



WEEKLY ECONOMIC UPDATE

IN THIS ISSUE

FED CUTS BENCHMARK INTEREST RATE

MORE TARIFFS PLANNED

THE LATEST HIRING DATA

The Week on Wall Street

Last week, the Federal Reserve cut interest rates for the first time in more than a decade, in line with Wall Street's expectations. Ironically, stocks had their worst week of 2019.

The S&P 500 finished the week 3.10% lower. The Dow Jones Industrial Average and the Nasdaq Composite also posted weekly losses; the blue chips fell 2.60%, while the premier tech benchmark slumped 3.92%. International stocks tracked by MSCI's EAFE index dipped 1.06%.

Weekly Tip

You may be inclined to help your adult children financially during your retirement, but think twice about doing so. Providing gifts or a personal loan (or cosigning on a loan they arrange) may put your own financial outlook at risk.

Weekly Quote

"Learning does not consist only of knowing what we must or we can do, but also of knowing what we could do and perhaps should not do."

- UMBERTO ECO

Weekly Riddle

What two things will you never be able to eat at dinner?

LAST WEEK'S RIDDLE: Take one letter away from this 8-letter word, and you still have a word. Take another letter away from the seven letters left, and you still have a word. Keep on doing that, each time making a new word, until you have one letter left. What is this word?

ANSWER: The word is starting. Starting, staring, string, sting, sing, sin, in, I.



MORE TARIFFS PLANNED

Shares also fell Thursday, after a White House tweet indicated that the U.S. would put a 10% tariff on another \$300 billion of goods coming from China, effective September 1.

Practically speaking, this would mean a tariff on nearly all Chinese products arriving in America. So far, the announcement has not affected plans for trade delegates from both nations to continue negotiations in September.

Market Index	Close	Week	Y-T-D
DJIA	26,485.01	-2.60%	+13.54%
NASDAQ	8,004.07	-3.92%	+20.63%
MSCI-EAFE	1,894.34	-1.06%	+10.14%
S&P 500	2,932.05	-3.10%	+16.96%



Treasury	Close	Week	Y-T-D
10-Year Note	1.86%	-0.22%	-0.83%

Sources: The Wall Street Journal, August 2, 2019; Treasury.gov, August 2, 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, July 26 to the Friday, August 2 close. Weekly performance for the MSCI-EAFE is measured from the Friday, July 26 open to the Thursday, August 1 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.

FED CUTS BENCHMARK INTEREST RATE

On Wednesday, the central bank reduced the federal funds rate by 0.25%. The latest Fed policy statement noted that “global developments” and “muted inflation” influenced the decision.

Addressing the media, Fed Chairman Jerome Powell described the cut as a “mid-cycle adjustment.” After that comment, Wednesday’s trading session turned volatile on the interpretation that the cut was a “one and done” move, instead of what might be the first in a series.



THE LATEST HIRING DATA

Payrolls expanded with 164,000 net new jobs in July, according to the Department of Labor. The headline jobless rate stayed at 3.7%; it has now been under 4% for 17 months. The U-6 jobless rate, which counts both underemployed and unemployed Americans, dipped to 7.0%, a level unseen since December 2000. Monthly job growth has averaged 140,000 over the past three months, compared to 187,000 in 2018.