



# WEEKLY ECONOMIC UPDATE

## IN THIS ISSUE

### **JOBS REPORT BEATS EXPECTATIONS**

### **MORE TARIFFS SLATED FOR EUROPEAN GOODS**

### **WHAT'S AHEAD**

## **The Week on Wall Street**

U.S. stock benchmarks opened a new quarter positively. The S&P 500 gained 1.65% in the opening week of July; the Dow Jones Industrial Average, 1.21%; the Nasdaq Composite, 1.94%. Overseas, stocks in developed markets, tracked by MSCI's EAFE index, rose 1.43%.

On July 3, the S&P posted its latest record close: 2,995.82. On July 5, stocks fell, slightly, after the Department of Labor released its June employment report.

### **Weekly Tip**

A good, small-business invoice ideally states five things: the timeframe the company gives the client to pay, whether the client is permitted to pay upfront, whether late fees can be charged, the kinds of payments accepted, and if delivery will occur before or after receipt of payment.

### **Weekly Quote**

"All our discontent at what we lack results from lack of gratitude for what we have."

-DANIEL DEFOE

### **Weekly Riddle**

Pronounced as one letter, written with three, there are only two letters in me. I'm read from both ends, and the same either way. What word am I?

LAST WEEK'S RIDDLE: What is the difference between a schoolboy studying and a farmer watching his cattle?

ANSWER: One is stocking his mind, while the other is minding his stock.



## MORE TARIFFS SLATED FOR EUROPEAN GOODS

The federal government plans to levy new import taxes on \$4 billion of food and beverages coming from the European Union, the Office of the U.S. Trade Representative said last week. This would complement the tariffs on \$21 billion worth of E.U. imports announced in April.

The U.S. and E.U. generate more than \$1 trillion in commerce through trade relationships. European exports to the U.S., however, far outweigh U.S. exports to the E.U.

| Market Index | Close     | Week   | Y-T-D   |
|--------------|-----------|--------|---------|
| DJIA         | 26,922.12 | +1.21% | +15.41% |
| NASDAQ       | 8,161.79  | +1.94% | +23.01% |
| MSCI-EAFE    | 1,949.70  | +1.43% | +13.36% |
| S&P 500      | 2,990.41  | +1.65% | +19.29% |



| Treasury     | Close | Week   | Y-T-D  |
|--------------|-------|--------|--------|
| 10-Year Note | 2.04% | +0.04% | -0.65% |

Sources: The Wall Street Journal, July 5, 2019; TradingView.com, July 5, 2019; Treasury.gov, July 5, 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, June 28 to the Friday, July 5 close. Weekly performance for the MSCI-EAFE is measured from the Friday, June 28 open to the Thursday, July 4 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.

## JOBS REPORT BEATS EXPECTATIONS

Analysts polled by Bloomberg thought the economy would add 160,000 net new jobs in June. Instead, the number was 224,000. The headline unemployment rate ticked up 0.1% to 3.7%; the U-6 rate, including the underemployed, also rose 0.1% to 7.2%.

Before the large June gain was announced, traders were confident that the Federal Reserve would adjust interest rates this summer. This latest hiring data called that confidence into question.



## WHAT'S AHEAD

Monday, July 15 will mark the start of the next earnings season. Money-center banks report first, followed by companies from a variety of industries.