

In this week's recap: the Dow crests 28,000; more hints emerge that the U.S. and China could be heading toward a new trade pact; retail sales rise.



Weekly Economic Update

November 18, 2019

THE WEEK ON WALL STREET

Stock benchmarks were little changed for much of last week, but a rally occurred Friday after news broke that the U.S. and China could be closing in on the first phase of a new trade pact.

At Friday's close, the Dow Jones Industrial Average crossed the 28,000 level. The Dow rose 1.17% for the week, outgaining the S&P 500 (which advanced 0.89%) and the Nasdaq Composite (which added 0.77%). The MSCI EAFE index, representing developed overseas stock markets, fell 0.77%.^{1,2}

WILL THERE BE A TRADE BREAKTHROUGH?

Friday, Secretary of Commerce Wilbur Ross told the media that “in all likelihood,” a phase-one trade deal between China and the U.S. would presently happen, stating that the talks were “down to the last details.” Thursday evening, White House economic adviser Larry Kudlow expressed similar optimism, noting that negotiations were “coming down to the short strokes.”

That said, the *Wall Street Journal* reported last week that President Trump is not yet committed to signing a phase-one trade deal. Secretary Ross noted that such an agreement would be “relatively limited in scope.”^{3,4}

CONSUMERS BOOST THEIR BUYING

Retail sales advanced 0.3% in October, according to the Department of Commerce. That matched the gain forecast by economists polled by MarketWatch. This was a comeback after a September decline.⁵

TIP OF THE WEEK



*Do you have a **life insurance policy** outside of work? Do you know who its **beneficiary** is? From time to time, you want to **periodically review your beneficiary decisions**, to make sure you still agree with them.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: Minutes from the October Federal Reserve meeting appear.

Thursday: The National Association of Realtors presents data on October existing home sales.

Friday: The University of Michigan publishes its final Consumer Sentiment Index for November (an assessment of consumer confidence).

Source: Econoday, November 15, 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: Home Depot (HD), Medtronic (MDT), TJX Companies (TJX)

Wednesday: Lowe's (LOW), Target (TGT)

Thursday: Intuit (INTU), Ross Stores (ROST)

Source: Zacks.com, November 15, 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.

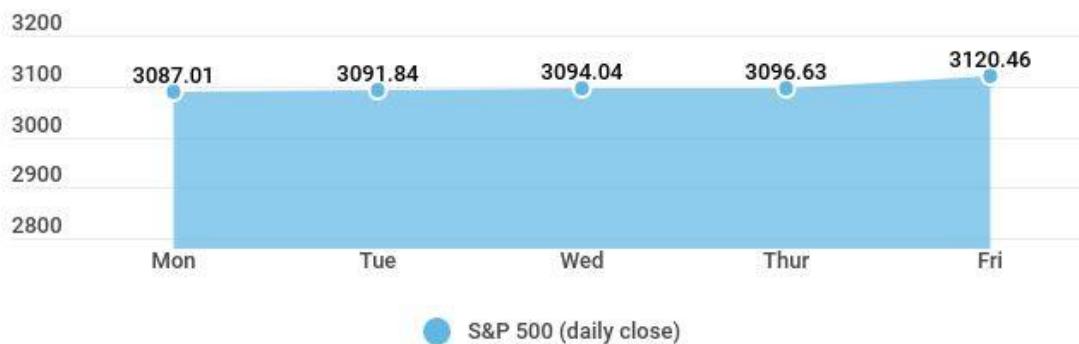
QUOTE OF THE WEEK



“Every next level of your life will demand a different you.”

LEONARDO DICAPRIO

Market Index	Close	Week	Y-T-D
DJIA	28,004.89	+1.17%	+20.05%
NASDAQ	8,540.83	+0.77%	+28.72%
MSCI-EAFE	1,961.52	-0.77%	+14.05%
S&P 500	3,120.46	+0.89%	+24.48%



	Treasury	Close	Week	Y-T-D
🇺🇸	10-Year Note	1.84%	-0.10%	-0.85%

Sources: The Wall Street Journal, November 15, 2019; Treasury.gov, November 15, 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 8 to the Friday, November 15 close. Weekly performance for the MSCI-EAFE is measured from the Friday, November 8 open to the Thursday, November 14 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 give light by night, but not by day. Wicked I am, but not evil in any way. I mostly wax, but always wane. Except when I'm out, I stay the same. What am I?

LAST WEEK'S RIDDLE: I float when I am born, lay down when I am alive, and run when I am dead. What am I?

ANSWER: Snow.

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CITATIONS:

- 1 - wsj.com/market-data [11/15/19]
- 2 - quotes.wsj.com/index/XX/990300/historical-prices [11/15/19]
- 3 - bloomberg.com/news/articles/2019-11-15/kudlow-says-phase-one-china-deal-down-to-the-short-strokes-k2zgbx0k [11/15/19]
- 4 - foxbusiness.com/politics/u-s-china-trade-deal-near-but-trump-not-signing-yet [11/15/19]
- 5 - marketwatch.com/story/us-retail-sales-rebound-in-october-but-a-small-group-of-stores-reap-most-of-the-gains-2019-11-15 [11/15/19]

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