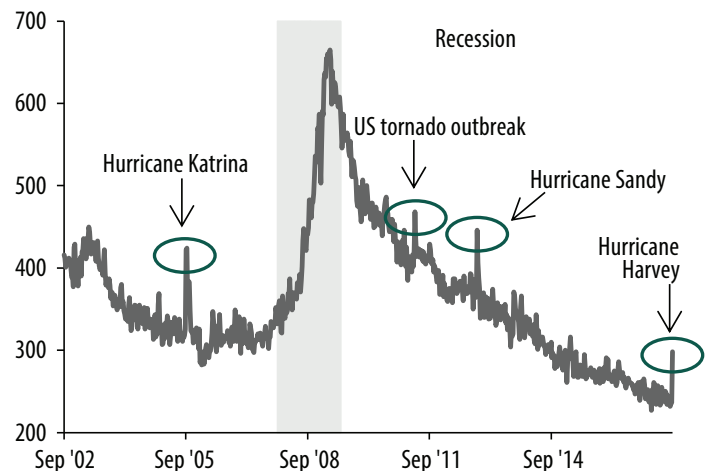
insurance during the week ended August 26 was 1,940,000, a decrease of 5,000 from the previous week's revised level.

Eye on the Week Ahead

Hurricane season is certainly upon us, and the financial effects of both hurricanes Harvey and Irma have been widespread. Inflation has been running cold and is not likely to pick up significantly. The latest inflationary gauges for consumer prices are out next week with reports on the Consumer Price Index, the Producer Price Index, and retail sales for August available.

Economic impact of natural disasters is short-lived

Initial claims for unemployment insurance, thousands, SA



Source: BLS, NBER, J.P. Morgan Asset Management.

Key Dates/Data Releases

- 9/12: JOLTS
- 9/13: Producer Price Index, Treasury budget
- 9/14: Consumer Price Index
- 9/15: Retail sales, industrial production

MARKETSUMMARY

	9/8/17	1 Week	QTD	YTD	1 Year		9/8/17	12/30/16	9/8/16
S&P 500	2461	-0.58 ▼	1.98	11.51 ▲	15.20 ▲	\$ per €	1.20	1.05	1.13
Dow Jones	21798	-0.82 ▼	2.69	12.29 ▲	20.92 ▲	\$ per £	1.32	1.24	1.33
Russell 2000	3478	-0.98 ▼	-0.93	4.01 ▲	12.75 ▲	¥ per \$	107.91	116.64	101.65
MSCI EAFE	1954	0.83 ▲	4.13	18.95 ▲	16.33 ▲	Oil (WTI)	47.43	53.75	47.63
NASDAQ	6360	-1.16 ▼	3.80	19.07 ▲	22.32 ▲	Gasoline	2.68	2.31	2.22
10-Year U.S. Treasuries	2.06	2.16 ▲	2.31	2.45 ▲	1.61 ▲	Gold	1346	1146	1343

Source: J.P. Morgan Asset Management