

In this week's recap: stocks ride out a choppy week, as traders react to a potential delay for a phase-one U.S.-China trade deal and a surprising jobs report.

Weekly Economic Update

Presented by Hirling Financial Group, December 9, 2019

THE WEEK ON WALL STREET

Key Wall Street benchmarks were up and down last week – or rather down and then up. A Tuesday retreat was offset by a Friday rally spurred by the Department of Labor's November jobs report.

While the S&P 500 managed to rise 0.16% for the week, the Dow Jones Industrial Average declined 0.13%, and the Nasdaq Composite ceded 0.10%. MSCI's EAFE benchmark for international stocks retreated 0.25%.^{1,2}

HIRING SURPASSES EXPECTATIONS

Employers added 266,000 net new jobs last month, 79,000 more than economists surveyed by Dow Jones had projected. The main jobless rate ticked down 0.1% to 3.5%. The U-6 rate, counting both the unemployed and underemployed, also declined 0.1% to 6.9%. Wages grew 3.1% year-over-year, above the 3.0% Dow Jones estimate.

These numbers do not indicate an economy cooling off. While they were influenced by the return of striking General Motors workers to their jobs, November hiring gains were spread across several categories.³

MARKETS MIGHT WAIT WELL INTO 2020 FOR A CHINA TRADE DEAL

The U.S.-China trade dispute has gone on for 21 months. Wall Street would like to see a new phase-one trade agreement signed this month, but the timeline could lengthen. On Tuesday, President Trump said that he was considering the option of waiting until after the 2020 election to sign off on such a pact.

On December 15, the U.S. is slated to impose a new set of tariffs on around \$160 billion of Chinese products. Tech companies are eyeing this date with concern.⁴

FINAL THOUGHT

Holiday shopping is critical to the economy, accounting for about 20% of annual retail sales. This year's calendar, however, does not favor retailers. The 2019 holiday shopping season is six days shorter than last year's, as Thanksgiving fell on November 28. So, expect traders to keep close tabs on the pace of holiday spending, even with consumer confidence indices and stock benchmarks at high levels.⁵

TIP OF THE WEEK



*Searching for a **cheap airfare**? Instead of just relying on results from a search engine, go a step further and check the **websites of discount air carriers**. Sometimes, their fares do not show up on the popular flight search sites.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: The Federal Reserve makes its latest monetary policy statement, followed by a press conference featuring Fed Chairman Jerome Powell; also, the November Consumer Price Index appears.

Thursday: The Department of Commerce releases its November retail sales report.

Source: Econoday, December 6, 2019

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: AutoZone (AZO)

Wednesday: Lululemon Athletica (LULU)

Thursday: Adobe Systems (ADBE), Broadcom (AVGO), Costco (COST)

Source: Zacks.com, December 6, 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.

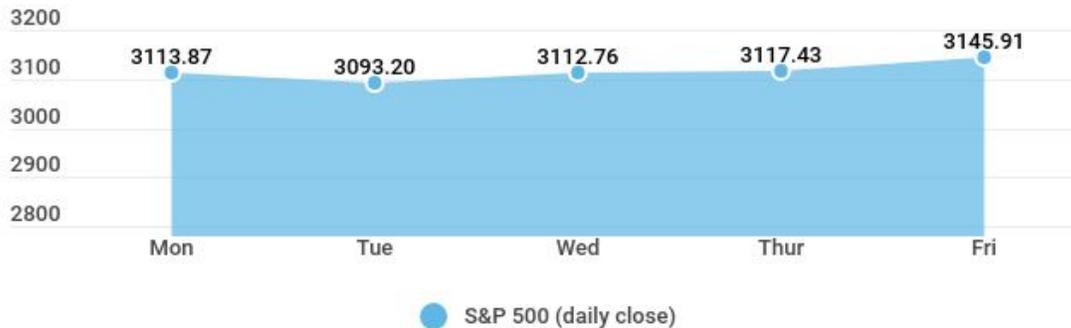
QUOTE OF THE WEEK



*“All life is an **experiment**. The **more** experiments you make, the **better**.”*

RALPH WALDO EMERSON

Market Index	Close	Week	Y-T-D
DJIA	28,015.06	-0.13%	+20.09%
NASDAQ	8,656.53	-0.10%	+30.46%
MSCI-EAFE	1,969.77	-0.25%	+14.53%
S&P 500	3,145.91	+0.16%	+25.49%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.84%	+0.06%	-0.85%

Sources: The Wall Street Journal, December 6, 2019; Treasury.gov, December 6, 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, November 29 to the Friday, December 6 close. Weekly performance for the MSCI-EAFE is measured from the Friday, November 29 open to the Thursday, December 5 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



Suppose you have *two* twins, *three* triplets, and *four* quadruplets. How many people do you have?

LAST WEEK'S RIDDLE: I follow and lead as you pass. Dress yourself in black, my darkness lasts. I flee the light, but without the sun, your view of me would be gone. Now tell me, what am I?

ANSWER: Your shadow.

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CITATIONS:

- 1 - [wsj.com/market-data](https://www.wsj.com/market-data) [12/6/19]
- 2 - quotes.wsj.com/index/XX/MSCI%20GLOBAL/990300/historical-prices [12/6/19]
- 3 - [cnbc.com/2019/12/06/us-nonfarm-payrolls-november-2019.html](https://www.cnbc.com/2019/12/06/us-nonfarm-payrolls-november-2019.html) [12/6/19]
- 4 - [washingtonpost.com/us-policy/2019/12/03/trump-says-trade-deal-with-china-could-wait-until-after-election/](https://www.washingtonpost.com/us-policy/2019/12/03/trump-says-trade-deal-with-china-could-wait-until-after-election/) [12/3/19]
- 5 - bit.ly/38ejx8o [11/26/19]

CHART CITATIONS:

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