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Trade News Moves the Market

Weekly Update – May 20, 2019

The Week on Wall Street

Stocks fell sharply at the start of last week over trade tensions, then recovered with help from strong earnings and indications that U.S.-China trade talks would continue. Even so, the major indices had a down week. The S&P 500 lost 0.76%, while the Nasdaq Composite fell 1.27%, and the Dow Jones Industrial Average declined 0.69%.

In contrast, the MSCI EAFE benchmark for international stocks rose 0.19%.[1,2]

The Latest Trade Developments

A broad selloff occurred Monday after China announced it would respond to increased U.S. tariffs by boosting its own import taxes on $60 billion of U.S. products. Friday morning, the Street breathed a sigh of relief as the Trump administration decided to delay 25% tariffs planned for imported cars and car parts; they had been slated to take effect on May 18. Just hours later, President Trump announced an end to U.S. tariffs on metals coming from Canada and Mexico.

At midweek, Secretary of the Treasury Steven Mnuchin told reporters that he expected the U.S. to resume trade negotiations with China in "the near future."[3,4,5]

Earnings Season Winds Down

The first-quarter earnings scorecard is nearly complete, as more than 90% of S&P 500 companies have reported actual Q1 results.

Stock market analytics firm FactSet notes that 76% of these firms have beaten consensus earnings-per-share estimates. Overall earnings for S&P 500 components have surpassed expectations by 5.4%. Both these percentages are above 5-year averages.[6]

Final Thought

The market is quite sensitive to trade developments at the moment, and it is unclear whether this will be a short-term trend or a long-term influence on prices. While the U.S. prepares its next moves, China also is preparing its response to any new U.S. tariffs, which could include manipulating its currency.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: The April existing home sales report from the National Association of Realtors.
Wednesday: Minutes from the Federal Reserve's May policy meeting.
Thursday: April new home sales figures from the Census Bureau.

Source: Econoday / MarketWatch Calendar, May 17, 2019
The Econoday and MarketWatch economic calendars list 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
Tuesday: AutoZone (AZO), Home Depot (HD), Kohl's (KSS), Nordstrom (JWN)
Wednesday: Analog Devices (ADI), Lowe's (LOW), Target (TGT)
Thursday: Best Buy (BBY), Intuit (INTU), TD Bank (TD)
Friday: Foot Locker (FL)

Source: Morningstar.com, May 17, 2019
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.

Market Index	Close	Week	Y-T-D
DJIA	25,764.00	-0.69%	+10.44%
NASDAQ	7,816.28	-1.27%	+17.80%
MSCI-EAFE	1,868.61	+0.19%	+8.66%
S&P 500	2,859.53	-0.76%	+14.07%

	Treasury	Close	Week	Y-T-D
	10-Year Note	2.39%	-0.08%	-0.30%

Sources: The Wall Street Journal, May 17, 2019, Treasury.gov, May 17, 2019
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, May 10 to the Friday, May 17 close. Weekly performance for the MSCI-EAFE is measured from the Friday, May 10 open to the Thursday, May 16 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.

“Don't spend time beating on a wall, hoping to transform it into a door.”

— Coco Chanel

Red and White Roasted Potatoes

Serves 8

Ingredients:

3 lbs. small, similar-sized red and white potatoes
¼ cup good olive oil (can use avocado or a vegetable oil)
1 to 2 tsp. pink Himalayan salt, to taste
1 to 2 tsp. freshly ground black pepper, to taste
2 to 4 Tbsp. garlic, minced (6 to 8 cloves)
2 Tbsp. fresh parsley, minced

Directions:

1. Set the oven to 400°F. Cut the potatoes in half or quarters, keeping them the same size.

2. Toss them in a stainless-steel bowl with the olive oil, salt, pepper, and garlic until the potatoes are evenly coated.

3. Scatter the potatoes on a sheet pan in one layer, making sure the potatoes are not touching each other.

4. Roast in the oven for 45 minutes to 1 hour or until browned and crisp. Remove the potatoes from the oven a few times to toss so that they brown evenly.

5. Once the potatoes are done roasting, season more, if needed, then sprinkle with parsley and serve hot.

Recipe adapted from Food Network[7]

Like, Hashtag, and Follow Tax Tips on Social Media

Social media is a great way to get tax tips and helpful news from the IRS. The agency uses a variety of social media platforms to share tips and information with taxpayers:

- **YouTube:** Get video tax tips in English, Spanish, and American Sign Language.
- **Instagram:** Follow the official IRS Instagram account @IRSNews for the latest tax scam information to help keep your personal data secure.
- **Facebook:** The IRS posts useful news and information for taxpayers and tax return preparers.
- **Twitter:** Follow @IRSnews for tax-related announcements and tips. @IRStaxpros tweets news and guidance for tax professionals. Tweets from @IRSenEspanol have the latest tax information in Spanish. @IRSTaxSecurity tweets tax scam alerts.
- **LinkedIn**: The IRS shares agency updates and job opportunities.

You can also access IRS information and your tax status with the IRS app, IRS2Go. Use the app to check your refund status, pay taxes, and find free tax help.

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.
Tip adapted from IRS.gov[8]

Don’t Let Your Lie Angles Lie to You

If you haven't checked the lie angle on your clubs, your golf game may be suffering. The lie angle is the angle of the shaft relative to the floor, when the bottom of the club is flat on the ground.

If you're a taller player with an upright swing, a club with a steeper angle is for you. A flatter or lower angle is always a great choice for players who are shorter or who have problems with hooking the ball. It’s important to remember that normal use can cause the lie angle of a club to change, which will also make your swings less dependable.

One way to check is by looking at where on the ball you're hitting. If you notice you're hitting the ball close to the toe, your lie angle is probably too flat. If you strike closer to the heel, the angle might be too steep, and your club, too upright.

Adjusting the lie angle on a club is something a club fitter or pro shop can handle for you.

Tip adapted from Golf Tips Magazine[9]

Sweet Tips to Reduce Sugar Intake

Consuming excess sugar can pose all sorts of health problems, including weight gain, insulin resistance, diabetes, inflammation – the list goes on and on. If you're eating a balanced diet, then food items with added sugar should be consumed sparingly because if you're eating an adequate, well-balanced diet, you should be getting enough carbohydrates (including sugar) from your daily intake. If you'd like to reduce your sugar intake, here are some tips:

1. **Skip low-fat options**: Low-fat snacks and yogurt products may be lower in fat, but they might also be higher in added sugar. If this is the case, choose full-fat versions with lower sugar, instead. You might feel fuller longer, too.

2. **Eat whole foods:** Eating a diet that is mostly fruits, vegetable, meats, nuts, and grains in their most natural state with minimal processing will ensure that you're getting less added sugar and more of the good stuff – like the vitamins, minerals, and a better balance of fat, carbohydrates, and protein.

3. **Saucy, but sweet:** Condiments like ketchup, barbecue sauce, hoisin, and sweet chili sauces have added sugar. Herbs, spices, mustard, mayonnaise, and vinegar-based dressings with olive or avocado oil are great replacements.

Tip adapted from Healthline[10]

Save Paper, Print Less, Scan, and Store More

It's no surprise: it's a digital world. But are you truly "digital"? It is a definitely a paradigm shift to be "paperless," but it's a reality for many and a wonderful possibility for the rest. Instead of supplying paper, we need trees to produce oxygen and shade, provide habitats for animals, and reduce greenhouse gases. So, why not go digital using some of these tips?

- **Scan when you can.** Most printers have a scanning bed, which makes it easy to scan and keep a digital file.

- **The cloud.** Cloud storage apps like Dropbox, iCloud, and Google Drive will hold your data for you. It's not really a cloud; it just means it's stored over the internet in logical pools spanning multiple servers, possibly in multiple locations.

- **Storage devices.** Thumb drives and external hard drives will store documents, images, photos, and videos, and you have something tangible (not a "cloud") to keep.

- **Paper and fonts.** When you do need to print, consider this: choosing a font like Century Gothic uses less ink. Also, check your paper weight. You may be able to use thinner paper, which can help save money and trees.

Tip adapted from Laserfiche[11]

Share the Wealth of Knowledge!

Please share this market update with family, friends, or colleagues.
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simply reply to this email and let us know. We love being introduced!

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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[1] https://www.wsj.com/market-data

[2] https://quotes.wsj.com/index/XX/990300/historical-prices

[3] https://www.reuters.com/article/us-usa-trade-china/tough-talk-from-china-leaves-trade-talks-with-u-s-in-limbo-idUSKCN1SN207

[4] https://www.marketwatch.com/story/mnuchin-says-he-expects-to-go-to-beijing-to-continue-trade-talks-in-the-near-future-2019-05-15

[5] https://www.npr.org/2019/05/17/724357441/u-s-to-lift-tariffs-on-canadas-and-mexico-s-steel-and-aluminum

[6] https://insight.factset.com/market-punished-sp-500-companies-reporting-negative-eps-surprises-in-q1

[7] https://www.foodnetwork.com/recipes/ina-garten/garlic-roasted-potatoes-recipe-1913067

[8] https://www.irs.gov/newsroom/taxpayers-can-now-instantly-get-tax-info-on-instagram

[9] https://www.golftipsmag.com/instruction/quick-tips/posture-perfection/

[10] https://www.healthline.com/nutrition/14-ways-to-eat-less-sugar

[11] https://www.laserfiche.com/ecmblog/9-sneaky-ways-to-get-employees-to-print-less/