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Welcome to MWM Quarterly! Q2 2019

Hello and welcome to Q2!

Before I dive into the markets and economy, I want to highlight a lunch meeting we are hosting on September 18th, Women and Investing. This will be geared towards our female clients (who, statistically, are making more and more investment decisions and don't think or invest like male investors!). Please see the link below for more information and to reserve your spot!

Register here:

[Women and Investing Luncheon](#)

Greg's Glimpse:

Checking in on the financial news each day is pretty easy when it comes to the stock market. It is the headline report when we talk about the economy each and every day. However, the real story this past quarter was not on the stock market, but really the bond market. But first, I will start with stocks.

Isn't it nice that we had such an uneventful 2nd quarter on the stock market?

If only that were actually the case! This quarter saw trade tensions with China and Iran dominate the political, geopolitical, and investment landscape...well, really, almost any landscape on earth, literal or figurative!

First, some numbers. The quarter saw the S&P 500 rise 3.8%. However, that does not even begin to tell the story of the last three months. The S&P 500 rose in April 3.9%, then proceeded to drop in May. Through the first trading day in June, the S&P 500 dropped from the high 6.8%, only to rebound back in June to the 3.8% quarterly gain mentioned above. Wow. If only we could have gone to sleep on 3/31 and woken up on 7/1 to see such nice returns.

However, as I alluded to, the real economic action this past quarter happened in the bond market.

It is always worth pointing out the size of the bond market relative to the stock market. Here in the US, the bond market is twice the size of the stock market: approximately \$40 trillion to \$20 trillion. It may be an even greater discrepancy than that. The yield on the 10-Year US Treasury Note, which greatly affects mortgage rates, plunged from 2.406% on 3/31 to 2.007% on 6/28. That is a massive move, and resulted in an inversion of part of the yield curve, meaning short-term interest rates, the 1-month, 3-month and 6-month Treasury Bills are yielding more than the 10-year Treasury Note.

So what does that mean? Buyers are so concerned about long-term rates and the direction of the economy that they are buying longer-term maturity bonds to lock in their rate (yield) now before (they believe) rates drop. This is not a good sign for the economy or the bond market. You want to earn more investing longer-term than if you put money in your money market. This makes sense. In a normal interest rate environment, if you lock your money up for ten years, you expect to make more in interest than if you lock it up for a period of just a few months. That is not happening right now.

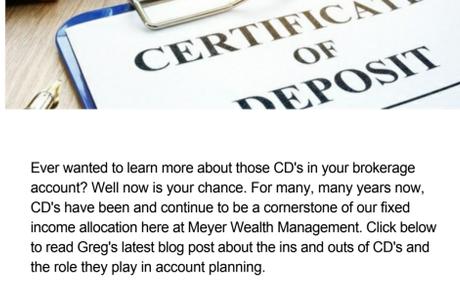
Even more shocking, 10-Year interest rates on German and Japanese government bonds are negative, meaning you are losing money if you buy the 10-year bonds from those countries.

The Federal Reserve has taken great note of these dislocations in the bond market, and other economic indicators that are starting to flash yellow, and with a lack of inflation, have indicated a willingness to lower interest rates this year if necessary. This could be an explanation for the quick recovery and a rise to even higher levels on the S&P 500.

Below you will find articles discussing the China Trade tumult and economic policy, along with a new blog post on the CDs in many of your portfolios. Also, don't forget to take a look at our lunch meeting on September 18th.

Thank you!

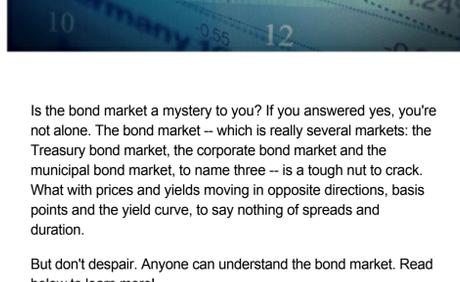
Latest Blog: The Scoop on Certificates of Deposit (CDs)



Ever wanted to learn more about those CD's in your brokerage account? Well now is your chance. For many, many years now, CD's have been and continue to be a cornerstone of our fixed income allocation here at Meyer Wealth Management. Click below to read Greg's latest blog post about the ins and outs of CD's and the role they play in account planning.

[Read Greg's Latest Blog Post](#)

What is the Bond Market and How Does it Work?



Is the bond market a mystery to you? If you answered yes, you're not alone. The bond market -- which is really several markets: the Treasury bond market, the corporate bond market and the municipal bond market, to name three -- is a tough nut to crack. What with prices and yields moving in opposite directions, basis points and the yield curve, to say nothing of spreads and duration.

But don't despair. Anyone can understand the bond market. Read below to learn more!

[Primer on the Bond Market](#)

The Top 3 Industries Affected by the Trade War With China



On May 10, the U.S. hiked tariffs on Chinese goods worth \$200 billion from 10% to 25%, jeopardizing a trade deal currently being negotiated by the two countries. The Chinese government has vowed to take "necessary countermeasures."

If a full-blown trade war between the two countries becomes a reality, it's likely that some industries will be hit harder than others. Read below to examine some spheres which may be most susceptible to this impact.

[Read full article here!](#)

The People Who Eat the Same Meal Every Day



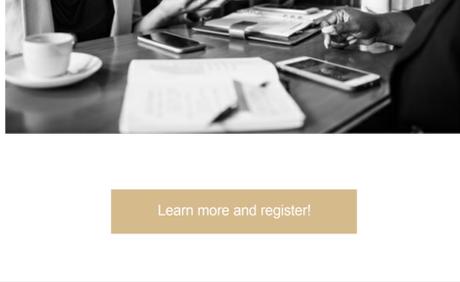
Did you know that when Greg is not meeting and eating with you, he is eating the same meal in the office every day! Let us know you read our newsletter and next time we chat, we'll fill you on his daily dish.

Anecdotally, the people who do this fairly consistently claim it helps them stick to healthy food choices for lunch, stay full throughout the day, save money, and also be more productive. I think the three of us would agree that taking the thought and stress out of what to have for lunch each day creates one less thing for us to have to make a decision about.

Read below to see if you agree!

[Should you be eating the same lunch every day?](#)

Women and Investing Luncheon: Hosted by Meyer Wealth Management and American Funds|Capital Group



[Learn more and register!](#)



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