

RESOURCE LOG – January 2019

Article Title	Detail	Publication	Date	Author
What's News	<p>◆ U.S. stocks closed out 2018 with their steepest annual declines since the financial crisis, but retail investors are trying to hold on despite intense volatility. The Dow, S&P 500 and Nasdaq lost 5.6%, 6.2% and 3.9%, respectively, for the year.</p>	The Wall Street Journal	01/02/2019	
What's News	<p>◆ Analysts expect corporate profits to keep growing in 2019, but at a slower pace, another potential hurdle for the stock market.</p>	The Wall Street Journal	01/02/2019	
Earnings Fears Grow as Stocks Slide	<p>In December, analysts cut their earnings forecasts for 2019 on more than half the companies in the S&P 500, according to FactSet, the first time that had happened in two years.</p> <p>For now, analysts still expect profits to keep growing in the coming year but at a slower pace.</p> <p>They expect earnings for S&P 500 companies to grow by 7.8% in 2019, down from their forecast of 10.1% at the end of September, according to FactSet.</p> <p>Equity strategists at Morgan Stanley see a more than 50% chance of an earnings recession in 2019. An earnings recession is defined as two consecutive quarters of earnings growth declines compared with the year before.</p> <p>Among the factors weighing on companies are higher costs from labor and imported materials, the rolloff from the boost from tax changes passed at the end of 2017 and sliding economic growth abroad.</p>	The Wall Street Journal	01/02/2019	Riva Gold
Eurozone Keeps Missing the Bar	<p>The eurozone can't help but perennially disappoint investors. Weakness in its Franco-German core suggests that 2019 won't be an exception.</p> <p>Last year was supposed to be the year European stock investors finally got their just desserts after seven years of almost uninterrupted U.S. outperformance. Instead, the Euro Stoxx 50 dropped 14% in 2018.</p> <p>In the longer term, the eurozone is held back by political disunity and a focus on fiscal discipline. It's economy also is so sensitive to global trade that any problems in either the U.S. or China are sure to drag it down, too.</p>	The Wall Street Journal	01/02/2019	Jon Sindreu
Taking Stock of the World's Growing Debt <i>At nearly \$250 trillion, there is now more debt globally than ever, presenting challenges as central banks pull back on easy-money policies</i>	<p>The world has never had as much debt as it has right now – nearly \$250 trillion.</p> <p>That figure is three times what it was two decades ago...</p> <p>And the world's debt loads are about to get a big test: Global central banks, which once kept borrowing easy, are changing course.</p> <p>Debt can spark growth, giving business and governments fuel for industry and infrastructure. But excessive debt can drag on economies, impeding the ability of governments to respond to downturns and prolonging recessions.</p>	The Wall Street Journal	01/02/2019	Aaron Kuriloff
Heard On The Street	China – Chinese growth is now slowing rapidly...	The Wall Street Journal	01/02/2019	

	<p>If lending growth doesn't turn around soon, expect a turbulent 2019 for China's economy, and for the yuan – <i>Nathaniel Taplin</i></p> <p>Global Economy – Stocks in Germany, Italy, China and South Korea fell into a bear market last year. Unlike in the U.S., where stocks fell but the economy is strong, equities in the eurozone and emerging economies have suffered because corporate earnings expectations for 2019 have dropped. – <i>Jon Sindreu</i></p> <p>Oil Prices – It was a tumultuous year for oil. The U.S. became the world's top producer, regaining a spot it ceded 45 years earlier. Crude prices reached their highest level in four years, then suffered one of their steepest collapses ever. The new year kicks off with a new agreement between OPEC and its partners to curtail production and stabilize the market. Barring a severe slump in global growth, the market should reach equilibrium – <i>Spencer Jakab</i></p>			
What's News	<p>◆ The Dow recouped a nearly 400-point loss to finish the year's first trading day just short of a 0.1% gain. The S&P 500 and Nasdaq rose 0.1% and 0.5%, respectively.</p>	The Wall Street Journal	01/03/2019	
Stocks Vulnerable to Further Losses	<p>Many investors are bracing for further turbulence in the stock market in coming weeks, with few expectations that the dramatic swings will subside soon, given uncertainty over the economic and interest-rate outlooks.</p> <p>The outflows pulled the S&P 500 down to its lowest point of 2018 during a tumultuous Christmas Eve selloff that left the broad index within half a percentage point of a bear market, a fall of 20.% or more from its Dept. 20 record.</p> <p>The S&P 500 has risen more than 250% since it started its bull run in March 2009, and additional trade tariffs or hawkish pronouncements from Federal Reserve policy makers, among other matters, could encourage more investors to sell stocks to protect their gains.</p>	The Wall Street Journal	01/03/2019	Michael Wursthorn
Bets on Bonds Tied to Inflation Turn Sour	<p>Investors entered 2018 expecting strong economic growth to fuel inflation. A year later, they are still waiting for higher consumer prices.</p> <p>Total returns for Treasury inflation-protected securities slumped in the fourth quarter to end 2018 down 1.4%, counting price changes and interest payments, while those for fixed-rate U.S. government debt climbed 1.9%, according to Bloomberg Barclays data.</p> <p>Holders of TIPS receive a small yield as well as an increase in their principal equal to the annual change in the consumer-price index.</p> <p>As expectations for inflation have declined, fixed-coupon government debt has become more attractive.</p> <p>"Inflation expectations aren't going to pick up if oil prices are in decline," said Frances Donald, chief of macro-economic strategy at Manulife Asset Management.</p>	The Wall Street Journal	01/04/2019	Daniel Kruger
What's News	<p>◆ Fears about the global economy intensified as downbeat news in the U.S. and around the world sent stocks falling and pushed bond yields to their lowest level in almost a year. The Dow sand 2.8% and the S&P 500 and the Nasdaq lost 2.5% and 3%, respectively. Apple's share slid 10%.</p>	The Wall Street Journal	01/04/2019	

What's News	◆The Chinese consumer, a previously reliable driver of economic growth is under stress, threatening to worsen a slowdown in China.	The Wall Street Journal	01/04/2019	
What's News	◆ American manufacturing growth slowed in December, adding to concerns about cooling expansions in the U.S. and abroad.	The Wall Street Journal	01/04/2019	
What's News	◆ U.S. auto sales held steady last year despite predictions the market would cool, capping the best four-year period ever for the industry.	The Wall Street Journal	01/04/2019	
Dow Ends Week With a 747-Point Surge	<p>U.S. stocks bounced back from their worst two-day start to a year since 2000, soaring Friday after fresh signs of economic strength eased fears...</p> <p>On Friday, the blue-chip index rose 746.94 points, or 3.3%, to 23433.16 and the S&P 500 added 84.05 points, or 3.4%, to 2531.94, with both indexes ending the week more than 1% higher.</p> <p>The S&P 500 has logged its second gain of at least 3% in the past seven trading sessions, a rare occurrence...</p> <p>The yield on 10-year U.S. Treasurys climbed to 2.661% from 2.557% late Thursday.</p> <p>Stocks around the globe also rose Friday, while haven assets reversed their moves from earlier in the week.</p>	The Wall Street Journal	01/05-06/2019	Corrie Driebusch and David Hodari
99 Months and Counting, U.S. Job Machine Keeps Cranking	The U.S. has recovered the more than eight million jobs it shed during the downturn – and then some. Through 2018, some sectors continued a yearlong streak of job growth.	The Wall Street Journal	01/05-06/2019	Source: Labor Department via Moody's Analytics and Labor Department
A Constant: There Will Be Volatility	<p>Friday's blowout jobs report propelled stock indexes into positive territory in a still-very-young 2019 following their worst start to a year in two decades.</p> <p>Reading the market tea leaves isn't any easier than reading the economic ones. Stocks ended the first week of 2019 around where they were a week before Christmas...One measure of market value, a cyclically adjusted price-earnings ratio popularized by Yale professor Robert Shiller, for example, is trading at around 28 times. That is a bit above where it was when the most recent bear market began in 2007.</p> <p>Making matters particularly difficult for investors trying to decide whether to stick with stocks or head for safer asset classes is the fact the current bull market has seen several rough patches that turned out to be buying opportunities.</p>	The Wall Street Journal	01/05-06/2019	Spencer Jakab
What's News	◆ Fed officials laid the groundwork to take a break from raising rates in coming months, propelling stock prices already cheered by the employment report.	The Wall Street Journal	01/05-06/2019	
What's News	◆ The Dow soared 746.94 points, or 3.3%, as U.S. stocks bounced back from their worst two-day start to a year since 2000.	The Wall Street Journal	01/05-06/2019	

<p>Investors Seek Safety in the Yen, Gold</p>	<p>The Japanese yen is up nearly 5% against the dollar...</p> <p>Other so-called haven assets are also rising. Gold prices have strengthened around 7% in that period and stand near their highest level in about half a year...</p> <p>The yield on the 10-year U.S. Treasury note, which falls as prices rise, has dropped by roughly half a percentage point from its November high.</p> <p>The broad shift toward havens suggests that investors are now more eager to diversify their holdings in the face of recent market swings.</p> <p>Utility shares, historically seen as a safety play for nervous investors, have been swept up in a stock-market rout and have weakened in recent weeks.</p>	<p>The Wall Street Journal</p>	<p>01/07/2019</p>	<p>Ira Iosebashvili</p>
<p>Wall Street Cuts Market Forecasts</p>	<p>The market's roller-coaster ride has prompted some Wall Street analysts to cut their 2019 forecasts, the latest sign of unease as the stock bull market approaches its 10th year.</p> <p>Major indexes rallied Friday after a stronger-than-expected jobs report boosted investors' confidence in the U.S. economy, and Federal Reserve Chairman Jerome Powell suggested the central bank would be flexible with its policy plans.</p> <p>The S&P 500 soared 3.4% Friday, but remained down more than 10% from its September high.</p>	<p>The Wall Street Journal</p>	<p>01/07/2019</p>	<p>Michael Wursthorn and Akane Otani</p>
<p>Fed Faces Fresh Test: Soft Landing</p>	<p>The central bank's challenge is to manage a moderation in growth that keeps inflation in growth that keeps inflation contained but avoids a recession. IT was a main topic of discussion at an annual economic conference in Atlanta this weekend...</p> <p>The economy has seldom looked stronger, exemplified by gangbuster job growth in December reported by the Labor Department on Friday. But stock prices and bond yields, which have fallen sharply since October, are signaling a rising risk of recession as growth in foreign economies, especially China's, has slowed sharply.</p> <p>At its December meeting the Fed signaled plans to raise rates twice this year, to between 2.75% and 3%.</p> <p>The stock market posted its worst year in 2018 since 2008, with almost all of the declines coming in the fourth quarter. The volatility spared few asset classes.</p> <p>In mid-December, officials were counting on growth slowing to around 2.3% this year from 3% last year to prevent that overheating.</p> <p>Soft landings are rare and often aren't painless.</p> <p>Twenty year ago, China accounted for 2.5% of the world's imports: in 2017, it was 10%.</p> <p>"All those that wish for China to do poorly,,,should be careful what they wish for," Hank Paulson, who was Treasury secretary during the global financial crisis, told the conference.</p>	<p>The Wall Street Journal</p>	<p>01/07/2019</p>	<p>Greg Ip, Nick Timiraos and Eric Morath</p>

	Given the risks of slower global growth and “dysfunction in government, there’s nothing surprising about this volatility,” Mr. Paulson said.			
Trade Tensions Hit China’s Economy	<p>China’s economy is slowing faster than expected as Beijing this week heads into a crucial new round of negotiations with the U.S. over trade.</p> <p>Growth will slow even further in the coming months, say some economic advisers to China’s policy makers.</p> <p>The new round of negotiations follows a trade truce agreed by Messrs. Trump and Xi in Argentina on Dec.1. Under that agreement, the U.S. is suspending tariff increases on \$300 billion of Chinese imports until March.</p>	The Wall Street Journal	01/07/2019	Lingling Wei
What’s News	◆Mortgage rates have fallen to around their lowest levels in eight months, offering a potential boost to the housing market after a recent rough patch.	The Wall Street Journal	01/08/2019	
What’s News	◆ Saudi Arabia is planning to cut crude exports to around 7.1 million barrels a day in hopes of lifting prices above \$80 a barrel.	The Wall Street Journal	01/08/2019	
What’s News	◆ U.S. stocks rose, boosted by tech shares. The Nasdaq gained 1.3% and the Dow and the S&P 500 advanced 0.4% and 0.7%, respectively.	The Wall Street Journal	01/08/2019	
	DJIA 23531.35 ▲ 98.19 0.4% NASDAQ 6823.47 ▲ 1.3% STOXX 600 342.88 ▼ 0.1% 10-YR. TREAS. ▼ 7/32, yield 2.684%	The Wall Street Journal	01/08/2019	
Small Caps Take on New Shine	<p>Small-capitalization companies are projected to notch another year of big profit gains, potentially making their shares a haven for investors as earnings at larger firms slow.</p> <p>With companies including Apple Inc. slashing revenue expectations for the first quarter, investors are on edge that profits, the stock market’s engine, will sag this year under the weight of a trade spat between the U.S. and China...</p> <p>But small companies appear to be a relative bright spot.</p> <p>Profits across the Russell 2000 are projected to grow by nearly 16% in the first quarter from a year earlier, building on the 12.6% earnings growth rate those companies were expected to hit in the final three months of 2018...</p>	The Wall Street Journal	01/09/2019	Michael Wursthorn
What’s News	◆ U.S. stocks rose, propelled by signs of progress in U.S.-China trade talks. The Dow, S&P 500 and Nasdaq all advanced by about 1%.	The Wall Street Journal	01/09/2019	
	DJIA 23787.45 ▲ 256.1 1.1% NASDAQ 6897.00 ▲ 1.1% STOXX 600 345.85 ▲ 0.9% 10-YR. TREAS. ▼ 9/32, yield 2.716% Oil \$49.78 ▲ \$1.26	The Wall Street Journal	01/09/2019	

<p>Fed Shift Keeps Yields Below 2018 Highs</p>	<p>The central bank raised short-term interest rates by a quarter of a percentage point in December. Although it managed to carry through its plans for four rate increases in 2018, some analysts have questioned whether the Fed will be able to deliver more rate rises this year, given volatile financial markets and growing pessimism about the global economy.</p> <p>Central Bankers' messaging "further confirms that the Fed is concerned about raising rates too quickly moving forward," said Michael Arone, chief investment strategist at State Street Global Advisors...</p> <p>Because investors' appetite for risk appears to have waned in recent months, Fed officials and central bankers around the world are likely to adopt a more cautious tone in their efforts to adopt more traditional monetary policies, Goldman economists said.</p>	<p>The Wall Street Journal</p>	<p>01/10/2019</p>	<p>Akane Otani and Daniel Kruger</p>
<p>What's News</p>	<p>◆ U.S. stocks are on their swiftest rebound in nearly a decade, fueled by reinvigorated confidence in the domestic economy and signals the Fed will take a cautious path on rate rises. The Dow and the S&P 500 both rose 0.4% on Wednesday and have posted their best 10-day performance since July 2009.</p>	<p>The Wall Street Journal</p>	<p>01/010/2019</p>	
<p>What's News</p>	<p>◆ U.S. oil prices entered a bull market, surging 5.2% to a nearly four-week high.</p>	<p>The Wall Street Journal</p>	<p>01/10/2019</p>	
<p>Fear of Inverted Yield Curve Stalks Markets</p>	<p>...we've been regularly reminded that an inversion – when long-term yields drop below short-term yields – has preceded each of the past five recessions.</p> <p>Short-term interest rates are set by the Federal Reserve, and long-term rates by bond-market investors. The curve has been flattening for the past two years as the Fed has slowly raised short-term rates in hopes of a "soft landing,"...</p> <p>But in recent months the flattening has been driven by falling bond yields.</p>	<p>The Wall Street Journal</p>	<p>01/10/2019</p>	<p>Greg Ip</p>
	<p>DJIA 23879.12 ▲ 91.67 0.4% NASDAQ 6957.08 ▲ 0.9% STOXX 600 347.70 ▲ 0.5% 10-YR. TREAS. ▼ 4/32, yield 2.728%</p>	<p>The Wall Street Journal</p>	<p>01/10/2019</p>	
<p>Economists See Rising Risk of Downturn</p>	<p>Economists surveyed by The Wall Street Journal see a growing risk of recession in the U.S.</p> <p>Though few could identify a specific trigger – such as the business investment crunch that drove the economy down in 2001 or the housing crisis that caused a recession in 2007 – economists pointed to a number of worries, including trade tensions with china, rising interest rates and a sharp stock market selloff last year.</p> <p>...the Wall Street Journal's monthly poll said there was a 25% chance of a recession in the next year, the highest level since October 2011. The probability was just 13% a year ago.</p> <p>Forecasters are even more concerned about the outlook for 2020. More than half of the economists, 56.6%, said they expected a recession to start in 2020...</p>	<p>The Wall Street Journal</p>	<p>01/11/2019</p>	<p>Harriet Torry</p>

	Economists worried that some shock - like a worsening trade dispute with China – could trip up stock markets...			
	DJIA 24001.92 ▲ 122.80 0.5% NASDAQ 6986.07 ▲ 0.4% STOXX 600 348.88 ▲ 0.3% 10-YR. TREAS. ▼ 1/32, yield 2.731%			
What's News	◆ Tame inflation, low gasoline prices and rising wages are putting more dollars in the pockets of American workers, data show.	The Wall Street Journal	01/12-13/2019	
U.S. Stocks Notch Third Week of Gains	<p>The Dow Jones Industrial Average slipped Friday but notched its biggest three-week gain since the period following the 2016 election, a dramatic bounce back from its late-December selloff.</p> <p>The Dow industrials are up 10% since their Christmas Eve though, rising 6.9% over the past three weeks.</p> <p>The recent rally will be tested again next week as major companies, including many big banks, begin reporting fourth-quarter earnings.</p> <p>Uncertainty around the trade outlook led analysts in December to rapidly downgrade their forecasts for corporate earnings. Companies in the S&P 500 are now forecast to grow their earnings by 11% in the fourth quarter, down from a forecast of 18% in July, according to FactSet.</p> <p>Federal Reserve Chairman Jerome Powell reiterated the central bank's flexible outlook on raising rates at a Thursday appearance in Washington, D.C....</p>	The Wall Street Journal	01/12-13/2019	Corrie Driebusch and Riva Gold
What's News	◆ The biggest U.S. public companies are warning their earnings may not be as strong as they hoped this year, intensifying pressure on a bull market that has struggled to regain its footing.	The Wall Street Journal	01/14/2019	
What's News	◆ Chinese exports unexpectedly fell in December, providing fresh evidence about a slowing Chinese economy and renewing concerns about the region's impact on the coming quarterly reports in the U.S.	The Wall Street Journal	01/15/2019	
What's News	◆ Germany's economic growth slowed sharply last year, news that bodes ill for the global outlook.	The Wall Street Journal	01/16/2019	
Stocks Near and Far Start Year With Bang <i>Reassuring signals from the Federal Reserve and signs of progress in trade talks between the U.S. and China have lifted asset prices in the early weeks of 2019.</i>	<p>A broad range of asset classes is beginning the year in the green, surprising investors bruised by last year's declines in stocks, bonds and commodities.</p> <p>All three major U.S. stock indexes have notched gains in the first weeks of this year, after closing out 2018 with their steepest annual declines since the financial crisis.</p> <p>Stocks in Europe and China have rallied, along with the equities and currencies of many developing countries. The MSCI Emerging Markets Index is up around 4% since the beginning of the year, while a separate MSCI Index that measures currencies stands near its highest levels since the summer.</p>	The Wall Street Journal	01/16/2019	Ira Iosebashvili

	Commodities such as nickel and palladium also have strengthened. Treasury yields, which rise when bond prices fall, have moved higher, suggesting that investors worries have abated in recent weeks.			
Recession Tops CEO Fears <i>A year ago, a global slowdown ranked low on list of concerns among executives</i>	<p>The possibility of a global recession ranks as the top concern on the minds of corporate leaders as they head into 2019, according to a new survey of chief executives from the Conference Board...</p> <p>The survey of more than 800 CEOs from around the world was conducted in the fall...</p> <p>...the annual Davos confab of politicians, business leaders and academics on Wednesday identified trade wars and rising political tensions as the biggest global threats.</p>	The Wall Street Journal	01/17/2019	Lauren Weber
Emerging-Market Rally Gains Momentum	<p>A rally in some emerging-market assets has picked up steam in recent weeks, boosted by a surge in oil prices and expectations for a cautious Federal Reserve.</p> <p>The MSCI Emerging Market Index, which measures stock performance, is up 4.5% so far this year, powered by gains in Russia, Mexico and other developing countries.</p> <p>Investors often look to emerging markets – where many hope to garner bigger gains by assuming comparatively greater risk – as a gauge of overall market sentiment.</p> <p>Cheap valuations following last year’s selloff have drawn emerging-market investors in recent weeks.</p> <p>A further boost to emerging-market sentiment came earlier this month, when Fed Chairman Jerome Powell hinted that the central bank might not raise rates this year at the same pace it did in 2018.</p> <p>Much can go wrong for emerging markets this year, analysts said. Unnerved investors can pull back from risky assets and head for popular havens such as gold or Treasuries if U.S. stocks grow too volatile.</p>	The Wall Street Journal	01/17/2019	Ira Iosebashvili
	<p>DJIA 24370.10 ▲ 162.94 0.7%</p> <p>NASDAQ 7084.46 ▲ 0.7%</p> <p>10-YR. TREAS. ▼ 5/32, yield 2.747%</p>	The Wall Street Journal	01/18/2019	
What’s News	◆ U.S. stocks rose for a third straight day. The Dow and Nasdaq both added 0.7% and the S&P 500 gained 0.8%.	The Wall Street Journal	01/18/2019	
Officials Debate Cutting Tariffs <i>Proposed to lift some or all import levies is meant to encourage concessions from China</i>	<p>But Mr. Mnuchin faces resistance from U.S. Trade Representative Robert Lighthizer, who is concerned that any concession could be seen as a sign of weakness, these people said.</p> <p>The debate is occurring as trade officials try to figure out the best way to pry concessions from China.</p> <p>...the president has made clear he wants a deal – and is pressing Mr. Lighthizer to deliver one...</p>	The Wall Street Journal	01/18/2019	Bob Davis and Lingling Wei

Stocks Get Lift From Trade Hopes	<p>U.S. stocks rose for a third straight session on optimism the U.S. would ratchet back tariffs on Chinese imports, a conflict that has rattled financial markets in recent months.</p> <p>The Dow Jones Industrial Average climbed 162.04 points, or 0.7%, to 24370.10...</p>	The Wall Street Journal	01/18/2019	Riva Gold
Bear Necessities: Finding Value in a Deep Sea of Debt	<p>The back-to-back strategy conferences of Société Générale and Goldman Sachs often appear to be a bearfest and bullfest. Strategist Albert Edwards at SocGen reprised his role as a perm bear, setting out a vision of a catastrophic future featuring recession, a Chinese hard landing and Italian threats to the euro leading to unprecedented negative yields on 10-year U.S. Treasurys.</p> <p>Investors depressed by Mr. Edwards's grim outlook are usually cheered up by Goldman the next morning, and sure enough the bank's chief U.S. equity strategist David Kostin set out the case for the S&P 500 to jump 16% to 3000 this year.</p> <p>But both agreed that "value" stocks are much cheaper than usual...</p> <p>At SocGen, Mr. Laphorne is concerned that indebted smaller companies are much less secure.</p>	The Wall Street Journal	01/18/2019	James Mackintosh
Stocks Rise as Fears Subside <i>Easing trade tensions, upbeat earnings contribute to fourth straight week of gains</i>	<p>The blue-chip index has rebounded 13% since bottoming out on Christmas Eve and suffering its worst December since 1931.</p> <p>Investors will be watching for any incremental updates in the trade talks between the U.S. and China in the coming weeks.</p> <p>And economic data remains uneven: An index of U.S. consumer sentiment fell to its lowest level in more than two years in January...</p>	The Wall Street Journal	01/19-20/2019	Corrie Driebusch and Riva Gold
Fear of recession looms over economic forum <i>Government, business leaders at Davos worry U.S. shutdown, trade war will drag growth</i>	<p>Calls are growing louder for President Donald Trump to end the trade war and government shutdown as fresh evidence pours in that businesses and consumers are losing faith in the global expansion.</p> <p>On Monday, the International Monetary Fund cut its global growth predictions for this year and next, saying "the balance of risks remains skewed to the downside" and momentum has "past its pear."</p> <p>Chief executives ranked a global recession as their No. 1 concern for 2019...</p> <p>Today growth is decelerating, especially in China and Germany, Trump's tariffs are starting to bite and the U.S. government is in the midst of the longest ever shutdown...</p>	Daily Herald	01/22/2019	Heather Long
World Braces for Slowing Growth <i>The U.S., China and Europe are all expected to see growth slow in 2019</i>	<p>U.S. output, after rising by around 3% in 2018, is projected by many economists to slow in 2019 to closer to the 2% annual growth trend of its long expansion. China, stung by U.S. tariffs, is expected to slow too.</p> <p>You can add Europe, hit by Britain's rocky exit from the European Union and Italy's fiscal troubles, to the slowdown list. Germany, a major exporter in its own right, saw industrial production fall in November, a sign of the sweep of the brewing synchronized slowdown.</p>	The Wall Street Journal	01/22/2019	Jon Hilsenrath

<p>Cash Run Threatens Pickup in Stocks <i>More dollars shifting to money funds is bad omen for longevity of market rebound</i></p>	<p>Investors are increasing their cash holdings at the fastest pace in a decade, highlighting doubts about the durability of the stock market's early 2019 rebound.</p> <p>The moves are pushing up cash allocations in investment portfolios for the first time since 2011...</p> <p>That could herald further volatility. The broad S&P 500 index tends to fall in years when cash allocations rise, according to Goldman data going back to 1952.</p> <p>Cash allocations had been trending downward throughout most of the decade since the financial crisis, reflecting negative "real" interest rates that meant holders lost money after inflation.</p> <p>Now, cash is competitive again following rate increases that have pushed real, inflation-adjusted rates into positive territory and have brought bond yields into line with stock-dividend yields.</p>	The Wall Street Journal	01/22/2019	Michael Wursthorn
What's News	<p>◆ China's economic expansion fell to its slowest pace in nearly three decades in 2018, as a bruising trade fight with the U.S. exacerbated weakness in the world's second-largest economy.</p>	The Wall Street Journal	01/22/2019	
Bonds Benefit From Shift to Safety	<p>U.S. government bond prices rose Tuesday as investors sought safer assets amid rising concerns about the pace of global economic growth.</p> <p>The yield on the benchmark 10-year Treasury note fell the most in more than two weeks, settling at 2.732% from 2.783% Friday.</p> <p>Yields, which fall as prices rise, declined after data Tuesday showed Chinese economic growth decelerated to the slowest pace since 1990...</p>	The Wall Street Journal	01/23/2019	Daniel Kruger
What's News	<p>◆The Dow fell 1.2%, as concerns over trade and global growth resurfaced. The S&P 500 and the Nasdaq slid 1.4% and 1.9%, respectively.</p>	The Wall Street Journal	01/23/2019	
Slump in Housing Market Deepens <i>A decline of 6.4% in December signals market sluggishness could extend into 2019</i>	<p>Home sales tumbled in December to their weakest level since 2015, ending a difficult year at a new low and offering fresh evidence that the housing market could be in for a bumpy ride in 2019.</p> <p>December capped the weakest year for home sales in three years.</p>	The Wall Street Journal	01/23/2019	Laura Kusisto and Sarah Chaney
Tighter Asset Correlations Fuel Volatility <i>Prices of stocks and commodities move in tandem with yields on government bonds</i>	<p>Stocks bond yields, commodities and other risky assets have continued moving in unison lately, raising hopes that this year's nascent rebound will continue but also fueling worries momentum could again reverse.</p> <p>Correlations across assets have hit their highest level in almost a year, with the S&P 500, the 10-year U.S. Treasury yield and U.S. crude oil moving in tandem in nine of the previous 12 sessions through Tuesday.</p> <p>Worries over global growth resurfaced this week, pushing stocks, oil and Treasury yields lower again Tuesday.</p>	The Wall Street Journal	01/24/2019	Ira Iosebasivili and Amrith Ramkumar

	<p>Assets moving this way are also at risk of rising or falling to levels that aren't compatible with underlying fundamentals, some analysts said. That could result in a violent repricing when the correlation falls apart.</p> <p>Stocks in the Russell 3000 have rebounded by an average of 26% in the year after 12-month periods in which the three asset classes fell together, Fidelity's analysis found.</p>			
Global Boom Might Be Over Already	<p>No, a recession isn't about to hit. The International Monetary Fund still thinks the global economy will grow a respectable 3.5% this downgrade from a year ago when the IMF hailed "the broadest synchronized global growth upsurge" since 2010.</p> <p>From 2010 through 2019, global growth will have average 3.8%, down from 4.4% between 2000 and 2007.</p> <p>The short-term trigger for this latest slowing is clear enough: trade conflict, especially between the U.S. and China, and monetary tightening.</p> <p>There are two main suspects for this slow-growth equilibrium: demographics and productivity.</p> <p>This doesn't mean the world is about to stumble into a recession. Nonetheless, central banks need to proceed carefully: In a low-growth world, a little bit of monetary tightening can go a long, and painful, way.</p>	The Wall Street Journal	01/24/2019	Greg Ip
Economic Aide Sees No Growth In Impasse	<p>The Trump administration's top economist said that the U.S. economy may not grow at all in the first quarter if the partial government shutdown continues.</p> <p>Kevin Hassett, chairman of the White House Council of Economic Advisers,...</p> <p>"It is true that if we get a typically weak first quarter and then have an extended shutdown, that we could end up with a number that's very, very low," Mr. Hassett said. He added that when the government reopens, the economy should recover any lost ground.</p>	The Wall Street Journal	01/24/2019	Paul Kiernan and Vivian Salama
Chances of Recession Are Rising	<p>Economists polled by The Wall Street Journal earlier this month put the chance of a recession beginning within the next 12 months at 25% - the highest since 2011.</p> <p>A JP Morgan recession-forecasting model based on economic variables puts the probability at about 43% and a Federal Reserve Bank of New York model, based on Treasury yields, puts it at 22%.</p> <p>Elevated recession chances, even at current levels, are worrisome because in the past they have often signaled a downturn.</p>	The Wall Street Journal	01/28/2019	Justin Lahart
Stocks Rally – But Worries Linger	<p>Stocks around the world are rallying at the fastest pace in months, the latest sign that the fears investors grappled with late last year have largely subsided. But worries remain that markets still aren't on solid ground.</p> <p>The Dow Jones Industrial Average has risen for five straight weeks, its longest winning streak since August. It isn't alone: Stock indexes from Europe to Brazil to Shanghai are</p>	The Wall Street Journal	01/28/2019	Michael Wursthorn and Akane Otani

	<p>on track to close out January with their biggest monthly gains in at least a year, a sharp rebound after financial markets took a drubbing at the end of 2018.</p> <p>The last time many global stock indexes rose this quickly was in January 2018 – when markets around the world rallied, only to tumble in February as a number of volatility-tied bets collapsed.</p>			
<p>Stocks Stumble on Global Fears <i>Dow falls 208.98, with Caterpillar shares slicing 85 points off blue-chip index</i></p>	<p>Stocks' January rally took a sudden turn lower as investors confronted the latest signs that economic malaise in China is crimping corporate profits in the U.S.</p> <p>Caterpillar tumbled after setting lower-than-expected profit targets for 2019, citing slowing growth in China and rising materials and freight costs.</p> <p>The developments showed that even as the U.S. economy appears to stand on solid ground, slowing growth overseas is beginning to weigh on multinationals' earnings.</p> <p>And so far, with results in from roughly a fifth of companies, 70% of corporations have posted stronger-than-expected profits for the quarter.</p> <p>The Dow Jones Industrial Average fell 0.8% to 24528.22. The S&P 500 declined 0.8% to 3643.85 and the Nasdaq Composite lost 1.1% to 7085.68.</p>	The Wall Street Journal	01/29/2019	Akane Otani
<p>Shutdown ends, but its economic impact lingers</p>	<p>“At the top of the list of concerns is what happens in mid-February?” says Mark Zandi, chief economist of Moody’s Analytics...</p> <p>Zandi believes another shutdown would “metastasize throughout the economy” and shatter the consumer confidence that he says mostly held up during the 35-day shutdown.</p> <p>Some losses in economic output will be recouped but others won’t be.</p> <p>Many economists now estimate the economy grew about 2.5 percent at an annual rate in the fourth quarter and will expand at about a 2 percent pace in the current quarter.</p>	USA Today	01/29/2019	Edward C. Baig and Paul Davidson
<p>Investors Hail Earnings' Winners, Losers</p>	<p>About 60% of the 134 companies that have reported year-end results through Tuesday morning have seen their share prices rise in subsequent trading sessions, according to FactSet. That marks the biggest percentage for any quarter of 2018, even as the companies in the index are on pace to expand profits by less than half the rate of the third quarter.</p> <p>But fresh data this year – including evidence of a strong labor market and continuing expansion across most of the U.S., economy – have helped calm investors, analysts said.</p>	The Wall Street Journal	01/30/2019	Michael Wursthorn
<p>Consumer Mood Falls Amid Dim Outlook</p>	<p>Consumer confidence dropped in January for a third consecutive month, likely hit by political discord in addition to market and economic uncertainty weighing on U.S. households.</p> <p>...marking the largest three-month decline since October 2011.</p>	The Wall Street Journal	01/30/2019	Sharon Nunn

	Shock events, such as the recent government funding lapse, often have sharp but temporary effects on consumer confidence, according to Lynn Franco, senior director of economic indicators at the conference Board.			
America's Markets	<p>Dow Jones Industrial Average Closing: 24,579.96 Change: + .2% YTD % Chg: + 5.4%</p> <p>S&P 500 • Standard & Poor's Closing: 2,640.00 Change: - .2% YTD % Chg: + 5.3%</p> <p>NASDAQ Composite Closing: 7,028.29 Change: - .8% YTD % Chg: + 5.9%</p> <p>Russell 2000 Closing: 1471.45 Change: - .1% YTD % Chg: + 9.1%</p>	USA Today	01/30/2019	
Europe's Growth Engines Weaken <i>French and German economies are cooling, which could inflame tensions in eurozone</i>	<p>France's economy grew 1.5% in 2018, a significant slowdown from 2.3% in 2017...</p> <p>Separately, the German government cut its growth forecast for 2019 to 1% from 1.8%, citing mounting geopolitical and trade risks.</p> <p>A worsening of protectionist tendencies being observed world-wide could depress growth even lower than that, the German government warned in its report...</p> <p>Weakening Chinese demand could also have a negative impact on French growth, economists say.</p> <p>"The slightest shock would send France into recession," said Laurent Clavel, head of macroeconomic research at AXA Investment Managers.</p> <p>Figures released last week suggest Germany narrowly avoided falling into a recession in the final three months of the year.</p>	The Wall Street Journal	01/31/2019	Noemie Bisserbe and Paul Hannon
Fed Signals Hold on Rate Increases <i>Central bank chief says case for rate rises has 'weakened somewhat'; Dow jumps 435 points</i>	<p>The Federal Reserve indicated Wednesday that it was done raising interest rates for now, fueling a market rally.</p> <p>Last month, they raised their benchmark rate by a quarter percentage point to a range between 2.25% and 2.5% and signaled two more rate rises were likely this year.</p> <p>Stocks, which were already rallying on earnings reports from Apple Inc. and Boeing Co., extended their gains after the Fed statement. The Dow Jones Industrial Average ended the session up 435 points, or 1.8% - its best day since Jan. 4. The yield on the</p>	The Wall Street Journal	01/31/2019	Nick Timiraos

	<p>benchmark 10-year Treasury note fell to 2.694% from about 2.75% before the announcement.</p> <p>On Wednesday, Mr. Powell cited growing risks of a sharp U.S. economic slowdown due to cooling growth in Europe and Asia.</p> <p>The fact that officials didn't offer an assessment of risks to the outlook highlighted doubts they now have about the economic impact of tumbling stock and oil prices, weak growth abroad and political uncertainty.</p> <p>Inflation has held just below the Fed's 2% target, and with oil prices falling, it shows few signs of breaking higher in the coming months.</p> <p>Markets expect the Fed will be on hold indefinitely.</p>			
GDP Grew 2.6% In Fourth Quarter, Economists Say	<p>The U.S. economy's brief flirtation with 3% growth is over for now, economists say, cut short by a dimming global outlook, market tremors and sluggish business investment.</p> <p>Gross domestic product, or the total value of goods and services produced in the U.S., grew at a 2.6% annual rate in the fourth quarter, economists estimate...</p> <p>Output will grow at a 1.8% clip in the first quarter and a 2.5% rate in the second quarter, according to the poll.</p> <p>Economists believe a big slowdown in China's economy and slower growth in Europe are holding back the U.S....</p> <p>"the economy is slowing but not enough to derail the expansion," said Diane Swonk, chief economist at Grant Thornton.</p>	The Wall Street Journal	01/31/2019	Josh Mitchell
Dow Jumps as the Fed Downshifts	<p>The Dow Jones Industrial Average surged more than 430 points Wednesday, logging its highest close since early December, after the Federal Reserve left interest rates unchanged and signaled further increases are on hold.</p> <p>The Dow industrials rose 434.90 points, or 1.8%, to 25014.86 – its highest close since Dec. 4. The S&P 500 added 41.05 points, or 1.6%, to 2681.05 and the tech-heavy Nasdaq Composite rose 154.79 points, or 2.2%, to 7183.08. All three gauges had their best day since Jan. 4 and are up about 7% or more for the month, on track for their largest monthly climb since October 2015.</p>	The Wall Street Journal	01/31/2019	Amrith Ramkumar

The US playing card company, Bicycle, manufactured cards to give to all Prisoners of War in Germany during WWII as a Christmas present. These cards, when soaked in water, revealed an escape route for the POWs. Decks of these cards are said to have helped at least 32 people escape. *-Business Insider, December 22, 2016*

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