



# INCISIVE INVESTOR

Randall Fielder, President & CEO

1400 Broadfield Blvd. Suite 200

Houston, TX 77084 713-955-3555

## WEEK IN REVIEW

# S&P 500 LOGS LONGEST WIN STREAK IN 1½ YEARS

### Review of the week ended April 5, 2019

- **US generated 196,000 new jobs in March, wage growth subdued**
- **Brexit saga lags as deadline approaches**
- **Provisional signs of stability in China's economy**
- **Trump shuts down threat to close Mexican border**
- **German growth forecasts sharply downgraded**



U.S. stocks closed higher Friday, with the S&P 500 logging its longest win streak since October 2017, as investors cheered a solid jobs report and upbeat comments on prospects for a U.S.-China trade deal.

The S&P 500 index SPX climbed 13.35 points, or 0.5%, to 2,892.74, rising for the seventh straight session. The Dow Jones Industrial Average DJIA advanced 40.36 points, or 0.2%, to 26,424.99 and the Nasdaq Composite Index COMP rose 46.91 points, or 0.6%, to 7,938.69.

For the week, the S&P 500 gained 2.1%, the blue-chip index added 1.9% and the tech-heavy Nasdaq rallied 2.7%.



[info@park10financial.com](mailto:info@park10financial.com)

[www.park10financial.com](http://www.park10financial.com)



# INCISIVE INVESTOR



## US payrolls rebounds last month



Nonfarm payrolls in the United States expanded by 196,000 in March, bouncing back from February's weaker data. Average hourly earnings rose a weaker-than-expected 3.2%, down from cycle highs of 3.4% last month, a figure which contributes to the notion that the US Federal Reserve will remain on the monetary sidelines. The unemployment rate held steady at 3.8%. On Thursday, weekly US jobless claims fell to 202,000, almost a half-century low, indicating that US labor markets remain robust.

## Outcome remains uncertain one week before Brexit deadline

Having already extended the Article 50 negotiating period by two weeks, the British Parliament is no closer to a Brexit resolution than it was prior to the delay. Scheduled for

Wednesday is a European Council emergency summit to deal with Prime Minister Theresa May's latest request for an extension, through June 30. The European Union is reluctant to



grant a short extension, however, because of European Parliamentary elections next month. The EU would rather the United Kingdom seek a long extension, with an option for the country to leave early once the two sides agree on a way forward, which would force the UK to take part in the vote.

## Data hints at China stability

Purchasing managers' indices released this week show that both the manufacturing and services sectors of the Chinese economy showed signs of improvement in March. China's composite PMI, which combines both manufacturing and service sector PMIS, rose to 54.0 last month, a jump of 1.6 points from February. Global markets breathed a sigh of relief, hopeful that past targeted stimulus

*Information included above as well as individual companies and/or securities mentioned should not be construed as investment advice, recommendation to buy or sell or an indication of trading intent on behalf of anyone associated with Park 10 Financial, LLC. Information contained in this newsletter is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed.*



# INCISIVE INVESTOR

efforts by Chinese authorities are beginning to bear fruit. The US manufacturing sector also showed signs of life in March, with the ISM reporting its manufacturing gauge rose to 55.3 from 54.2 in February while the services sector reported a downtick, falling to 56.1 in March from 59.7 in February. In the Eurozone, the composite PMI fell to 51.6 from 51.9 the prior month, weighed down by a slump in Germany, where the composite PMI fell to its lowest level in nearly six years.

## Mexico threatened with auto tariffs



Backing off a threat to close the US border with Mexico, US president Donald Trump instead threatened to impose tariffs on US-bound vehicles assembled in Mexico if Mexico does not do more to mitigate the flow of migrants and illicit drugs into the United States. Trump said that if the flow of drugs does not stop after a one-year warning period, he would institute auto tariffs and close the border.

## German growth projections decreased

Germany's leading economic think tanks have collectively slashed their 2019 economic growth forecasts by more than half. The

institutes now project that German economy will grow 0.8% this year, down from their 1.9% forecast last fall. They say that the fallout from the US-China trade dispute and the uncertainty surrounding Brexit are holding



back Germany's export-reliant economy. Elsewhere, the Italian treasury cut its 2019 growth forecast to just 0.1% from an earlier 1% forecast. Slower growth is projected to push Italy's budget deficit up to 2.3% or 2.4%, higher than the 2% deficit targeted in consultation with the EU.

## Progress reported on US/China trade; Details tentative



President Trump said the US and China are very close to a deal on trade but still need to iron out sticking points like the status of existing tariffs and differences over the enforcement mechanism. Trump estimated an additional six weeks of negotiations is needed to finalize an agreement.

# INCISIVE INVESTOR

## Retirement bill developments in US House of Representatives

The Ways and Means Committee of the US House of Representatives this week passed the Secure Act, a bill intended to increase flexibility in 401(k) plans and improve access to retirement plans in small businesses. In a

rare show of bipartisanship, the bill received a unanimous vote from the committee and will now be voted on by the House. The US Senate introduced a similar measure this week. The bill will, among other things, raise the age for required mandatory distributions to 72 from 70 ½ and repeal the maximum age for IRA contributions.



## MAJOR STOCK MOVES

Amazon.com Inc. AMZN shares rose 1% after founder Jeff Bezos and soon-to-be ex-wife MacKenzie reached a deal where she will get 4% of the company's outstanding stock, worth about \$36 billion, as part of their divorce settlement.

Separately, Doug Kass, president of Seabreeze Partners Management, predicted that Amazon shares could hit \$3,000 by 2021, and rise above \$5,000 by 2025 on its way to becoming the first \$2.5 trillion company.

Shares of Constellation Brands Inc. STZ bounced back from earlier weakness to rise 1% after a downgrade from a Deutsche Bank

analyst who cut his rating on the stock to hold from buy.

Intel Corp. INTC shares declined 0.6% after analyst Aaron Rakers at Wells Fargo Securities lowered the stock to market perform from outperform, citing elevated valuation and competition from Advanced Micro Devices Inc. AMD.

Shares of McDonald's Corp. MCD rose 0.4% after upbeat comments from Telsey Advisory Group, which highlighted the fast-food chain's long-term outlook.

Boston Beer Co. SAM shares dropped 5.5% after a Goldman Sachs analyst downgraded the alcoholic beverage maker's stock to sell from neutral.

# INCISIVE INVESTOR

## THE WEEK AHEAD

Date	Country/Area	Release/Event
Wed, Apr 10	United Kingdom	Gross domestic product, industrial production
Wed, Apr 10	Eurozone	European Commission Brexit summit
Wed, Apr 10	Eurozone	European Central Bank meeting/press conference
Thu, Apr 11	United States	Producer price index
Fri, Apr 12	China	International trade
Fri, Apr 12	Eurozone	Industrial production



## FIVE BENEFITS OF WORKING IN RETIREMENT

Here are [5 reasons](#) why you may consider working through retirement.

-Randall Fielder  
(713-955-3555, [randall@park10financial.com](mailto:randall@park10financial.com))