

In this week's recap: The tech sector slip continues for stocks; the Federal Reserve signals that interest rates will not be increased for some time.

Weekly Economic Update

Presented by United Financial Center, September 21, 2020

THE WEEK ON WALL STREET

Stocks slipped as the technology sector remained under pressure and a mid-week announcement by the Federal Reserve failed to inspire investors.

The Dow Jones Industrial Average declined 0.03%, while the Standard & Poor's 500 fell 0.64%. The Nasdaq Composite index dropped 0.56% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, rose 0.75%.^{1,2,3}

TECHNOLOGY PULLS STOCKS LOWER

As has been the case in recent weeks, technology stocks led the market higher, then lower in an otherwise turbulent week of trading.

Merger and acquisition activity announced at the start of the week generated a rush back into technology stocks, sparking a rebound from the previous week's drop. Stocks continued to advance until Wednesday, when investors began to digest comments from the Fed's Federal Open Market Committee meeting. The Fed delivered a message that coupled assurances of continued low rates with concerns about the health of the economic recovery.⁴

THE FED STAYS THE COURSE

In the last Federal Open Market Committee (FOMC) meeting before the November election, the Fed signaled that interest rates would not be increased "until labor market conditions have reached levels consistent with the committee's assessments of maximum employment and inflation has risen to 2% and is on track to moderately exceed 2% for some time."⁴

Most Fed officials do not see this happening until 2023.

While the Fed maintained its view on the importance of fiscal stimulus to help American workers and businesses, it did improve its outlook for unemployment in its latest economic outlook. The Fed now expects unemployment would average around 7-8% in the final three months of the year, down from its June prediction of around 9-10%.⁵

TIP OF THE WEEK



Always explore the alternatives before you make a big-ticket purchase. A few minutes of online searching may bring you exactly what you want (or close) at considerable savings.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Existing Home Sales.

Thursday: Jobless Claims. New Home Sales.

Friday: Durable Goods Orders.

Source: Econoday, September 18, 2020

The Econoday 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

Tuesday: Nike (NKE), Autozone (AZO), Fedex (FDX).

Wednesday: General Mills (GIS).

Thursday: Costco Wholesale (COST), Darden Restaurants (DRI), Carnival Corp. (CCL).

Source: Zacks, September 18, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. 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.

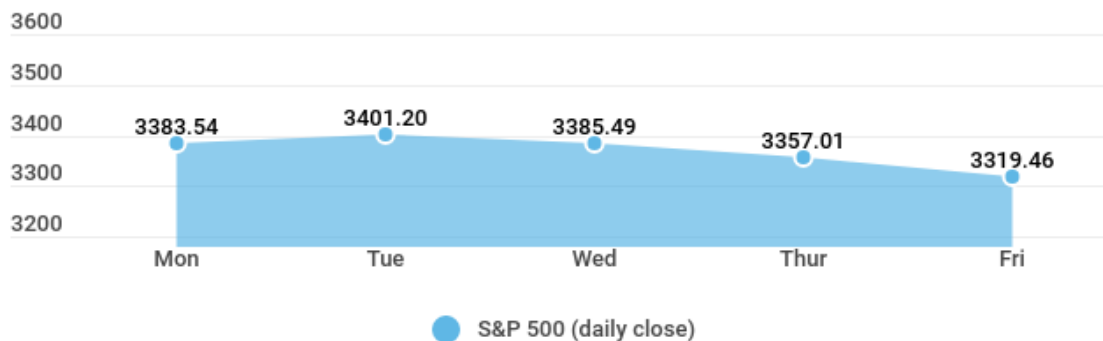
QUOTE OF THE WEEK




“Simplicity is the ultimate sophistication.”

LEONARDO DA VINCI

Market Index	Close	Week	Y-T-D
DJIA	27,657.42	-0.03%	-3.09%
NASDAQ	10,793.28	-0.56%	+20.29%
MSCI-EAFE	1,911.18	+0.75%	-6.17%
S&P 500	3,319.46	-0.64%	+2.74%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.70%	+0.03%	-1.22%

Sources: The Wall Street Journal, September 18, 2020; Treasury.gov, September 18, 2020

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, September 11, to Friday, September 18, close. Weekly performance for the MSCI-EAFE is measured from Friday, September 11, open to the Thursday, September 17, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



A family has a mother, father, and four daughters. Each daughter has one brother. How many people are in the family?

LAST WEEK'S RIDDLE: A plastic bottle filled with cola weighs one liter. What do you need to add to it to make it weigh less than two ounces?

ANSWER: Add a hole to it.

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.)

Securities and Investment Advisory Services offered through United Planners Financial Services of America, a Limited Partnership, Member FINRA/SIPC, United Planners and United Financial Center are not affiliated.

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. 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.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. 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 technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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. 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.

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.

Please consult your financial professional for additional information.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2020 FMG Suite.

CITATIONS:

1. The Wall Street Journal, September 18, 2020
2. The Wall Street Journal, September 18, 2020
3. The Wall Street Journal, September 18, 2020
4. The Wall Street Journal, September 16, 2020
5. The Wall Street Journal, September 16, 2020

CHART CITATIONS:

The Wall Street Journal, September 18, 2020
The Wall Street Journal, September 18, 2020
treasury.gov, September 18, 2020