



Good morning!

It was in the early hours last Friday (1:39 am ET, 7/28/17) when the Senate Republican plan to pass a “skinny” health care bill failed by a single vote. The name “skinny” was attached to the bill because it included a limited number of changes to the 2010 passed “Affordable Care Act” (ACA). The GOP had hoped to find what they were calling the “least common denominator” of changes to the ACA in order to secure the necessary “simple majority” (i.e., 51 votes) for passage. If the Republican “skinny” plan had been successful, a conference committee would have been called using House and Senate members from both parties to iron out differences between the “American Health Care Act” (passed by the House on 5/04/17) and the Senate’s “skinny” bill. Congress is now expected to pivot and direct its energy onto tax reform (source: BTN Research).

This upcoming Saturday (8/05/17) is the 6-year anniversary since the United States was downgraded by S&P from the top credit rating that the USA had maintained for 70 years. Somewhat surprisingly, since the 8/05/11 ratings downgrade occurred, the yield on the 10-year Treasury note has fallen from 2.57% to 2.29% and the S&P 500 index has gained +134% (total return), equal to +15.3% per year (source: BTN Research).

There are 75.7 million American homeowners today, including 30.6 million that have no housing debt, i.e., they are mortgage-debt free. Of the remaining 45.1 million households that have debt on their homes, just 1.8 million have mortgage debt that exceeds the value of their homes. The number of “underwater” homeowners peaked at 15.1 million in 2010 (source: Black Knight Financial).

#### Notable Numbers for the Week:

1. **NO BIG PULLBACK** - The S&P 500 stock index has gone **324 calendar days** without a **2% or greater 1-day drop**, the longest stretch without a **tumble of 2% or more** since 2/27/07 or nearly **10 ½ years ago** (source: BTN Research).
2. **SIMPLY STATED** - As of 6/30/17, **5 states** had unemployment rates **less than 3%** (North Dakota, Colorado, Hawaii, Nebraska and New Hampshire), all reporting **jobless rates** at least **1 ½ percentage points less than** the national average of 4.4% (source: Department of Labor).
3. **BANK TAKEOVER** - Lenders foreclosed on **169,124 homes** in the first 6 months of 2017, **down 14.3%** from **197,425 foreclosures** in the first half of 2016. The peak of **bank repossessions** in the last decade was in 2010 when **more than 1 million homes** (1,050,500) were **taken back by lenders** (source: RealtyTrac).
4. **MANY TIMES BEFORE** - Since 1962 (55 years ago), Congress has **increased the nation’s debt ceiling** 79 times, i.e., **once every 8 months** over the last 55 years (source: Federal Reserve).

07/31/17 Monday

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