



Good morning!

It was just days ago that US stocks were flirting with the beginning of a market sell-off. Fears over the possible impact of the coronavirus on global trade, coupled with only the 3<sup>rd</sup> presidential impeachment trial in American history, made equity investors nervous. But instead of retreating, the S&P 500 rallied to set 2 more all-time closing highs last week after President Trump's State of the Union address that was delivered on Tuesday night 2/04/20 (source: BTN Research).

The US trade deficit, i.e., foreign imports in excess of domestic exports, dropped 2% (\$11 billion) to \$617 billion in calendar year 2019, the first decline in our trade deficit in 6 years. The tariff battle with China resulted in the lowest annual trade deficit the US has had with Beijing since 2014: \$346 billion, the difference between \$452 billion of Chinese imports and \$106 billion of American exports (source: Commerce Department).

The price of oil (West Texas Intermediate) closed at \$49.61 a barrel last Tuesday 2/04/20, the first-time American oil has closed below \$50 a barrel since 1/08/19 or 13 months ago. The breakeven price for oil produced in the Permian Basin is estimated to be \$50 a barrel. 2 million barrels a day are produced in the Permian Basin out of 13 million barrels a day produced by all US oil producers (source: Federal Reserve Bank of Dallas).

#### Notable Numbers for the Week:

1. **THAT JOB WAS FILLED** - The USA has tracked **job openings** nationwide since December 2000. The number of job openings as of November 2019 was 6.800 million, **down 561,000** from the prior month, the **3rd largest month-over-month decline** in the statistic's history (source: Bureau of Labor Statistics).
2. **LOOKING AHEAD** - 41% of 1,903 **young adults** surveyed in January 2020 (adults between the ages 24-41) have **less than \$15,000 saved** for their future retirement, while 24% of those surveyed have **more than \$100,000 saved** for retirement (source: Bank of America Better Money Habits Millennial Report).
3. **U.S. vs. EUROPE** - The **US economy** grew by **+2.3% in calendar year 2019**, almost double the **+1.2% growth rate** achieved by the **19-nation Eurozone**. Germany, the **largest Eurozone economy**, experienced just +0.6% growth in its economy in 2019 (source: Eurostat).
4. **GOT A NEW CAR** - Americans purchased **17.0 million new vehicles** (cars and light trucks) in 2019, down from a record **17.5 million in 2016**, but well ahead of the **10.4 million vehicle sales** in 2009. American car buyers also purchased **40.4 million used cars** in 2019, an **all-time record** for the United States (source: Statista).

2-10-2020

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Private Capital Group, LLC ("PCG"), or any non-investment related content, made reference to directly or indirectly in this communication will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Information contained in this communication is based on data gathered from what we believe are reliable sources. It is not guaranteed by PCG as to accuracy, does not purport to be complete, and is not intended to be used as a primary basis for investment decisions. Further, you should not assume that any discussion or information contained in this communication serves as the receipt of, or as a substitute for, personalized investment advice from PCG. To the extent discussed herein, investment indices are unmanaged and cannot be purchased directly. Historical performance results for investment indexes and/or categories are included for informational purposes only and generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the US stock market. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. PCG is neither a law firm nor a certified public accounting firm and no portion of the communication should be construed as legal or accounting advice. A copy of the PCG's current written disclosure Brochure discussing our advisory services and fees is available upon request.

Town Center, 29 South Main St. | West Hartford, CT 06107  
Phone 860.561.1162 | Fax 860.561.1018 | Toll free 877.561.1162  
[www.pcgct.com](http://www.pcgct.com)



**Please Note:** If you are a PCG client, please remember to contact PCG, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. PCG shall continue to rely on the accuracy of information that you have provided.

**Disclosure from our Author:**

Investment advisory services offered through PCG, a registered investment advisor. This e-mail may include forward-looking statements that are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. The above communication is written by Michael A. Higley. Any comments, opinions or facts listed are those of Mr. Higley.

**If you do not want to receive further editions of this weekly newsletter, please contact Private Capital Group at 860.561.1162, or e-mail: [privatecapitalgroup@pcgct.com](mailto:privatecapitalgroup@pcgct.com), or write to us at Private Capital Group, LLC, 29 S. Main Street, West Hartford, CT 06107.**

Town Center, 29 South Main St. | West Hartford, CT 06107  
Phone 860.561.1162 | Fax 860.561.1018 | Toll free 877.561.1162  
[www.pcgct.com](http://www.pcgct.com)