

In this week's recap: the S&P 500 and Nasdaq Composite outperform the Dow Industrials, earnings season gets underway, and retail sales retreat for the first time since winter.



Weekly Economic Update

October 21, 2019

THE WEEK ON WALL STREET

Earnings helped give the Nasdaq Composite and S&P 500 a slight lift last week, offsetting investor disappointment over the small scope of the preliminary U.S.-China trade deal reached on October 11. Blue chips took a small weekly loss.

The Nasdaq and S&P respectively gained 0.40% and 0.54% on the week. The Dow Jones Industrial Average retreated just 0.17%. Outdoing these three benchmarks, the MSCI EAFE index tracking stocks in developed overseas markets rose 1.35%.^{1,2}

THE EARLY EARNINGS PICTURE

According to stock market analytics firm FactSet, 15% of S&P 500 companies had reported results through Friday's close. Of those companies, 84% announced that net profits topping projections, and 64% said that revenues had exceeded forecasts.

One big question is whether overall earnings for S&P 500 firms will show year-over-year growth. There was no year-over-year earnings gain evident in either Q1 or Q2.³

RETAIL SALES DECLINED LAST MONTH

Shoppers scaled back their purchases in September. The Census Bureau announced a 0.3% dip for retail sales, the first decrease in seven months.

Auto sales can influence this number, and car and truck buying fell 0.9% last month. A fall pickup in that category may help encourage another monthly advance.⁴

WHAT'S NEXT

If you buy your own health coverage, note that the open enrollment period for 2020 health insurance plans begins on November 1 in most states. The open enrollment window closes on December 15.⁵

TIP OF THE WEEK



There are three distinct incentives to keep working in your sixties. One, your employer most likely offers you private health insurance and other medical benefits. Two, you can keep contributing to your retirement plan at work. Three, if you wait to claim Social Security at full retirement age, you will receive 100% of your monthly retirement benefit rather than a reduced amount.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: National Association of Realtors publishes a report on September existing home sales.

Thursday: A report on September new home sales arrives from the Census Bureau.

Friday: The University of Michigan's final October Consumer Sentiment Index appears, evaluating consumer confidence levels.

Source: Econoday, October 18, 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

Monday: Celanese (CE), Halliburton (HAL), Sap (SAP), TD Ameritrade (AMTD)

Tuesday: McDonalds (MCD), Novartis (NVS), Procter & Gamble (PG), Texas Instruments (TXN)

Wednesday: Boeing (BA), Eli Lilly (LLY), Microsoft (MSFT), PayPal (PYPL)

Thursday: Amazon (AMZN), Comcast (CMCSA), Intel (INTC), Visa (V)

Friday: Anheuser-Busch (BUD), Verizon (VZ)

Source: Zacks.com, October 18, 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



“There must be a beginning of any great matter, but the continuing unto the end until it be thoroughly finished yields the true glory.”

SIR FRANCIS DRAKE

Market Index	Close	Week	Y-T-D
DJIA	26,770.20	-0.17%	+14.76%
NASDAQ	8,089.54	+0.40%	+21.92%
MSCI-EAFE	1,922.29	+1.35%	+11.77%
S&P 500	2,986.20	+0.54%	+19.12%



Treasury	Close	Week	Y-T-D
10-Year Note	1.76%	0.00%	-0.93%

Sources: The Wall Street Journal, October 18, 2019; Treasury.gov, October 18, 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, October 11 to the Friday, October 18 close. Weekly performance for the MSCI-EAFE is measured from the Friday, October 11 open to the Thursday, October 17 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



*It falls from great heights, but it never stays, and sometimes
people wish it would go away. What is it?*

*LAST WEEK'S RIDDLE: In terms of date and time, what was so significant about 3,661 seconds past
midnight on January 1, 2001?*

ANSWER: The time and date was 01:01:01 on 01/01/01.

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CITATIONS:

- 1 - [wsj.com/market-data](https://www.wsj.com/market-data) [10/18/19]
- 2 - quotes.wsj.com/index/XX/990300/historical-prices [10/18/19]
- 3 - insight.factset.com/sp-500-earnings-season-update-october-18-2019 [10/18/19]
- 4 - reuters.com/article/us-usa-economy-retail/weak-u-s-retail-sales-cast-gloom-over-economy-idUSKBN1WV1NG [10/16/19]
- 5 - businessinsider.com/what-is-open-enrollment-your-opportunity-to-buy-health-insurance [10/15/19]

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