

## USA : à la veille des élections de mi-mandat ,Rafic Vartan fait le point sur l'économie US

Market update for the week ending November 3 2018



CRUDE OIL 62.86 GOLD 1.234.60 SILVER 14.74 EUR/USD 1.14

**Stock markets were up about 2.5% for the week -** As earnings reporting season for the third quarter began to come to a close, many companies reported profits this week that beat expectations. That was a welcome relief to investors who saw stocks fall in the previous two weeks as some companies reported disappointing results. The Dow Jones Industrial Average closed the week at 25,270.23, up from 24,688.31 last week. It is up 2.2% year to date. The S&P 500 closed the week at 2,723.06, up from 2,658.69 last week. It's up 1.8% year to date. The NASDAQ closed the week at 7,356.99, up from 7,167.21 last week. It's up 6.6% year to date

**U.S. Employers added 250,000 new jobs in October. Wages grow at fastest pace in almost 10 years. Unemployment remains at lowest rate since 1969 -** The Department of Labor Statistics reported Friday that 250,000 new jobs were added in October. That eclipsed the 190,000 new jobs analysts had expected. Job growth has now hit a record of 97 straight months. The unemployment rate was unchanged at 3.7%, the lowest national unemployment rate in 49 years. Average hourly wages were up 3.1% in October from last October. That was the largest year over gain in almost 10 years.

**Mortgage rates were lower this week, but rates rose Friday after the October jobs report -** The November 1, 2018 Freddie Mac Primary Mortgage Survey reported that the 30 year fixed mortgage rate average was 4.83% almost unchanged from 4.86% last week. The 15 year fixed was 4.23% down from

4.29% last week. The 5 year ARM was 4.04%, down from 4.14% last week. Unfortunately, rates began rising on Friday after the jobs report revealed the highest wage gains in almost 10 years. Experts feel that higher wages will lead to higher inflation. Next week's rates will be quite a bit higher. The 30 year fixed will probably hit 5% next week.

**What are granny pods? A way to keep aging parents close to home** - After children grow up and leave the nest, their parents may enjoy their newfound freedom for a while. But as those parents grow older, they and their adult kids may think about living close together again, but in a way that preserves everyone's independence. And voila! the granny pod. An affordable living solution for retirees wanting to downsize.

- **What is a granny pod?** - Basically, a granny pod is a small modular home, typically between 300 and 500 square feet, that sits in the backyard of a main house. Think of it as an in-law unit that's designed to be easier to navigate for elderly folks who may have difficulties with mobility or vision. While the tiny space is ideal for one person, couples can certainly live in the space, too. Like a tiny house, each granny pod typically has a bedroom, living room, kitchenette, and bathroom. Also, the unit is mobile, so that if the whole family relocates, Grandma's pod can come, too.
- **Benefits of a granny pod** - What makes a granny pod particularly suitable for seniors are the universal design features such as wide doorways, to allow wheelchair access, an open floor plan, and a walk-in shower. For those needing more advanced medical care, some granny pods feature a virtual system that can track one's blood pressure, glucose levels, heart rate, and blood gases, and share that information with the occupant's family and physician. Some systems are also equipped to verbally remind the occupant to take their medications! Some granny pods are also designed with voice controlled smart home features such as door locks, lighting, heating, and window shades. Others are built with more advanced medical amenities like pressurized ventilation systems to keep outdoor air from leaking inside if the resident has a compromised immune system.
- **How much does a granny pod cost?** - The price of a granny pod can range from \$40,000 to \$125,000, depending on the size and the amenities included. And since you can't take out a mortgage
  - for one that will need to be paid upfront. On the other hand, the amount is comparable to a down payment on a regular home. Also, since the pod will share water, sewer, and power with the main house, the property owners will likely see an increase in their utility bills.
- **Disadvantages of owning a granny pod** - If you are considering a granny pod, it's important to be aware that your property may not be zoned for the addition of an alternative living unit like a guesthouse or granny pod. Although some communities have zoning laws which are pod friendly, in most cases there are several restrictions to follow. Therefore, be sure to inquire with your city planning office about the process of building on your property and the type of permits you'll need.
- **Granny pods and multigenerational living** - Over the past several years more and more homeowners have expressed interest in them when looking for a home to buy. I work with more and more buyers who are looking for a multigenerational solution for their families. Granny pods can keep the family together, eliminate high nursing home costs, and allow the elderly to keep their privacy and their dignity.

**Treasury Bond Yields sharply higher this week** - The 10 year Treasury bond closed the week yielding 3.22%, up from 3.08% last week. The 30 year Treasury bond yield ended the week at 3.46%, up from

3.32% last week. We watch Treasury bond yields because mortgage rates follow bond yields.