



Good morning!

Coming on the heels of a near-bear market, US stock investors can be forgiven if they didn't see the bounce-back of 2019 coming. From a record close of 2931 on 9/20/18, the S&P 500 fell 19.8% to 2351 by the close of trading on Christmas Eve, within fractions of the "20%-decline" definition of a bear market over the 3-month tumble. Fast forward into the first 8 weeks of 2019 and the nagging sense that a global recession was imminent has been pushed aside. The S&P 500 has advanced in 7 of the 8 weeks this year, gaining +11.7% YTD (total return) in the process. The stock index closed at 2793 last week, now down less than 5% from its all-time closing high (source: BTN Research).

They are not the final decision-makers, but enough progress had been made to keep the Chinese negotiators in Washington D.C. for additional trade talks over the weekend. The goal of both sides: lay the groundwork for another meeting between President Trump and Chinese President Xi that would end the trade dispute. The initial tariffs in the US-China trade war were implemented on 7/06/18. In the 7 ½ months since then, the United States has imposed tariffs on \$250 billion of Chinese imports and China has imposed tariffs on \$110 billion of US imports (source: United States Trade Representative).

It has been a very difficult couple of years for shopping malls across the United States. 5,524 brick-and-mortar retail stores closed nationwide in 2018, down from a record 8,139 store closures in 2017. Another 2,187 retail stores have already closed YTD through 2/09/19 (source: Coresight Research).

#### Notable Numbers for the Week:

1. **RED FEBRUARY** - The last time that **February** did not produce the **largest monthly deficit** during a fiscal year was in fiscal year 2002 or **17 years ago** (source: Treasury Department).
2. **TOP SHELF** - To rank in the **top 0.1% of US taxpayers** in tax year 2016, i.e., **top 1 out of 1,000 taxpayers**, required an adjusted gross income of **\$2,124,117** (source: Internal Revenue Service).
3. **NO MORE WORK TO DO** - 37% of retired Americans report they **retired earlier than planned** as a result of health problems, buyout packages, layoffs, grandchildren, or caring for an aging parent (source: Health and Retirement Study).
4. **IT'S NOT THE FIRST ONE** - The **national emergency** announced on 2/15/19 is the country's **32nd active and ongoing** national emergency. The oldest active national emergency was enacted **on 11/14/79** (source: Federal Register).

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