

In this week's recap: tariffs and U.S.-China trade tensions once again become the talk of Wall Street, and U.S. stocks end up lower, week-over-week.

Weekly Economic Update

Presented by Hirling Financial Group, 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."³⁻⁵

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 of 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 is also preparing its response to any new U.S. tariffs, which could include manipulating its currency.

TIP OF THE WEEK



*A small, but growing, percentage of companies now offer **student debt assistance** as an **employee benefit**. If you are looking for a new job and have outstanding education debt, research whether a potential employer can help you pay down your student loan balance.*

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.

QUOTE OF THE WEEK



*“Every great **mistake** has a halfway moment, a split second when it can be **recalled** and perhaps **remedied**.”*

PEARL S. BUCK

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.

THE WEEKLY RIDDLE



Can you name *two perennial vegetables*? (That is, vegetables that don't need to be replanted and can live on to produce in a future growing season?)

LAST WEEK'S RIDDLE: Name three words in everyday English that begin with the letters "dw."

ANSWER: Any three of these five words will do: dwell, dwelling, dwarf, dweeb, and dwindle.

«representativename» may be reached at «representativephone» or «representativeemail»
«representativewebsite»

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.)

Charles F. Hirling, Jr.
Investment Advisor Representative

Bradley C. Hirling
Registered Representative

**Hirling Financial Group LLC
Cambridge Investment Research
6660 Riverside Drive, Suite 204
Metairie, LA 70003
504-885-0525 - Fax 504-885-0524
www.hirlingfinancialgroup.com**

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SPIC. Advisory services offered through Hirling Financial Group, a Registered Investment Advisor. Hirling Financial Group and Cambridge are not affiliated. The information in this email is confidential and is intended solely for the addressee. If you are not the intended addressee and have received this email in error, please reply to the sender to inform them of this fact.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This

information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

CITATIONS:

- 1 - [wsj.com/market-data](https://www.wsj.com/market-data) [5/17/19]
- 2 - quotes.wsj.com/index/XX/990300/historical-prices [5/17/19]
- 3 - [reuters.com/article/us-usa-trade-china/tough-talk-from-china-leaves-trade-talks-with-u-s-in-limbo-idUSKCN1SN207](https://www.reuters.com/article/us-usa-trade-china/tough-talk-from-china-leaves-trade-talks-with-u-s-in-limbo-idUSKCN1SN207) [5/17/19]
- 4 - [marketwatch.com/story/mnuchin-says-he-expects-to-go-to-beijing-to-continue-trade-talks-in-the-near-future-2019-05-15](https://www.marketwatch.com/story/mnuchin-says-he-expects-to-go-to-beijing-to-continue-trade-talks-in-the-near-future-2019-05-15) [5/15/19]
- 5 - [npr.org/2019/05/17/724357441/u-s-to-lift-tariffs-on-canadas-and-mexico-s-steel-and-aluminum](https://www.npr.org/2019/05/17/724357441/u-s-to-lift-tariffs-on-canadas-and-mexico-s-steel-and-aluminum) [5/17/19]
- 6 - [insight.factset.com/market-punished-sp-500-companies-reporting-negative-eps-surprises-in-q1](https://www.insight.factset.com/market-punished-sp-500-companies-reporting-negative-eps-surprises-in-q1) [5/17/19]

CHART CITATIONS:

- 1 - [wsj.com/market-data](https://www.wsj.com/market-data) [5/17/19]
- 2 - quotes.wsj.com/index/SPX/historical-prices [5/17/19]
- 3 - [treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield](https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield) [5/17/19]
- 4 - [treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll](https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll) [5/17/19]