

In this week's recap: a disappointing jobs report and a downgrade of the 2019 growth forecast for Europe give Wall Street pause.

Weekly Economic Update

Presented by Atul C. Dubal CFP® 925-202-1452 Atul@AtulCFP.Com

March 11, 2019

THE WEEK ON WALL STREET

As in February, investors spent most of the first full trading week of March hoping for new details in U.S.-China trade negotiations. While they waited, stock benchmarks drifted downward. From Monday's open to Friday's close, the S&P 500 lost 2.55%, while the Dow Industrials took a 2.66% fall, and the Nasdaq Composite weakened 3.12%. The MSCI EAFE index tracking developed markets outside the U.S. and Canada fell 1.09%.^{1,2,3,4}

Why did stocks lose momentum? In a hint that global economic growth might be slowing, the European Central Bank abruptly reduced its 2019 GDP forecast for the eurozone from 1.7% to 1.1%. A disappointing reading on U.S. hiring also raised questions.⁵

PERPLEXING JOBS DATA

According to the Department of Labor, the economy generated only 20,000 net new jobs in February. This was the smallest monthly gain since September 2017. Nevertheless, the unemployment rate fell to 3.8%, while underemployment declined sharply to 7.3%. (These decreases could reflect furloughed federal employees returning to work.) The average wage rose 3.4% in 12 months, the largest year-over-year increase in a decade.

Harsh winter weather may have impeded hiring last month, and February's payroll growth could be revised in the Department of Labor's April report.⁶

EARNINGS SEASON RECAP

The fourth-quarter reporting season is all but over. FactSet notes that the S&P 500 has seen earnings growth of 13.4% in Q4, marking the fifth straight quarter with a double-digit rise.⁷

FINAL THOUGHT

Stocks lost ground last week, breaking a long string of weekly advances. The extended rally partly reflected optimism that the U.S.-China trade dispute would soon be resolved, but a deal may or may not happen. The week offered a reminder that Wall Street sees both ups and downs. Day-to-day market fluctuations should not cause you to alter your long-term approach.

TIP OF THE WEEK



*Do you have a health care **Flexible Spending Account (FSA)** at work? Check to see if it lets you **carry over up to \$500** of any unused balance remaining at the end of a plan year into the next year.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: January retail sales.

Tuesday: The Consumer Price Index, tracking monthly and yearly inflation.

Thursday: January new home sales and February retail sales.

Friday: The University of Michigan's initial March consumer sentiment index, measuring consumer confidence.

Source: Econoday / MarketWatch Calendar, March 8, 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

Tuesday: Dick's Sporting Goods (DKS)

Wednesday: Smart & Final (SFS)

Thursday: Adobe Systems (ADBE), Broadcom (AVGO), Dollar General (DG)

Source: Morningstar.com, March 8, 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.

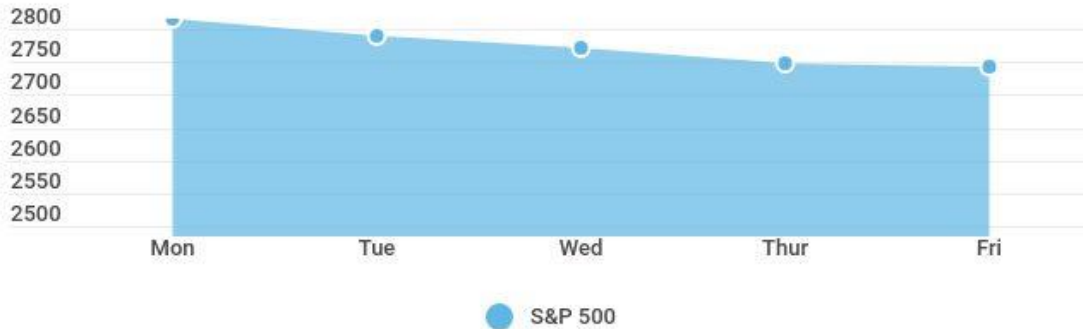
QUOTE OF THE WEEK



“The functions of intellect are insufficient without courage, love, friendship, compassion, and empathy.”

DEAN KOONTZ

Market Index	Close	Week	Y-T-D
DJIA	25,450.24	-2.66%	+9.10%
NASDAQ	7,408.14	-3.12%	+11.65%
MSCI-EAFE	1,858.11	-1.09%	+8.04%
S&P 500	2,743.07	-2.55%	+9.42%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.62%	-0.14%	-0.07%

Sources: The Wall Street Journal, Mar. 8, 2019, Treasury.gov, Mar. 8, 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 is measured from Monday's open of trading to Friday's close for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite. Weekly performance is measured from Friday's open to Thursday's close for MSCI-EAFE. 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



A mall parking lot has 1,000 parking spaces, and 40% of them are for compact cars. This morning, there are 200 compact cars and some standard-sized cars in the lot, which is 75% full. How many standard-sized cars are in the lot?

LAST WEEK'S RIDDLE: How do you make the number 7 even?

ANSWER: Remove the S so "seven" becomes "even."

«representativename» may be reached at «representativephone» or «representativeemail»
«representativewebsite»

Know someone who could use information like this?

Please feel free send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

«RepresentativeEmailDisclosure»

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 - quotes.wsj.com/index/SPX [3/8/19]

2 - quotes.wsj.com/index/DJIA [3/8/19]

3 - quotes.wsj.com/index/NASDAQ [3/8/19]

4 - quotes.wsj.com/index/XX/990300/historical-prices [3/8/19]

5 - cnbc.com/2019/03/07/stock-market-us-china-trade-jobless-claims-in-focus.html [3/7/19]

6 - usatoday.com/story/money/2019/03/08/jobs-report-just-20-000-added-february-economists-expected-181-000/3098383002/ [3/8/19]

7 - insight.factset.com/earnings-insight-q418-by-the-numbers-infographic [3/8/19]

CHART CITATIONS:

quotes.wsj.com/index/SPX [3/8/19]

quotes.wsj.com/index/DJIA [3/8/19]

quotes.wsj.com/index/NASDAQ [3/8/19]

quotes.wsj.com/index/XX/990300/historical-prices [3/8/19]

markets.wsj.com [3/8/19]

treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield [3/8/19]

treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll [3/8/19]