



WEEKLY ECONOMIC UPDATE

The Week on Wall Street

IN THIS ISSUE

THE FED'S JUNE POLICY STATEMENT

LAST TUESDAY'S MARKET-MOVING TWEET

FINAL THOUGHT

The S&P 500 hit an all-time peak of 2,964.03, in intraday trading Friday, while improving 2.20% across five market days. The Dow Jones Industrial Average and Nasdaq Composite posted respective, 5-day advances of 2.41% and 3.01%. In addition, the MSCI EAFE benchmark of overseas stocks rose 2.58%.

A White House tweet and the latest monetary policy outlook from the Federal Reserve sent the bulls running. These were the top two financial news items in an eventful week – a week in which the value of West Texas Intermediate crude rose 9.4%, the price of gold went above \$1,400 for the first time in six years, and the 10-year Treasury yield fell below 2%. (Treasury yields fall when their prices rise, and vice versa.)

Weekly Tip

A no-exam life insurance policy may sound expedient and convenient, but keep this reality in mind: policies that are medically underwritten are usually more affordable than those that are not.

Weekly Quote

“If you want to be respected by others, the great thing is to respect yourself. Only by that, only by self-respect will you compel others to respect you.”

-FYODOR DOSTOEVSKY

Weekly Riddle

A horse was tied to a rope 5 meters long, and the horse's food was 15 meters away. How did the horse reach the food?

LAST WEEK'S RIDDLE: What is the worst vegetable to have on a ship?

ANSWER: A leek.



LAST TUESDAY'S MARKET-MOVING TWEET

A day earlier, stocks rose after President Trump stated that he and Chinese President Xi Jinping “will be having an extended meeting” at this week’s G-20 summit in Japan.

Investors were encouraged by this note, sensing a chance for progress in U.S.-China trade talks.

Market Index	Close	Week	Y-T-D
DJIA	26,719.13	+2.41%	+14.54%
NASDAQ	8,031.71	+3.01%	+21.05%
MSCI-EAFE	1,918.39	+2.58%	+11.54%
S&P 500	2,950.46	+2.20%	+17.70%



Treasury	Close	Week	Y-T-D
10-Year Note	2.07%	-0.02%	-0.62%

Sources: The Wall Street Journal, June 21, 2019, Treasury.gov, June 21, 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 14 to the Friday, June 21 close. Weekly performance for the MSCI-EAFE is measured from the Friday, June 14 open to the Thursday, June 20 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 FED'S JUNE POLICY STATEMENT

The central bank stood pat on interest rates this month, but the expectations of some of its policymakers changed. About half the 17 Fed officials who have a say in monetary policy now project either one or two quarter-point rate cuts by the end of the year. As recently as March, no Fed official saw grounds for a 2019 cut.

Markets interpreted this shift as a sign that the Fed might soon ease. While a rate cut is by no means a given, traders now believe that the Fed will make either a quarter-point or half-point cut at its July meeting.



FINAL THOUGHT

With tensions persisting between Iran and the U.S., investors are keeping a close eye on both commodity prices and stock indices. Economic or geopolitical developments could heavily influence the short-term movement of the markets.