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| **RESOURCE LOG – January 2020** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
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| Bond Gurus Predict Next Steps for Topsy-Turvy Sector | **Bill Gross, Former bond-fund manager:** No one could have conceived in the beginning of the decade that interest rates could go negative on over $15 trillion of global bonds. That they did was made possible by the melding of monetary and fiscal policy, introduced years before in Japan. Central banks are now purchasing treasury issuance and rebating the interest to global treasurys.  This will continue because without it, yields would rise to growth-choking levels. We will see unbelievable increases in debt-to-GDP levels that will be accepted as a necessary norm in major economies.  But artificially low interest rates destroy the savings function so necessary for capital to be invested in the real economy. Pensions funds, insurance companies and any financed-based structure with long liabilities are slowly being strangled because they cannot earn their assumed return. The same goes for mom and pop savers, as they struggle to earn for retirement.  **Elaine Stokes, Portfolio manager and co-head of the Full Discretion Team at Loomis Sayles & Co.:** I don’t think anyone is convinced that negative interest rates are doing anything for growth, and we have to find a different way to spur growth. That might just be going back to good old fashioned spending. | The Wall Street Journal | 01/02/2020 | Daniel Kruger, Julia-Ambra Verlaine and Matt Wirz |
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| ‘Japanification’ Haunts Slow-Growth Europe | One of the first questions posed at the inaugural news conference of the new president of the European Central Bank, Christine Lagarde, was blunt: is Europe turning into another Japan, fated to decades of sluggish growth and high debt?  “I don’t think Japanification is in the cards at all,” she said at the Dec. 12 meeting.  The criteria commonly understood to describe an economic fate like Japan’s are an absence of economic growth and inflation, brought about by a burst credit bubble and a shrinking population.  In financial markets, Japanification manifests as ultralow yields on government bonds and a stock market that crashes and fails to rebound. European bond yields are among the lowest in the world.  Japanification is the “right word to use for fixed-income markets. It’s not the right term to use for the European economy.” Says John Normand, head of cross-asset fundamental strategy at JPMorgan Chase & Co.  On the bright side, Europe has much more capacity to spend its way out of trouble because the total government debt of the 19 eurozone countries remains less than half the level of Japan’s as a share of GDP, according to official data.  The secret about Japan’s experience is that the slow grind hasn’t been catastrophic. Improvements in productivity have boosted GDP per person and that means standards of living can improve even if the economic headlines look weak. | The Wall Street Journal | 01/02/2020 | Paul J. Davies and Anna Hirtenstein |
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| Stocks End the Year With Momentum | Stocks around the world closed out one of their best years over the past decade, defying money managers who began 2019 expecting the bull market to be upended by threats from the U.S.-China trade fight and a slowdown in growth.  Fast forward to the final day of the decade, and stock indexes from the U.S. to Brazil to Germany were up more than 20% apiece for 2019.  The Dow Jones Industrial Average’s more than 170% rise from 2010 to 2020 ranks as just the fourth best decade-long performance in the past 100 years…  BMO Capital Markets and Goldman Sachs estimate the S&P 500 will end 2020 at 3400, 5.2% above where the index closed Tuesday, while Citigroup and Bank of America have put their target at 3300.  On the final trading day of 2019, the S&P 500 edged up 0.3% to 3230.78, while the Dow Jones Industrial Average added 0.3% to 28538.44 and Nasdaq Composite added 0.3% to 8972.60.  The S&P 500 finished the year up 29% for its best showing since 2013, while the Dow added 22% and the Nasdaq advanced 35%.  Elsewhere, the Stoxx Europe 600 finished the year up 23% for its biggest gain since 2009, and the Shanghai Composite climbed 22%.  …Hang Seng Index ending the year up 9%... | The Wall Street Journal | 01/02/2020 | Akane Otani |
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| Crude Oil Posts Strongest Year since 2016  *Industrial metal copper benefits from optimism on 2020 economic growth* | Commodities fell Tuesday but still closed out December with healthy monthly gains, highlighting how a brighter view of the world economy is supporting riskier investments entering 2020.  U.S. crude-oil futures slid 1% to $60.06 a barrel Tuesday but were still up 11% for the month and 34% for the year… | The Wall Street Journal | 01/02/2020 | Amrith Ramkumar |
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| What’s News | ♦ Manufacturing in the U.S. and Asia showed signs of stabilization as 2019 drew to a close, while Europe’s industrial slump deepened. | The Wall Street Journal | 01/03/2020 |  |
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| Recession Tops List of U.S. CEO Fears | Fear of an economic decline topped the list of their concerns going into 2020, according to a survey from the conference Board, a business research group.  Last year, growth in gross domestic product globally slipped to 2.3% from 3% in 2018… | The Wall Street Journal | 01/03/2020 | Rachel Feintzeig |
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| What’s News | ♦ Global stocks faltered and oil prices rose amid recharged Mideast tensions. The developments put a brake on a recent winning stretch for U.S. stocks, with all three major indexes falling from record levels, and spurred a dash for haven assets. But aerospace and defense shares rallied. | The Wall Street Journal | 01/04-05/2020 |  |
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| U.S. Car Sales Hit Brakes In 2019 | The multiyear booms in U.S. auto sales showed signs of easing in 2019 with major car companies reporting softer results and industry executives predicting the slowdown would continue in 2020.  Auto makers reported year-end U.S. sales Friday. Analysts expect the car industry to post a decrease of 1% to 2% in U.S. auto sales for the year… | The Wall Street Journal | 01/04-05/2020 | Mike Colias and Nora Naughton |
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| For The Year | The S&P 500 gained +31.5% (total return) during 2019, its best performance since 2013 and the 13th year in the last 25 years that the $28.1 trillion index has returned at least +15% (total return) for the calendar year. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock’s weight in the index proportionate to its market value (source: BTN Research). | By the Numbers | 01/06/2020 |  |
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| Long-Term | The S&P 500 has gained an average of +10.6% per year (total Return) over the last 50 years (i.e., 1970-2019). The index has been positive in 15 of the last 17 years. (Source: BTN Research) | By the Numbers | 01/06/2020 |  |
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| Bond Index | The taxable bond market was up +8.7% in 2019 (total return) and has gained +5.9% per year (total return) over the last 30 years (1990-2019). (Source: Bloomberg Barclays) | By the Numbers | 01/06/2020 |  |
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| Most of the Time | The +8.7% total return for Bloomberg Barclays US Aggregate Bond Index in 2019 was its best calendar year result since 2002. (source: Bloomberg Barclays) | By the Numbers | 01/06/2020 |  |
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| Ten-Year Note | The yield on the 10-year Treasury note ended 2019 at 1.92%, down 0.76 percentage points from 2.68% on 12/31/18. The 10-year note yield was 2.57% on Friday 08/05/11, the day that the rating agency S&P downgraded the USA from a top-rating that our nation had held for 70 years (source: Treasury Department). | By the Numbers | 01/06/2020 |  |
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| Oil Prices | The price of oil ended 2019 at $61.06 a barrel, up +34% from its 2018 close of $45.41 a barrel. Oil was $26.21 a barrel as of 02/11/16 and was $147.27 a barrel as of 07/11/08 (source: CME Group). | By the Numbers | 01/06/2020 |  |
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| What’s News | ♦ The price of gold rose to the highest level in almost seven years, gaining for a ninth consecutive session. | The Wall Street Journal | 01/07/2020 |  |
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| Stocks Fall With Focus on Mideast | Stocks retreated as investors kept an eye on tensions in the Middle East.  The Dow Jones Industrial Average dropped 119.70 points, or 0.4%, to 28583.68. The S&P 500 fell 9.10 points, or 0.3%, to 3237.18. The technology-heavy Nasdaq Composite slipped 2.88 points, or less than 0.1%, to 9068.58 after being in positive territory for much of the day. | The Wall Street Journal | 01/08/2020 | Alexander Osipovich and Anna Isaac |
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| What’s News | ♦ U.S. tariffs against China triggered a slide in imports in November, contributing to the smallest trade deficit in three years. Exports rose. | The Wall Street Journal | 01/08/2020 |  |
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| European Stimulus Hopes Cheer Investors  *Governments consider spending increases to spur economic growth on continent* | Signs that European governments may loosen their purse strings are giving investors hope that regional stocks, which had a banner 2019, could drive higher again this year.  European stocks posted their best performance in a decade last year. While there has been some pullback in recent days following the U.S. killing of a top Iranian general, they remain near highs. That performance came despite sluggish economic growth.  Getting stocks to move higher however, may require faster growth. Some see that slug of faster growth. Some see that slug of faster economic activity coming from a possible government ramp-up in stimulus spending. | The Wall Street Journal | 01/09/2020 | Caitlin Ostroff |
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| Dow Flirts With 29000 Threshold As Riskier Assets Attract Investors | The Dow Jones Industrial Average rose more than 200 points, notching a record and finishing just below 29000, as signs of geopolitical calm pulled investors back into high-flying stocks.  Reassuring signs that trade negotiations remain on tract gave the Dow and other major indexes a boost throughout the session.  Technology stocks, including Apple, led the gains, but stocks across the board rose, including shares of manufacturers, banks and some consumer discretionary firms. That helped all three stock indexes close at their highest levels ever and left the Dow just shy of crossing its latest 1,000-pooint milestone. | The Wall Street Journal | 01/10/2020 | Michael Wursthorn and Avantika Chilkoti |
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| What’s News | ♦ Major U.S. stock indexes closed at records, with the Dow industrials gaining 0.7% to end the trading session just below 29000. | The Wall Street Journal | 01/10/2020 |  |
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| What’s News | ♦ British lawmakers voted overwhelmingly to back the Brexit deal Johnson negotiated with the European Union last year. | The Wall Street Journal | 01/10/2020 |  |
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| Two Fed Leaders Say Rates Can Hold | Two regional Federal Reserve leaders said Thursday they saw no reason to change short-term rates any time soon.  …Federal Bank of Minneapolis President Neel Kashkari…  …added he would favor “more accommodation” if “inflation continues to weaken or inflation expectations continue to slide.” | The Wall Street Journal | 01/10/2020 | Michael S. Derby |
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| Fed Injects $83.1 Billion Into Markets  *Official says some repo operations might be needed at least through April* | Fed repo interventions take in bonds from eligible banks in what is effectively a short-term loan of central-bank cash, collateralized by the securities. Banks eligible to access these operations are limited in the amount of liquidity they can tap from the Fed, and they pay interest to the central bank for accessing its money.  There is some growing anxiety among financial-market participants, however, that money markets may be getting hooked on the Fed’s money and that may make it hard for the central bank to draw down its repos.  Fed repo interventions have been used for decades to control short-term rates. The Fed seeks to control the fed-funds rate to influence the overall cost of credit in the economy and accomplish its inflation and job mandates. | The Wall Street Journal | 01/10/2020 | Michael S. Derby |
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| Employment Data Do Little to Change The Fed’s Stance | The December employment report is likely to keep the Federal Reserve comfortable with its make-no-moves posture as officials look for evidence that last year’s slowdown in manufacturing, investment and trade hasn’t spilled into the broader consumer-driven economy.  …in mid-December, Fed officials signaled plans to keep interest rates steady for the next few months as long as the economic outlook didn’t darken significantly. The next policy meeting is Jan. 28-29.  Despite some recent improvements in the economic outlook, officials have pointed to risks of still weaker-than-anticipated growth and inflation. That means the Fed’s next move is more likely to be to lower rather than to raise rates, even if the bar for further reductions has been rising. | The Wall Street Journal | 01/11-12/2020 | Nick Timiraos |
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| Trade War Takes a Muted Toll On U.S. Economy | Farmers took a big hit. Importers of auto parts, furniture and machinery choked down punishing tariffs. Investment between the world’s two largest economies dropped.  Much of the U.S. economy is largely unscathed by two turbulent years of trade war with China, economic indicators show. Yet economic growth is trending near 2% in 2019, well short of the Trump administration’s goal of 3%.  The U.S. and China are preparing to sign a first-stage trade accord on Wednesday, easing trade tensions and making the tariffs worth it, in the administration’s view.  At the same time, most Chinese imports are still subject to U.S. tariffs, and many trade issues remain the subject of sharp disagreement. | The Wall Street Journal | 01/13/2020 | Josh Zumbrun and Anthony De Barros |
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| What’s News | ♦ Investors are optimistic the world economy will pick up steam in 2020, as companies prepare to report fourth-quarter earnings. | The Wall Street Journal | 01/13/2020 |  |
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| Investors Bet On Rebound In Growth  *Optimistic sentiment is expected to power stock market in wake of trade pact, Fed cuts* | Early last year, revenue warnings by bellwether companies including Apple Inc., and Delta Air Lines Inc. exacerbated worries of a recession spurred by higher interest rates and mounting tariffs. Instead, three Federal Reserve rate cuts between late July and Halloween and an initial U.,S.-China trade deal drove a powerful market rally that caught many investors off guard.  Investors’ rosy global-growth outlook is driving a remarkably placid stretch for stocks and fueling bets that gains can continue.  The S&P 500 hasn’t recorded a 1% daily pullback in three months, the longest such streak since October 2018… | The Wall Street Journal | 01/13/2020 | Amrith Ramkumar |
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| Oil Falls as Bullish Wagers Decline | A pullback in bullish oil bets could tamp down crude prices with tensions in the Middle East subsiding, a rapid shift after the U.S.-ordered killing of a top Iranian military leader had some traders positioning for further gains this month.  U.S. crude-oil futures fell 1.6% to $58.08 a barrel on the New York Mercantile Exchange Monday, logging a fifth consecutive decline. | The Wall Street Journal | 01/14/2020 | Amrith Ramkumar |
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| Tech Giants’ Market Gains Propel a Risky Investment | The FANG stocks are already sinking their teeth into 2020.  The long-running FANG trade of buying highflying technology stocks including Facebook Inc., Amazon.com Inc., Netflix Inc. and Google parent Alphabet Inc. is continuing to pay off for investors this year. All four stocks are up at least 2%, led by Facebook, which has surged 8.1%. | The Wall Street Journal | 01/14/2020 | Michael Wursthorn |
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| Budget Deficit Hit $1.02 Trillion in 2019 | The U.S. budget gap continued to widen in 2019, but not as much as the previous year when Republican tax cuts reduced revenue and a bipartisan budget deal boosted government spending.  The federal deficit totaled $1.02 trillion over the 12 months that ended in December, according to data the U.S. Treasury released Monday. That marked the first calendar year the deficit has exceeded $1 trillion since 2012, when the U.S. was still experiencing anemic economic growth. The deficit grew 17.1% in 2019, compared with a 28.2% increase in 2018. | The Wall Street Journal | 01/14/2020 | Kate Davidson |
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| Consumer Inflation Moderated Last Year | The consumer-price index – which measures the costs of everyday goods and services from food to dental care – increased 2.3% in December from a year earlier, up from the 2018 increase of 1.9%. Prices excluding food and energy also increased 2.3% in December from a year earlier, a touch higher than in 2018 but down from 2.4% in September.  “Inflation remains extremely well contained,” said Michelle Girard, chief U.S. economist at NatWest Markets. “If we continue to see benign inflation, or ever more worrisome, if inflation cools from here in 2020, that could be a trigger for rate costs.” | The Wall Street Journal | 01/15/2020 | Sarah Chaney |
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| What’s News | ♦ JPMorgan and Citigroup posted double-digit earnings growth for the final three months of 2019. Wells Fargo’s fourth-quarter profit plunged. | The Wall Street Journal | 01/15/2020 |  |
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| What’s News | ♦ U.S. consumer inflation wrapped up 2019 on a soft note, complicating the outlook for Fed officials. | The Wall Street Journal | 01/15/2020 |  |
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| Dollar Forecast to Fall and Lift Commodities | A softening dollar could give commodity prices a boost this year.  After a year in which a strong dollar weighed on commodity prices, some banks predict the dollar is set to weaken in 2020, dragged down by expectations that the Federal Reserve will hold interest rates at low levels. Lower interest rates make a currency less attractive to investors, as they offer lower rates of return.  That would herald good news in 2020 for investors already betting that easing trade tensions between the U.S. and China and a pickup in global growth will lift demand for commodities like metals and crude oil. | The Wall Street Journal | 01/16/2020 | Sarah Toy |
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| What’s News | ♦ The U.S. and China signed an accord that marks a truce in a two-year trade war but leaves in place tariffs on about $370 billion in Chinese goods. U.S. business leaders stressed the need to keep talks going. | The Wall Street Journal | 01/16/2020 |  |
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| What’s News | ♦ The Dow closed above 290000 for the first time, just 40 trading sessions since the index’s last 1,000-point milestone. The S&P 500 also hit a record. | The Wall Street Journal | 01/16/2020 |  |
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| What’s News | ♦ Germany’s economic growth slumped to a six-year low in 2019, weighing on Europe’s outlook. | The Wall Street Journal | 01/16/2020 |  |
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| Stocks Continue Quiet Ride, But Slow Pace Unsettles Some | Driving the extended period of calm trading: An initial U.S.-China trade deal and lower interest rates around the globe that have eased fears of a sharp economic slowdown.  The S&P 500 has risen 11% in the past three months and 27% in the past year, supported by bets on a more stable economic outlook. It hit a fresh record Thursday at 3316.81.  At the same time, many analysts are wary that the eventual return of volatility could fuel an unwind of wagers on riskier investments and spark a market downturn. | The Wall Street Journal | 01/17/2020 | Amrith Ramkumar |
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| What’s News | ♦ U.S stocks closed at records, with the Nasdaq advancing 1.1%. The Dow and the S&P 500 gained 0.9% and 0.8%, respectively. | The Wall Street Journal | 01/17/2020 |  |
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| Senate Passes the USMCA In a Rare Bipartisan Vote | The Senate voted 89 to 10 in support of the U.S.-Mexico-Canada Agreement, which replaces the 26-year-old North American Free Trade Agreement. It updates trading rules to address 21st-century technology, safeguard environmental and labor standards in Mexico and toughen requirements for auto-industry trade. | The Wall Street Journal | 01/17/2020 | William Mauldin |
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| Tech Pushes U.S. Equities To New Highs | The rally coincided with the signing of a trade agreement between the U.S. and China that eased a long-simmering battle between the world’s two biggest economies.  Earnings from big banks showed that the domestic consumer remains strong, and fresh economic data published Friday added to optimism about the U.S. economy.  The S&P 500 rose 12.81 points, or 0.4%, to 3329.62 on Friday, its sixth record close of the year. The Nasdaq Composite advanced 31.81 points, or 0.3%, to 9388.94. The Dow Jones Industrial Average rose 50.46 points, or 0.2%, to 29348.10.  On Friday, signs of the Chinese economy stabilizing also fueled investors’ optimism. New data showed China’s industrial production rebounded last year, with the 6.9% growth in output in December beating forecasts…  Elsewhere, the pan-continental Stoxx Europe 600 gauge added 1% on Friday, also hitting a record. | The Wall Street Journal | 01/18-19/2020 | Gunjan Banerji and Will Horner |
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| China’s Growth Slows Amid Trade Truce | China – The newly sealed trade truce with the U.S. reduced a key source of anxiety for Chinese policy makers, but another challenge remains: how to boost consumer and business confidence as the country faces more downward pressure on its massive economy.  The outlook remains cloudy, and some private-sector economists warn that growth in the world’s second-largest economy could slip even further this year, to below 6%.  The country also faces longer-term stresses like an aging population… | The Wall Street Journal | 01/18-19/2020 | James T. Areddy and Chao Deng |
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| What’s News | ♦ The global economy is poised for a modest rebound in 2020, following a year in which it notched the weakest growth since the financial crisis. | The Wall Street Journal | 01/21/2020 |  |
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| Really Low | Inflation, as measured by the “Consumer Price Index” (CPI), was up +2.3% for 2019. For the decade of the 2010s, inflation was up just +1.8% per year, the lowest decade of inflation in the USA since the 1930s. By comparison, the decade of the 1970s suffered +7.4% annual inflation (source: Department of Labor). | By the Numbers | 01/21/2020 |  |
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| What If? | The average interest rate paid by the U.S. government on its interest-bearing debt was 2.429% as of 12/31/19, more than two percentage points less than the 4.508% paid as of 12/31/04, i.e., 15 years ago (source: Treasury Department). | By the Numbers | 01/21/2020 |  |
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| Slowing China Faces Costly Bank Cleanup | For years, China’s small banks had a field day. They lent to overstretched borrowers, disguised loans as investment products and fueled their business with short-term funds.  Regulations used a light touch, eager to keep credit flowing to areas ignored by big national lenders. The country’s years of rapid economic growth papered over shoddy practices.  Now, the bill is coming due. China’s growth rate is down by more than half from its peak a decade ago, nonperforming loans have expanded and the government is reining in banking risk. China is confronting a bank cleanup that could require hundreds of billions of dollars in bailouts.  The problems could reverberate in China’s already slowing economy, which grew 6.1% last year, down from a recent high of 14.2% in 2007. | The Wall Street Journal | 01/22/2020 | Chao Deng |
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| What’s News | ♦ Fresh threats by the U.S. to impose new tariffs on Europe show that economic pressure remains a favored tool of the president. | The Wall Street Journal | 01/22/2020 |  |
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| Glut Pushes Natural Gas Prices Below $2 | The frackers have broken the natural-gas market.  The price of natural gas typically rises this time of year as temperatures plunge and homeowners dial up their thermostats. Instead, the price of the heating and electricity-generating fuel has dropped to multiyear lows.  On Tuesday, natural-gas futures fell below $2 per million British thermal units to their lowest level in nearly four years, highlighting how a persistent glut has buffeted energy investors and producers.  The fall in prices has come faster than analysts and traders had predicted.  “Gas prices in the U.S. are below break-even levels,” Chief Executive Jeffrey Miller told analysts and investors. | The Wall Street Journal | 01/22/2020 | Sarah Toy |
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| Oil Hits 7-Week Lows on Fear of Weaker Demand | Crude prices fell to seven-week lows on Wednesday, weighed down by concerns that a deadly strain of coronavirus that originated in China could dent demand for oil and jet fuel.  U.S. crude futures fell 2.8% to $56.74 a barrel, while Brent, the global gauge of prices, slid 2.1% to $63.21 a barrel.  The latest decline in prices also comes after the international Monetary Fund trimmed its global-growth forecasts and predicted slowing economic growth in both the U.S. and China, sparking worries about future demand. | The Wall Street Journal | 01/23/2020 | Sarah Toy |
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| What’s News | ♦ Business activity in the U.S. improved in early 2020, contrasting with weaker economic performance in some other major economies. | The Wall Street Journal | 01/25-26/2020 |  |
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| Stocks Decline Over Spread of Virus | The Dow Jones Industrial Average fell 170.36 points, or 1.6%, to 28989.73, declining below the 29000 level that it crossed for the first time earlier this month.  The S&P 500 tumbled 30.07 points, or 0.9% to 3295.47 in its steepest one-day drop since October. The Nasdaq Composite lost 87.57 points, or 0.9%, to close at 9314.91.  The benchmarks are still within 1.3% of record highs set in recent days before the virus started worrying investors. | The Wall Street Journal | 01/25-26/2020 | Avantika Chilkoti and Alexander Osipovich |
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| Transport Stocks Flash Warning Signs | Transportation stocks haven’t hit a new high in 16 months, a potentially ominous sign for investors betting on a pickup in global growth.  That disconnect raises concern for proponents of the Dow Theory who say weakness in shares of companies that transport raw goods and materials can point to turmoil for the broader market.  The recent market rally has been largely fueled by investor demand for shares of fast-growing companies, such as technology firms, while the members of the transport group tend to be slower-growing and more subject to economic fluctuations. | The Wall Street Journal | 01/25-26/2020 | Karen Langley |
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| Junk Bonds Win Fans Despite Low Yields  *Shorter durations for speculative versus investment-grade debt are the allure* | Yields on junk bonds are near record lows. But their expected lifespans are shrinking fast, causing some investors to see a surprising amount of value in the lower-rated debt.  The two circumstances are connected.  Since the end of 2018, a global fall in bond yields has pushed investment-grade companies to try to lock in low borrowing costs for as long as possible – increasing the average time until their bonds mature, even as the average interest rates on their debt has declined slightly.  In the speculative-grade world, though, bonds aren’t expected to last as long as in the past.  Over the past two decades, average durations have generally been increasing for investment-grade bonds and shortening for speculative-grade bonds.  As a rule of thumb, a one-percentage-point increase in a bond’s yield also causes a decline in a bond’s price equal to its duration – making prices of long-duration bonds more volatile than those of shorter-duration bonds. | The Wall Street Journal | 01/27/2020 | Sam Goldfarb |
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| Market Gets Fuel to Continue Its Rally | As initial U.S.-China trade accord and recent actions by central banks around the world to stabilize growth with lower borrowing costs are driving a steady advance in stocks that has been hard to bet against.  Indicators of market momentum and improving economic data are creating a promising backdrop that some investors expect to help major indexes rebound from last week’s declines.  After stocks surged last year despite stagnant earnings, investors this week will be monitoring another batch of fourth-quarter results and projections. | The Wall Street Journal | 01/27/2020 | Amrith Ramkumar |
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| What’s News | ♦ Investors world-wide stepped up their retreat from stocks and many commodities as worries intensified about possible economic fallout from the spreading coronavirus outbreak. The Dow and S&P 500 both dropped 1.6%. | The Wall Street Journal | 01/28/2020 |  |
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| What’s News | ♦ Housing markets across the world, from the U.K. to China to Australia, are losing steam, holding back prospects for the global economy. | The Wall Street Journal | 01/28/2020 |  |
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| Market Volatility Jolts Bets on Earnings | Investors had been forecasting a relatively calm earnings season. They could instead be caught off-guard with bigger-than-expected swings.  Fears about the coronavirus broke the sleepy stretch in markets, with stocks and crude oil falling Monday as the detection of invested patients in the U.S., Australia and France fanned worries about its economic impact.  Options prices indicate investors weren’t projecting the big moves in individual stocks that sometimes characterize corporate-earnings season.  Through Friday, the S&P 500 hadn’t moved up or down 1% in a single session since mid-October, one of its longest such streaks since the end of 1969. Over the same period, the index climbed 11%,… | The Wall Street Journal | 01/28/2020 | Gunjan Banerji |
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| What’s News | ♦ Home-price growth accelerated in November, the latest sign the U.S. home-sales market is picking up. | The Wall Street Journal | 01/29/2020 |  |
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| Business Investment Slumped in December | U.S. business investment fell in December, according to a closely watched proxy measure, providing the latest sign of softness in manufacturing.  The reading, part of a report on U.S. orders for long-lasting goods, showed that new orders for nondefense capital goods excluding aircraft fell 0.9% in December from the previous month, to $68.6 billion, the Commerce Department said Tuesday. | The Wall Street Journal | 01/29/2020 | Amara Omeokwe |
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| What’s News | ♦ The Federal Reserve left its benchmark interest rate unchanged and reaffirmed its current make-no-moves posture. | The Wall Street Journal | 01/30/2020 |  |
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| What’s News | ♦ U.S. stock indexes pulled back as investors parsed Powell’s comments on the economic outlook, ending the session mixed. | The Wall Street Journal | 01/30/2020 |  |
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| What’s News | ♦ Lawmakers in the European Parliament supported an agreement for the U.K. to leave the EU, paving the way for Britain’s exit on Friday. | The Wall Street Journal | 01/30/2020 |  |
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| What’s News | ♦ Trump signed legislation to implement the trade pact between the U.S., Mexico and Canada. | The Wall Street Journal | 01/30/2020 |  |
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| Trump Signs New North American Trade Pact | President Trump signed legislation to implement the U.S.-Mexico-Canada Agreement, or USMCA…  **Not-so-new Nafta**  At its core, USMCA is an amended, rebranded version of the North American Free Trade Agreement,…  **Economic gain, or pain?**  The bipartisan U.S. International Trade Commission said the deal will produce a tiny gain in U.S. GDP – a boost of 0.35% total over the long term… | The Wall Street Journal | 01/30/2020 | William Mauldin and Alex Leary |
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| 2% Growth Is Here to Stay  *GDP constrained by shifting demographics and limited productivity gains* | Economists get plenty wrong, but they have been right about one thing: The U.S. economy is stuck in low year.  The pace of growth in consumer spending, which accounts for about two-thirds of overall U.S. demand, slowed to 1.8% in the fourth quarter from 3.2% in the third. A narrowing trade gap boosted growth, but a sharp decline in the pace of inventory accumulation cut into it.  Most economists, and the Fed, expect GDP growth will be stuck around 2% in the years to come. | The Wall Street Journal | 01/31/2020 | Justin Lahard |
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| China Fears Spur Emerging-Markets Retreat | The fallout from the deadly coronavirus is battering emerging markets, a sign of skepticism that the world economy can easily bounce back from its worst year in a decade.  In the past two weeks, the industrial metal copper has dropped 12% and Brent crude, the global gauge of oil prices, is down almost 10%.  Lower materials prices threaten growth in producing nations such as Chile and Brazil, and the currencies of those and other emerging markets… | The Wall Street Journal | 01/31/2020 | Amrith Ramkumar |
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| Economy Still Solid, But Slowed Last Year | The U.S. economy headed into 2020 on solid footing, with growth settling back to the roughly 2% pace that has prevailed during the decade-old expansion.  Gross domestic product – the value of all goods and services produced across the economy - grew 2.3% last year,…  Year-over-year growth of 2.3% was the slowest pace since 2016…  The economy was buffeted last year by the U.S.-China trade dispute and a slowing global economy, but was buoyed by a strong domestic labor market that fueled consumer spending and optimism.  Many economists expect the U.S. economy to grow at about the same pace in 2020, given the recent trade truce between the U.S. and China, forecasts for a rebound in global growth, low interest rates and upbeat U.S. consumers.  Consumer spending rose at a 1.8% annual rate in the fourth quarter of 2019 from a 3.2% pace the prior quarter… | The Wall Street Journal | 01/31/2020 | Harriet Torry |

NOT SAVING ENOUGH: The average 65-year old American male has accumulated retirement savings that will sustain him in retirement for 9.7 years, i.e., to just short of his 75th birthday. The problem, the average 65-year old American male has a life expectancy to 83 years, or 8.3 years beyond the point when his savings run out. This study assumed that male retirees would need retirement income of 70% of the individual’s pre-retirement pay (source: World Economic Forum).

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