



August 8, 2019 Market Update

During the past week, stock prices dropped sharply on fears the trade dispute between the U.S. and China had escalated.

Investors woke to the news on Monday, August 5, that the People's Bank of China had manipulated its currency, allowing the yuan to fall to its lowest level versus the dollar in a decade. A weaker yuan makes Chinese exports less expensive in foreign markets. It can also help offset the impact of U.S. tariffs on Chinese products.¹

The currency news comes just days after the U.S. announced plans to enact \$300 billion in tariffs on Chinese goods starting in September. The new round of tariffs are in addition to the existing 25% tariffs imposed on \$250 billion in Chinese products. It also comes less than a week after the Federal Reserve lowered short-term interest rates by 0.25%.^{2,3}

For investors of any level, this type of market volatility is unnerving and can make you question your portfolio's approach. But remember, your financial strategy is based on your goals, your tolerance for risk, and your time horizon. We designed this approach so you may never need to make hurried decisions when volatility picks up.

Now, there may be a situation in the future when you may need to adjust your strategy. This is part of smart investing, but those changes should be driven by your personal situation, not headlines that can cause quick dips and perhaps fast relief.

As financial professionals, we keep a close eye on the markets and watch for any shift that may call for a change in your portfolio. We consult experts on what may be next and work tirelessly to stay atop financial trends when market turbulence hits.

As always, if you have any questions or would like to discuss what the recent market behavior may mean for your investments, don't hesitate. We are always more than happy to share whatever timely information on market action we can.

1 - Washington Post, August 5, 2019

2 - CNBC, August 5, 2019

3 - Bloomberg, August 5, 2019