

*In this week's recap: the Federal Reserve stands pat on interest rates, key indicators show strength, and stocks end the week little changed.*



# Weekly Economic Update

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May 6, 2019

## THE WEEK ON WALL STREET

Stocks were up and down last week, and the three major benchmarks ended up little changed after five trading days. The S&P 500 rose 0.20% for the week; the Nasdaq Composite, 0.22%. The Dow Jones Industrial Average declined 0.14%.

The MSCI EAFE index, a benchmark for international stocks, declined 0.21%.<sup>1-2</sup>

## THE FED EMPHASIZES PATIENCE

The Federal Reserve held interest rates steady at its May meeting. Its May 1 policy statement noted “solid” job growth and economic activity, but only tame inflation pressure.

While the Fed was not expected to make a move, some investors wondered if its latest policy statement might hint at the possibility of a rate cut later this year. No such hint appeared. Fed chair Jerome Powell told the media Wednesday that “we don’t see a strong reason for moving in one direction or the other.”<sup>3</sup>

## INDICATIONS OF A THRIVING ECONOMY

Employers added 263,000 net new jobs in April. Economists polled by Bloomberg forecast a gain of 190,000. The jobless rate fell to 3.6% last month, the lowest in half a century.

This better-than-expected employment snapshot comes on the heels of a first-quarter GDP reading that surprised to the upside. In another bit of good news, personal spending rose an impressive 0.9% in March.<sup>4-5</sup>

## FINAL THOUGHT

On Wednesday and Thursday, stocks fell in the wake of the Fed policy statement. Friday, they more or less recouped their losses after the impressive April jobs report. Ups and downs like these come with the territory when you invest; the key is to stay patient and think long term instead of short term.

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### TIP OF THE WEEK



*If you are young and want to make financial progress out of college, consider starting your career in a metro area where housing and living expenses are relatively low. Some of the most “exciting” cities to live and work in are also some of the priciest, with their millennial and Gen Y residents deeply in debt.*

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## THE WEEK AHEAD: KEY ECONOMIC DATA

Friday: The April Consumer Price Index, monitoring monthly and annual inflation.

Source: Econoday / MarketWatch Calendar, May 3, 2019

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## THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Occidental Petroleum (OXY), Tyson Foods (TSN)

Tuesday: Allergan (AGN), Anheuser-Busch (BUD), Lyft (LYFT)

Wednesday: Green Dot (GDOT), Hostess Brands (TWNK), Walt Disney Co. (DIS)

Thursday: AXA Equitable Holdings (EQH), Keurig Dr. Pepper (KDP), News Corp. (NWSA)

Friday: Enbridge (ENB), Marriott International (MAR), Viacom (VIA)

Source: Morningstar.com, May 3, 2019

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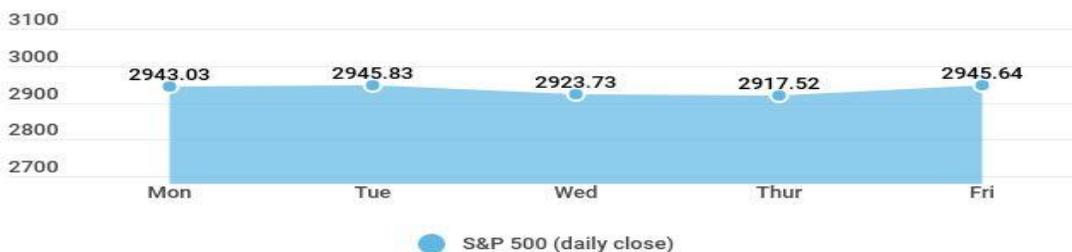
QUOTE OF THE WEEK



*“Do not go where the path may lead, go instead where there is no path and leave a trail.”*

RALPH WALDO EMERSON

Market Index	Close	Week	Y-T-D
DJIA	26,504.95	-0.14%	+13.62%
NASDAQ	8,164.00	+0.22%	+23.04%
MSCI-EAFE	1,911.66	-0.21%	+11.15%
S&P 500	2,945.64	+0.20%	+17.50%



Treasury	Close	Week	Y-T-D
10-Year Note	2.54%	+0.03%	-0.15%

Sources: The Wall Street Journal, May 3, 2019, Treasury.gov, May 3, 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, April 26 to the Friday, May 3 close. Weekly performance for the MSCI-EAFE is measured from the Friday, April 26 open to the Thursday, May 2 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.

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## THE WEEKLY RIDDLE



*There are two friends: one always goes to sleep as the other wakes up, and vice versa. They never see one another. What are they?*

*LAST WEEK'S RIDDLE: It walks on four legs in the morning, two legs at noon, and three legs in the evening. What is it?*

*ANSWER: A human. A baby crawls on all fours, then walks on two legs as an adult, and uses two legs and a cane when old.*

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- 1 - [markets.wsj.com/us/overview](https://markets.wsj.com/us/overview) [5/3/19]
- 2 - [quotes.wsj.com/index/XX/990300/historical-prices](https://quotes.wsj.com/index/XX/990300/historical-prices) [5/3/19]
- 3 - [bankrate.com/banking/federal-reserve/fomc-meeting-recap-april-may-2019](https://bankrate.com/banking/federal-reserve/fomc-meeting-recap-april-may-2019) [5/1/19]
- 4 - [nytimes.com/2019/05/03/business/economy/jobs-report-april.html](https://nytimes.com/2019/05/03/business/economy/jobs-report-april.html) [5/3/19]
- 5 - [marketwatch.com/tools/calendars/economic](https://marketwatch.com/tools/calendars/economic) [5/3/19]

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