



The markets got back on-track following the conclusion of the impeachment hearings, sending the S&P 500 up 3.17%¹. The appears to be short lived as futures on Monday are lower due to concerns of the Coronavirus affecting the world economy². In positive news, MarketWatch reported the jobs market started the year on an upswing, adding 225,000 jobs in January³ and the service side of the US Economy soared 6%, its largest increase in the past 6 months⁴. On the downside, consumer credit rose at the end of the year as consumers hit the credit cards (up 14%) for holiday spending⁵.

Year-end reviews are wrapping up here at Wealth Strategies and focus on planning is beginning to heat-up. I've noted before year-end and the new year are good times to reflect on your retirement and financial plans. After a good market year like 2019, re-visiting you plans to where you stand may allow you to add back some goals that were not important or achievable in the past. Perhaps retiring a year earlier is now feasible. Make some time to look at yours, along with planning for your 2019 taxes. Have questions or need tax professional to consult with? Give me a call to discuss.

---Chuck

This Week's Inspiration/Activity:

"Yes, risk taking is inherently failure-prone. Otherwise, it would be called sure-thing-taking."

Author, Tim McMahon

Your action for this week is to look at a goal you have been putting off due to the perceived risk of failure and make plans to achieve it.

This Week in History

February 9, 1971 – Leroy "Satchel" Paige becomes the first Negro League veteran to be nominated for the Baseball Hall of Fame. Paige retired from the majors in 1953, but returned in 1965 to pitch three innings for the Kansas City A's. He was 59 at the time, making him the oldest person ever to play in the Major Leagues.

¹ See update below

² <https://www.reuters.com/article/us-usa-stocks/wall-st-opens-lower-as-coronavirus-fears-may-hit-apple-sales-idUSKBN2041FA>

³ <https://www.marketwatch.com/story/us-adds-225000-jobs-in-january-as-hiring-speeds-up-unemployment-rises-to-36-2020-02-07?mod=economic-report>

⁴ <https://www.marketwatch.com/story/the-huge-services-side-of-the-us-economy-grew-in-january-at-fastest-pace-in-6-months-2020-02-05?mod=economic-report>

⁵ <https://www.marketwatch.com/story/consumer-credit-jumps-in-december-2020-02-07?mod=economic-report>

⁶ <https://www.history.com/this-day-in-history/satchel-paige-nominated-to-baseball-hall-of-fame>

In this week's recap: stocks rally, China schedules tariff cuts, January hiring tops expectations, and a key gauge of manufacturing activity improves.

Weekly Economic Update

Presented by Charles D. Vercellone, ChFC, February 10, 2020

THE WEEK ON WALL STREET

Stocks advanced four days out of five during the past market week, erasing the losses of the week before.

The Nasdaq Composite surged 4.04%, the S&P 500 3.17%, and the Dow Jones Industrial Average 3.00%. Foreign stocks also rallied: the MSCI EAFE index added 2.21%.^{1,2}

CHINA PLANS TO HALVE SOME TARIFFS

Thursday, investors woke up to the news that China would be lowering import taxes on about \$75 billion of U.S. products. Later this week, a set of 10% tariffs is slated to drop to 5%, and a group of 5% tariffs is scheduled to fall to 2.5%.

This reduction is part of the phase-one trade deal that China agreed to last month, a pact which may be a step toward a trade truce with the U.S.³

JANUARY'S NET JOB GAIN: 225,000

The Department of Labor's latest employment report exceeded expectations. Economists surveyed by Bloomberg projected 165,000 net new hires last month. The main jobless rate ticked north to 3.6%; the U-6 rate including the underemployed rose 0.2% to 6.9%.

This upside surprise points to ongoing strength in the economy. Stocks declined Friday after the report's release, however, as traders viewing the data saw less reason for a Federal Reserve rate cut in the near future.⁴

A MANUFACTURING POSITIVE

The U.S. factory sector grew last month, for the first time since July. The Institute for Supply Management's purchasing managers index for the manufacturing sector, which traders view as a fundamental economic indicator, came in at 50.9 in January; any reading above 50 indicates sector expansion.⁵

WHAT'S AHEAD

Investors should note that U.S. stock and bond markets will be closed on Monday, February 17 for Presidents Day.

TIP OF THE WEEK



By continuously *reviewing* your *business budget*, you can pinpoint how well your company is *following* its *financial objectives* throughout the year.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Federal Reserve chairman Jerome Powell begins two days of testimony in Congress on U.S. monetary policy.

Thursday: The federal government's January Consumer Price Index, measuring monthly and yearly inflation.

Friday: January retail sales data from the Census Bureau, and the University of Michigan's preliminary February consumer sentiment index, an evaluation of consumer confidence levels.

Source: MarketWatch, February 7, 2020

The MarketWatch economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Allergan (AGN), RingCentral (RNG)

Tuesday: Exelon (EXC), Hilton Worldwide Holdings (HLT)

Wednesday: CME Group (CME), Cisco (CSCO), CVS Health (CVS), Shopify (SHOP)

Thursday: Alibaba (BABA), Nvidia (NVDA), PepsiCo (PEP)

Friday: AstraZeneca (ABBV), Enbridge (ENB)

Source: Zacks.com, February 7, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame, and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

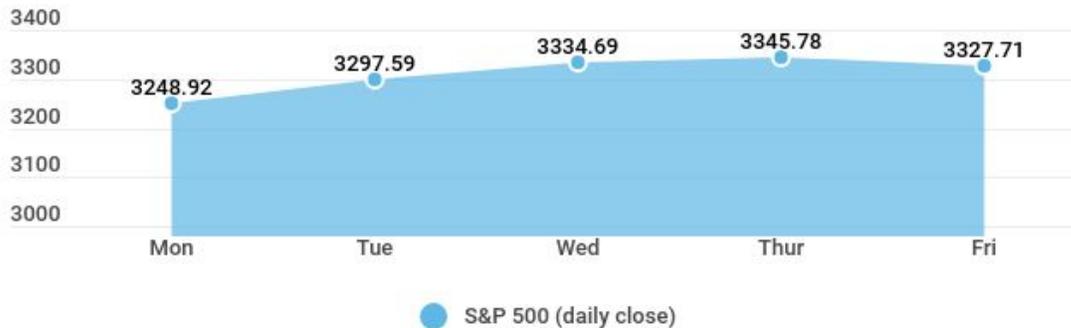
QUOTE OF THE WEEK



*“We always **admire** the other person **more** after we've tried to do his job.”*

WILLIAM FEATHER

Market Index	Close	Week	Y-T-D
DJIA	29,102.51	+3.00%	+1.98%
NASDAQ	9,520.51	+4.04%	+6.11%
MSCI-EAFE	2,037.82	+2.21%	+0.04%
S&P 500	3,327.71	+3.17%	+3.00%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.59%	+0.08%	-0.33%

Sources: The Wall Street Journal, February 7, 2020; Treasury.gov, February 7, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, January 31 to the Friday, February 7 close. Weekly performance for the MSCI-EAFE is measured from the Friday, January 31 open to the Thursday, February 6 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

THE WEEKLY RIDDLE



*You can rest on my pad without **touching the keys**. I will sing all month long as long as you **pay your fees**. What am I?*

LAST WEEK'S RIDDLE: There is a word for a place in Europe, a place where many travelers like to go. But, if you take the first letter of this word and put it at the end of the other four letters in the word, you have something no one likes. What is this word?

ANSWER: Spain (Pains).

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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CITATIONS:

1 - [wsj.com/market-data](https://www.wsj.com/market-data) [2/7/20]

2 - quotes.wsj.com/index/XX/MSCI%20GLOBAL/990300/historical-prices [2/7/20]
3 - cnn.com/2020/02/06/economy/china-tariffs-coronavirus/index.html [2/6/20]
4 - tinyurl.com/utpxrzd [2/7/20]
5 - ycharts.com/indicators/us_pmi [2/6/20]

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Charles D. Vercellone, ChFC
Wealth Strategies Group, LLC
200 E Big Beaver, Troy MI 48083
248-680-4622
chuck@wsgllc.net
www.wsgllc.net/welcome

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