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In this week's recap: Wall Street grapples with coronavirus unknowns; new Federal Reserve meeting minutes appear; existing home sales retreat; the price of gold climbs.

Weekly Economic Update

Presented by Jason Knox, AIF®, CRC, February 24, 2020

THE WEEK ON WALL STREET

Traders paid close attention to coronavirus developments and earnings last week, while wondering how the former might eventually impact the latter. Concern over updated infection numbers moderated risk appetite.

A pair of key stock benchmarks posted similar weekly losses. In New York, the S&P 500 declined 1.25%; the MSCI EAFE index (of developed stock markets away from North America) lost 1.24%. The Dow Jones Industrial Average retreated 1.38% for the four-day trading week; the Nasdaq Composite, 1.59%.^{1,2}

MINUTES FROM THE FEDERAL RESERVE'S JANUARY MEETING

Last month, members of the Federal Open Market Committee felt the near-term outlook for the economy had improved slightly since the last Fed meeting in December. The minutes did note that the COVID-19 coronavirus outbreak "warranted close watching."

Some analysts have wondered, if the coronavirus threat heightens, whether the Fed might cut short-term interest rates this year. The FOMC voted 11-0 in January to leave rates alone.³

FEWER HOME SALES, BUT MORE BUILDING PERMITS

Sales of existing homes weakened 1.3% in January, according to a new National Association of Realtors report. On the new home front, the Census Bureau said that the rate of permits for new residential construction neared a 13-year high last month.^{4,5}

FINAL THOUGHT

At Friday's closing bell, gold was worth \$1,646.60 on the New York Mercantile Exchange. Gold futures traded at a seven-year peak on Friday morning.⁴

TIP OF THE WEEK



*Think about taking an **inventory all of your assets** this year. This can be useful not only for **insurance purposes**, but also for an **estate strategy**.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: The Conference Board's monthly Consumer Confidence Index.

Wednesday: A January new home buying report from the Census Bureau.

Thursday: The second estimate of fourth-quarter economic growth from the Bureau of Economic Analysis.

Friday: January consumer spending numbers from the Department of Commerce, and the final February Consumer Sentiment Index from the University of Michigan (an assessment of consumer confidence levels).

Source: MarketWatch, February 21, 2020

The MarketWatch 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

Monday: HP (HPQ), Intuit (INTU), Palo Alto Networks (PANW)

Tuesday: Home Depot (HD), Public Storage (PSA), Salesforce (CRM)

Wednesday: Booking Holdings (BKNG), Lowe's (LOW), TJX Companies (TJX)

Thursday: Anheuser-Busch Inbev (BUD), Baidu (BIDU), Best Buy (BBY), Dell Technologies (DELL)

Friday: Dollar Tree (DLTR)

Source: MarketWatch, Market Insider, February 21, 2020

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



“Faith is taking the first step, even when you don't see the whole staircase.”

DR. MARTIN LUTHER KING, JR.

Market Index	Close	Week	Y-T-D
DJIA	28,992.41	-1.38%	+1.59%
NASDAQ	9,576.59	-1.59%	+6.73%
MSCI-EAFE	2,003.68	-1.24%	-1.63%
S&P 500	3,337.75	-1.25%	+3.31%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.46%	-0.13%	-0.46%

Sources: The Wall Street Journal, February 21, 2020; Treasury.gov, February 21, 2020

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, February 14 to the Friday, February 21 close. Weekly performance for the MSCI-EAFE is measured from the Friday, February 21 open to the Thursday, February 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 WEEKLY RIDDLE



Touching me is inevitable. I can send chills down spines. Even so, you may welcome me. What am I?

LAST WEEK'S RIDDLE: Four women sit down to play, playing after the end of the day, playing for cash, not for fun, a separate score for everyone. Not one lost, and all gained. Now that you've heard this, can you explain... what they did, and why it happened this way?

ANSWER: The four women were professional musicians, who were paid to perform.

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- 2 - quotes.wsj.com/index/XX/MSCI%20GLOBAL/990300/historical-prices [2/21/20]
- 3 - [reuters.com/article/us-usa-fed-minutes/fed-policymakers-cautiously-optimistic-on-u-s-economy-despite-new-risks-minutes-show-idUSKBN20D2K3](https://www.reuters.com/article/us-usa-fed-minutes/fed-policymakers-cautiously-optimistic-on-u-s-economy-despite-new-risks-minutes-show-idUSKBN20D2K3) [2/19/20]
- 4 - tinyurl.com/w6an89m [2/21/20]
- 5 - [marketwatch.com/story/housing-starts-dip-36-in-january-but-permits-hit-13-year-high-2020-02-19](https://www.marketwatch.com/story/housing-starts-dip-36-in-january-but-permits-hit-13-year-high-2020-02-19) [2/19/20]

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