

In this week's recap: a shortened trading week sees additional gains for the major stock benchmarks, as optimism about a new trade pact with China outweighs doubts; household spending rises, but confidence declines.



Weekly Economic Update

December 2, 2019

THE WEEK ON WALL STREET

As November wrapped up, U.S. equity benchmarks advanced. Stocks were again aided by a sense of optimism that a preliminary U.S.-China trade deal could be near.

For the week, the Nasdaq Composite added 1.87%; the S&P 500, 1.21%; the Dow Jones Industrial Average, 1.03%. The MSCI EAFE index, which measures the performance of developed stock markets outside North America, gained 0.89%.^{1,2}

MARKETS WAIT FOR NEWS OF A TRADE PACT

Wednesday, a senior White House official told *Politico* that the U.S. was “millimeters away” from a phase-one trade agreement with China, a deal that might involve the removal of certain tariffs.

Still, friction remains within the Sino-American relationship. Last week, President Trump signed two bills into law backing pro-democracy demonstrators in Hong Kong. China’s Ministry of Foreign Affairs quickly reacted, stating that American lawmakers had “sinister intentions” and adding that China would take “strong counter-measures” in return.^{3,4}

THE LATEST ON CONSUMER SPENDING AND CONSUMER CONFIDENCE

Personal spending was up 0.3% in October, according to the Department of Commerce. This happened even with no gain in household incomes.

The Conference Board said that its Consumer Confidence Index came in at 125.5 for November. Even though it has declined for four straight months, the index remains well above levels seen during the first half of the decade.^{5,6}

TIP OF THE WEEK



*In **business travel**, a little thriftiness is a plus. Plan your **business trips** as if you are paying for them out of pocket.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: The Institute for Supply Management provides its latest monthly index of U.S. manufacturing activity (November).

Wednesday: The ISM presents its November Non-Manufacturing Index, and Automatic Data Processing (ADP) publishes its November payrolls report.

Friday: November hiring data arrives from the Department of Labor, and the University of Michigan's preliminary December Consumer Sentiment Index appears.

Source: Econoday, November 29, 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: Salesforce (CRM), Workday (WDAY)

Wednesday: RBC (RY)

Thursday: Dollar General (DG), TD Bank (TD)

Source: Zacks.com, November 29, 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



*“I look to the **future** because that’s where I’m going to spend the **rest of my life.**”*

GEORGE BURNS

Market Index	Close	Week	Y-T-D
DJIA	28,051.41	+1.03%	+20.25%
NASDAQ	8,665.47	+1.87%	+30.60%
MSCI-EAFE	1,982.23	+0.89%	+15.25%
S&P 500	3,140.98	+1.21%	+25.30%



● S&P 500 (daily close; markets closed Thursday for Thanksgiving)

	Treasury	Close	Week	Y-T-D
	10-Year Note	1.78%	+0.01%	-0.91%

Sources: The Wall Street Journal, November 29, 2019; Treasury.gov, November 29, 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 22 to the Friday, November 29 close. Weekly performance for the MSCI-EAFE is measured from the Friday, November 22 open to the Thursday, November 28 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



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?

LAST WEEK'S RIDDLE: Two children are born in the same hospital, on the same year, on the same day, and have the same father and mother ... but they are not twins. How is this possible?

ANSWER: They are triplets (or quadruplets, etc.).

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- 1 - [wsj.com/market-data](https://www.wsj.com/market-data) [11/29/19]
- 2 - quotes.wsj.com/index/XX/990300/historical-prices [11/29/19]
- 3 - [politico.com/news/2019/11/27/us-trade-deal-china-074230](https://www.politico.com/news/2019/11/27/us-trade-deal-china-074230) [11/27/19]
- 4 - [cnbc.com/2019/11/29/dow-futures-black-friday-thanksgiving-holiday.html](https://www.cnbc.com/2019/11/29/dow-futures-black-friday-thanksgiving-holiday.html) [11/29/19]
- 5 - bit.ly/37M0yl7 [11/27/19]
- 6 - bit.ly/2XYGdEM [11/26/19]

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