

## >: Chris Rowe's Market Wrap Up July 21, 2008

Monday, July 21, 2008 / Chris Rowe

Did you see Chris Rowe's most recent market wrap up?

Every Monday afternoon at 6:30pm EST. he's posting a SUPER FAST market wrap-up for those of you who want to take a quick peek at the market, and go back to enjoying your life!

Check out what moved the market, one topic or event affecting the value of your portfolio, and find out where the current bull market can be found - Because "there's always a bull market somewhere" [CLICK HERE TO SEE THE VIDEO!](#)

Let's grow our wealth together folks - Intelligently!!

?Profit from the Trend?

A handwritten signature in black ink that reads 'Chris Rowe'.

Chris Rowe

Chief Investment Officer

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## Economic Calendar for the Week of July 21 - July 25

### Friday, Jul 25

08:30AM - Durable Goods Orders

#### Release Details

- \* Importance (A-F): This release merits a B.
- \* Source: The Census Bureau of the Department of Commerce.
- \* Release Time: 8:30 ET around the 26th of the month (data for month prior).
- \* Raw Data Available At: <http://www.census.gov/ftp/pub/indicator/www/m3/index.htm>.

The durable orders release measures the dollar volume of orders, shipments, and unfilled orders of durable goods (defined as goods whose intended lifespan is three years or more). Orders are considered a leading indicator of manufacturing activity, and the market often moves on this report despite the volatility and large revisions that make it a less than perfect indicator. These problems can be minimized by looking at the breakdown of orders. The total number is often skewed by huge increases in aircraft and defense orders. An increase based solely on strength in one sector tends to be discounted, while the market is more impressed with broadbased increases in orders.

Also notable in this report is the narrow category of nondefense capital goods. These goods mirror the GDP category producers' durable equipment (PDE) -- the largest component of business investment. Shipments of nondefense capital goods are a good proxy for PDE in the current quarter, while nondefense capital goods orders provide an indication of PDE growth in the quarters ahead.

## Highlights

- \* Total durable orders were flat, as transportation orders bounced back after two months of decline. Excluding transportation orders were down 0.9%.

- \* Jan-May 2008 durables orders are down only 0.1% compared to Jan-May of 2007. This reflects the overall resilience seen in orders against a tougher overall economic environment.

- \* Shipments fell 1.1% after a 1.8% April increase. The second quarter average for shipments (more directly correlated with GDP components than orders) remains well above the first quarter average. This suggests that the GDP component of business investment in software and equipment will post an increase in the second quarter, compared to a slight decline in the first quarter.

## Big Picture

- \* Durable goods orders, and total factory orders (which include nondurables orders), continue to show surprising strength given overall economic conditions. Orders are up on a year-over-year basis and the backlog of orders is well above previous record highs. Manufacturing has been very resilient and has yet to move into recessionary mode even as the housing market and consumer sectors remain depressed. The weakness in manufacturing has been greatly exaggerated.

## 10:00AM - University of Michigan Consumer Sentiment Index

### Release Details

- \* Importance (A-F): This release merits a B-.

- \* Source: The University of Michigan.

- \* Release Time: Preliminary: 10:00 ET on the second Friday of the month (data for current month); Final: 10:00 ET on the fourth Friday of the month (data for current month).

The Michigan index is almost identical to the Conference Board Consumer Confidence index, though there are two monthly releases, a preliminary and final reading. Like the Conference Board index, it has two subindexes - expectations and current conditions. The expectations index is a component of the Conference Board's Leading Indicators index.