

## ***A brief NASDAQ correction, optimism from small businesses and increasing mortgage applications***

### **Three Days of Selling and One Jump**

After celebrating that the end of August marked five consecutive positive months for U.S. stock markets, investors worried about September – historically the worst month for stocks. And while we're only 6 trading days into the month, with another 15 left, September was – and maybe still is – on track to make those worries seem pretty well-founded.

No, the sky is not falling, but so far as of the close of trading on September 9<sup>th</sup>, we saw a 3-day tech sell-off and a one-day tech jump that has resulted in:

- The DJIA, NASDAQ and the S&P 500 closing in the red on for three straight days and then jumping on the 4<sup>th</sup> day (September 9<sup>th</sup>)
- NASDAQ moving into correction territory for a very brief moment when it was down 10% from its record high as of September 8<sup>th</sup>
- On September 9<sup>th</sup>, NASDAQ had its best day since April as it leapt 2.7%

But perspective matters. Remember that since the one-year-low reached on March 23<sup>rd</sup>, NASDAQ is up over 65%. Perspective matters.

### **Small Business More Optimistic**

The National Federation of Independent Business was founded in 1943 and is the largest small business association in the U.S. The NFIB collects data from small and independent businesses and publishes their Small Business Economic Trends data on the second Tuesday of each month. The Index is a composite of 10 components based on expectations for: employment, capital outlays, inventories, the economy, sales, inventory, job openings, credit, growth and earnings.

Here is what the Small Business Economic Trends data released on September 8<sup>th</sup> reported:

“The NFIB Optimism Index increased 1.4 points in August to 100.2, a reading slightly above the historical 46-year average. Seven of the 10 Index components improved, two declined, and one was unchanged.”

The NFIB also reported that:

- Earnings trends over the past three months improved seven points to a net negative 25% reporting higher earnings.
- Job openings increased three points to 33% of firms with at least one unfilled position.
- The percent of owners thinking it's a good time to expand increased one point to 12%.
- Real sales expectations in the next three months decreased two points to a net 3%.

### **MBA Mortgage Applications are Up**

The Mortgage Bankers' Association compiles various mortgage loan indices and the Market Composite Index measures the volume of applications at mortgage lenders.

On September 9<sup>th</sup> it was reported that:

- The Market Composite Index increased 2.9% on a seasonally-adjusted basis from the previous week (it was 2% on an unadjusted basis).
- The Refinance Index increased 3% from the previous week and was 60% higher than the same week one year ago.
- The seasonally adjusted Purchase Index increased 3% from last week and the unadjusted Purchase Index was up 0.2% from last week but up a whopping 40% from the same week one year ago.

### **More Data Later in the Week**

More economic data will be released later this week, including Jobless Claims on Thursday and CPI numbers on Friday.

Sources: [nfib.com](https://www.nfib.com); [mba.org](https://www.mba.org)