



# WEEKLY ECONOMIC UPDATE

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## The Week on Wall Street

Traders assumed that the week's biggest news event would be Federal Reserve Chairman Jerome Powell's speech at the annual Jackson Hole banking conference. Instead, China seized the headlines by announcing new tariffs on U.S. goods.

Domestic stocks ended up lower for the week. The Nasdaq Composite fell 1.83%; the S&P 500, 1.44%; the Dow Jones Industrial Average, 0.99%.

International stocks posted a weekly gain: the MSCI EAFE benchmark rose 0.96%.

## Weekly Tip

Remember that you must itemize to claim a federal tax deduction for charitable contributions. It is to your advantage to itemize when your total individual deductions exceed the standard deduction amount for your federal tax filing status.

## Weekly Quote

"Whether it's the best of times or the worst of times, it's the only time we've got."

-ART BUCHWALD

## Weekly Riddle

A crook steals \$100 from a cash register. The crook returns an hour later with the same \$100 and buys \$70 in items, receiving \$30 in change. How much does the merchant lose?

LAST WEEK'S RIDDLE: Without fingers, I point; without arms, I strike; without feet, I run. What am I?

ANSWER: A clock



## POWELL REFLECTS AT JACKSON HOLE

Friday, Jerome Powell delivered an address on monetary policy at the Kansas City Fed’s annual Jackson Hole symposium. He noted that the global economy currently presented a “complex, turbulent picture,” and added that the Fed was “carefully watching developments” and would “act as appropriate.”

Investors wonder if, at its September meeting, the central bank will consider another rate cut. Comments from other Fed officials at Jackson Hole did not indicate a consensus on that matter.

Market Index	Close	Week	Y-T-D
DJIA	25,628.90	-0.99%	+9.87%
NASDAQ	7,751.77	-1.83%	+16.83%
MSCI-EAFE	1,829.29	+0.96%	+6.36%
S&P 500	2,847.11	-1.44%	+13.57%



Treasury	Close	Week	Y-T-D
10-Year Note	1.52%	-0.03%	-1.17%

## FINAL THOUGHT

Bond prices have risen around the world, leading to lower bond yields. In some instances, yields have turned negative. While the yield on the 10-year Treasury has also declined, it is still above 1.5%, notably exceeding the yields of similar-duration bonds in France, Germany, Spain, and the United Kingdom.

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## BEIJING PLANS NEW TARIFFS

Friday morning, China’s finance ministry stated it would levy import taxes of 5-10% on an additional \$75 billion of American imports. One set of tariffs is slated to start September 1, targeting U.S. crops, meats, and seafood. A second set, effective December 15, will put tariffs on U.S.-made cars and car parts. In total, these taxes are scheduled for more than 5,000 American products.

Friday evening, the White House announced two rounds of 5% increases on existing U.S. tariffs on Chinese goods, to be successively implemented on September 1 and October 1.



## LEADING INDICATORS RISE

The Conference Board, the business research group known for its monthly Consumer Confidence Index, also publishes a monthly Leading Economic Indicator (LEI) Index. The Conference Board’s LEI provides a forward-looking analysis of the health of the business cycle, looking at ten factors ranging from consumer expectations to stock prices to construction activity.

In July, the LEI rose 0.5%, following 0.1% descents in May and June. This sudden increase offers optimism at a time when investors are wondering about the momentum of the economy.