

In this week's recap: the three Wall Street benchmarks advance as investors respond to newly scheduled U.S.-China trade talks and see a silver lining in the latest employment and manufacturing data.

Weekly Economic Update

Presented by Rebecca S. Gaylor

September 9, 2019

THE WEEK ON WALL STREET

Stocks rose last week, with help from two developments: the announcement of further U.S.-China trade talks as well as August hiring and manufacturing numbers that seemed to bolster the argument for a rate cut by the Federal Reserve.

The broad U.S. equity market, as represented by the S&P 500, added 1.79% during a 4-day trading week. The Dow Jones Industrial Average improved 1.49%; the Nasdaq Composite, 1.76%. Foreign shares tracked by the MSCI EAFE index gained 1.69%.¹⁻³

TRADE TALKS POISED TO RESTART

Trade representatives from the U.S. and China are planning to head back to the negotiating table early next month. This news came Thursday from China's ministry of commerce, which confirmed a verbal agreement among Secretary of the Treasury Steven Mnuchin, U.S. Trade Representative Robert Lighthizer, and Chinese Vice Premier Liu He.

Formal trade discussions between the U.S. and China last happened in July. China has said that it wants punitive U.S. tariffs on its products removed in the event of a deal.⁴

WEAKER HIRING & MANUFACTURING DATA

Payrolls expanded with just 130,000 net new jobs in August, according to the Department of Labor; 25,000 were temp jobs linked to the federal government's 2020 Census. The main jobless rate stayed at 3.7%. The U-6 rate, which measures both unemployment and underemployment, rose 0.2% to 7.2%.

A key gauge of U.S. factory activity, the Institute for Supply Management's manufacturing purchasing manager index, fell to 49.1 in August. A number below 50 indicates factory sector

contraction. Some investors took these hiring and manufacturing reports as hints of a slowing economy, one which the Federal Reserve could potentially try to stimulate with an interest rate cut.^{5,6}

WHAT'S AHEAD

August inflation data arrives this week, and if looks especially mild, it may amount to another suggestion that the Fed should ease. The European Central Bank concludes a meeting on Thursday, and Fed officials will certainly pay attention to its latest policy statement.⁷

TIP OF THE WEEK



*Some consumers pay **\$100 or more in ATM fees annually** because they make withdrawals from **third-party ATMs**. If you bank with a major lender, try to make ATM withdrawals strictly from their branches.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Thursday: A new Consumer Price Index, tracking both monthly and yearly inflation.

Friday: The August retail sales report from the Census Bureau.

Source: Econoday, September 6, 2019

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 release of data may be delayed without notice for a variety of reasons.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Thursday: Broadcom (AVGO), Kroger (KR)

Source: Zacks, September 6, 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



*“Life is like a **ten-speed bicycle**. Most of us have **gears** we never use.”*

CHARLES M. SCHULTZ

Market Index	Close	Week	Y-T-D
DJIA	26,797.46	+1.49%	+14.88%
NASDAQ	8,103.07	+1.76%	+22.12%
MSCI-EAFE	1,873.80	+1.69%	+8.95%
S&P 500	2,978.71	+1.79%	+18.82%



Treasury	Close	Week	Y-T-D
10-Year Note	1.55%	+0.05%	-1.14%

Sources: The Wall Street Journal, September 6, 2019; Treasury.gov, September 6, 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, August 30 to the Friday, September 6 close. Weekly performance for the MSCI-EAFE is measured from the Friday, August 30 open to the Thursday, September 5 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



*It is not **alive**; it cannot **see**. Yet it has an **eye**, and it can make you gasp or cry, if you are not careful. What might it be?*

LAST WEEK'S RIDDLE: When I was 2 years old, my brother was half my age. Now I am 100 years old, how old is my brother?

ANSWER: 99. Half of 2 is 1. $2+98=100$, and $1+98=99$.

Rebecca S. Gaylor, CFP®, CFS
Active Money Management, Inc.
11811 N. Tatum Blvd
Suite 2200
Phoenix, AZ 85028
602-494-7641
planning.team@jwcemail.com
<http://www.gammi.com>

Securities offered through J.W. Cole Financial, Inc. (JWC)
Member: FINRA/SIPC
Advisory Services Offered Through J.W. Cole Advisors, Inc. (JWCA)
Active Money Management and JWC/JWCA Are Unaffiliated entities

J.W. Cole Financial representatives do not accept orders and/or instructions regarding your account by e-mail, voice mail, fax or any alternative method.

Privileged/Confidential Information may be contained in this message. This electronic mail transmission and any document(s) accompanying this transmission is privileged and may be proprietary in nature. It is intended only for the use of the named addressee(s) to which it is directed. If you are not the addressee(s) indicated in this message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone. In such case, you should destroy this message and kindly notify the sender by reply email. Please advise us immediately if you or your employer do not consent to Internet email for messages of this kind.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the

world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

CITATIONS:

- 1 - [wsj.com/market-data](https://www.wsj.com/market-data) [9/6/19]
- 2 - [wsj.com/market-data](https://www.wsj.com/market-data) [8/30/19]
- 3 - quotes.wsj.com/index/XX/990300/historical-prices [9/6/19]
- 4 - [cbsnews.com/news/u-s-china-trade-talks-scheduled-for-october-beijing-says-2019-09-05/](https://www.cbsnews.com/news/u-s-china-trade-talks-scheduled-for-october-beijing-says-2019-09-05/) [9/5/19]
- 5 - [bloomberg.com/news/articles/2019-09-06/u-s-payrolls-rise-130-000-boosted-by-25-000-for-census-count](https://www.bloomberg.com/news/articles/2019-09-06/u-s-payrolls-rise-130-000-boosted-by-25-000-for-census-count) [9/6/19]
- 6 - tradingeconomics.com/united-states/business-confidence [9/3/19]
- 7 - [cnbc.com/2019/09/06/stocks-look-to-reclaim-their-all-time-highs-in-the-week-ahead.html](https://www.cnbc.com/2019/09/06/stocks-look-to-reclaim-their-all-time-highs-in-the-week-ahead.html) [9/6/19]

CHART CITATIONS:

- [wsj.com/market-data](https://www.wsj.com/market-data) [9/6/19]
quotes.wsj.com/index/SPX/historical-prices [9/6/19]
[treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2019](https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2019) [9/6/19]
[treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll](https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll) [9/6/19]