



Good morning!

The US Treasury Department labeled China as a “currency manipulator” last Monday 8/05/19, the first time the US has made such a claim against China since 1994 or 25 years ago. Since 1988, the US has accused just 3 countries of weakening their domestic currency to gain a trading advantage – Japan (1988), Taiwan (1988 and 1992) and China (1992-94). Up until 2005, the Chinese government suppressed the value of its currency in order to lower the cost of Chinese exports to foreign buyers, providing its exporters an advantage over competitors. From July 2005 to the end of 2013, the value of the Chinese currency (the renminbi) had grudgingly increased in value as a result of global pressure, rising by +37% over the 8 ½ years from 12.08 cents to 16.50 cents. In retaliation last week against the US, the Chinese government pushed the value of the renminbi down to 14.16 cents on Wednesday 8/07/19 (its lowest level in 11 years), a negative for American exporters selling to China but a positive for American consumers buying an export from China (source: BTN Research).

3.43 million American workers quit their jobs in June 2019. A decade earlier, just 1.79 million American workers quit their jobs in June 2009 (during the nation’s 2008-09 recession). A higher “quit level” is indicative of a greater level of confidence in finding a new job to replace one’s current occupation (source: Department of Labor).

It has been 8 years since the United States lost its top credit rating from Standard & Poor’s. There are just 10 countries in the world that currently maintain the top credit rating from each of the 3 major credit rating agencies, including Australia, Canada, Germany, Norway and Sweden (source: Trading Economics).

Notable Numbers for the Week:

1. **WHAT’S THE ALTERNATIVE?** - Foreign investors held **\$6.54 trillion of US Treasuries** in May 2019, i.e., short-term bills, intermediate-length notes and longer-term bonds, its **highest level ever** (source: Treasury Department).
2. **LAST TIME** - The **last rate cut cycle** by the Fed lasted from 9/18/07 to 12/16/08 (**15 months**) and saw the Fed cut its key short-term rate **by 5 percentage points**, i.e., from 5.25% to 0.25% (source: Federal Reserve).
3. **BIG NUMBERS** - The **total net worth** of Americans as of 3/31/19 was **\$108.6 trillion**, including **\$29.1 trillion** (27% of the overall net worth total) in **retirement accounts** (source: Investment Company Institute).
4. **PRICEY** - The cost of **tuition, fees, room and board** for the upcoming **2019-2020 school year** at Bennington College in Vermont is **\$72,650** (source: Bennington College).

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