

In this week's recap: the Dow and S&P 500 extend their winning streaks, even with conflicting messages emerging about U.S.-China trade negotiations; a gauge of U.S. business activity improves.



Weekly Economic Update

November 11, 2019

THE WEEK ON WALL STREET

Domestic and international stocks rose last week. Risk appetite outweighed concerns about the state of U.S.-China trade discussions.

The Dow Jones Industrial Average, Nasdaq Composite, S&P 500, and MSCI EAFE all ended the week with gains. Blue chips led the way, as the Dow added 1.22%. The Nasdaq improved 1.06%; the S&P, 0.85%. The EAFE, tracking developed stock markets away from North America, was up 0.76%. The Dow recorded its third straight weekly gain; the S&P, its fifth.^{1,2,3}

WILL TARIFFS PHASE OUT OR REMAIN?

Thursday, a spokesman for China's commerce ministry said that U.S. and Chinese trade representatives had "agreed to remove" existing tariffs in "phases," while working toward a new trade deal.

On Friday morning, President Trump told the media that he had not agreed to any such condition. President Trump and Chinese President Xi Jinping are still expected to sign off on "phase one" of a new bilateral trade agreement.⁴

SERVICE SECTOR ACTIVITY PICKS UP

A closely watched index of U.S. business activity posted an October gain. The Institute for Supply Management's Purchasing Managers Index for non-manufacturing firms rose nearly two points last month to 54.7. ISM also noted an increase for new orders in October.

As most U.S. companies provide services rather than manufacture products, this news is encouraging and suggests more momentum in that sector.⁵

FINAL THOUGHT

Monday is Veterans Day; the stock market will be open, but the bond market, plus all federal government offices, will be closed.

TIP OF THE WEEK



*An **emergency fund** should be thought of as just that: a **cash reserve** for **handling sudden sizable expenses**. While it may be tempting to dip into it for other circumstances, its definition and purpose must be respected.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: Federal Reserve Chairman Jerome Powell begins two days of testimony on the country's economic outlook in Congress, and the Bureau of Labor Statistics presents new inflation data in the October Consumer Price Index.

Friday: October retail sales figures arrive from the Census Bureau.

Source: Econoday, November 8, 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: Praxair (LIN), Tyson Foods (TSN)

Wednesday: Cisco (CSCO)

Thursday: Applied Materials (AMAT), Nvidia (NVDA), Walmart (WMT)

Source: Zacks.com, November 8, 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.

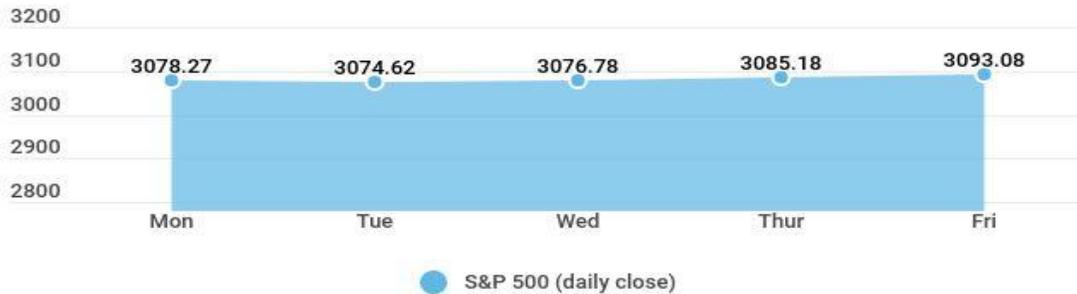
QUOTE OF THE WEEK



*“It is our **responsibilities**, not ourselves, that we should **take seriously.**”*

PETER USTINOV

Market Index	Close	Week	Y-T-D
DJIA	27,681.24	+1.22%	+18.66%
NASDAQ	8,475.31	+1.06%	+27.73%
MSCI-EAFE	1,981.56	+0.76%	+15.22%
S&P 500	3,093.08	+0.85%	+23.39%



Treasury	Close	Week	Y-T-D
10-Year Note	1.94%	+0.21%	-0.75%

Sources: The Wall Street Journal, November 8, 2019; Treasury.gov, November 8, 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 1 to the Friday, November 8 close. Weekly performance for the MSCI-EAFE is measured from the Friday, November 1 open to the Thursday, November 7 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 float when I am born, lay down when I am alive, and run when I am dead. What am I?

LAST WEEK'S RIDDLE: Jennifer is 20 years old, yet why has her birthday occurred only five times in her life?

ANSWER: She was born on February 29 during a leap year.

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- 4 - [cnbc.com/2019/11/08/trump-says-he-has-not-agreed-to-roll-back-tariffs-on-china-after-week-of-trade-optimism.html](https://www.cnbc.com/2019/11/08/trump-says-he-has-not-agreed-to-roll-back-tariffs-on-china-after-week-of-trade-optimism.html) [11/8/19]
- 5 - [briefing.com/Investor/Calendars/Economic/Releases/napmserv.htm](https://www.briefing.com/Investor/Calendars/Economic/Releases/napmserv.htm) [11/5/19]

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