



WEEKLY ECONOMIC UPDATE

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The Week on Wall Street

Stocks retreated last week. Traders worried that the formal impeachment inquiry of President Donald Trump might distract White House officials from their pursuit of a trade deal with China and shift the focus of Congress away from consideration of the United States-Mexico-Canada Agreement (USMCA). Also, news broke Friday that the White House was considering restricting levels of U.S. investment in Chinese firms. The Dow Jones Industrial Average lost less than the Nasdaq Composite and S&P 500. Blue chips declined 0.43% week-over-week, while the S&P fell 1.01%, and the Nasdaq dipped 2.19%. The MSCI EAFE index, tracking developed overseas stock markets, lost 0.89%.

Weekly Tip

When one or both spouses come into a *marriage* with *considerable individual assets*, a *separate property trust* may be worth considering, if only as a mechanism to try and insulate assets of one spouse from creditors of the other.

Weekly Quote

“Each of us is full of too many wheels, screws, and valves to permit us to judge one another on a *first impression* or by two or three *external signs*.”

-ANTON CHEKHOV

Weekly Riddle

Which is heavier, a pound of lead or a pound of silver?

LAST WEEK'S RIDDLE: Up and down the stairs it goes, without moving any toes. It is found upstairs, downstairs, even in the hall; alas, it cannot move at all. What is it?

ANSWER: Carpet.



INCOMES GROW, SPENDING SLOWS

Data released Friday by the Bureau of Economic Analysis showed household incomes rising 0.4% in August. Consumer spending improved just 0.1% last month, however; that was the smallest advance in six months.

Another BEA report noted that “real” consumer spending (that is, consumer spending adjusted for inflation) rose 4.6% during the second quarter.

Market Index	Close	Week	Y-T-D
DJIA	26,820.25	-0.43%	+14.97%
NASDAQ	7,939.63	-2.19%	+19.66%
MSCI-EAFE	1,895.62	-0.89%	+10.22%
S&P 500	2,961.79	-1.01%	+18.15%



Treasury	Close	Week	Y-T-D
10-Year Note	1.69%	-0.05%	-1.00%

Sources: The Wall Street Journal, September 27, 2019; Treasury.gov, September 27, 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, September 20 to the Friday, September 27 close. Weekly performance for the MSCI-EAFE is measured from the Friday, September 20 open to the Thursday, September 26 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.

A SLIP IN CONSUMER CONFIDENCE

The Conference Board's Consumer Confidence Index fell to 125.1 for September. That compares to a reading of 134.2 in August. Lynn Franco, the CB's director of economic indicators, wrote that “the escalation in trade and tariff tensions in late August appears to have rattled consumers. However, this pattern of uncertainty and volatility has persisted for much of the year and it appears confidence is plateauing.”

In contrast, the University of Michigan's Consumer Sentiment Index ended September at 93.2, an improvement from a final August mark of 89.8.



WHAT'S AHEAD

On October 10, the Social Security Administration is scheduled to announce the 2020 cost of living adjustment (COLA) for Social Security retirement benefits. Earlier this month, Bureau of Labor Statistics yearly inflation data pointed to a possible 2020 COLA in the range of 1.6%-1.7%.

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