

RESOURCE LOG – February 2019

Article Title	Detail	Publication	Date	Author
Stocks Post Best January in 30 Years	<p>Banks and smaller companies propelled stocks to their best January in 30 years, a sign that investors are favoring sectors tied to the U.S. economy.</p> <p>Those groups were among the biggest laggards during the fourth quarter's steep slide.</p> <p>The Fed's statement Wednesday that interest-rate increases are on hold helped ease investors' worries that higher rates would increase borrowing costs...</p> <p>Despite a mixed performance Thursday, the Dow Jones Industrial Average and the S&P 500 both closed with their biggest monthly gains since October 2015. The blue-chips index's 7.2% rise was its best January performance since 1989, while the S&P's 7.9% advance marked its best start to the year since 1987.</p>	The Wall Street Journal	02/01/2019	Amrith Ramkumar
What's News	<p>♦ The U.S. and China moved closer to settling their trade dispute, with Trump saying he expects to meet again with Xi to resolve the conflict that has rattled the global economy.</p>	The Wall Street Journal	02/01/2019	
China's Slowdown Hits Growth Globally <i>Asia, Europe and U.S. struggle to adjust to giant's sluggish demand and shifting exports</i>	<p>Beijing's struggle with domestic weaknesses, including a huge debt buildup, overinvestment and constraints on private businesses, are combining with trade tensions to drag down growth in the world's second-largest economy to its slowest rate in three decades.</p> <p>Over the past decade, it accounted for a fifth of the total growth in global exports and imports...</p> <p>Experts to China from large developed economies including the U.S. and other Asian countries were nearly 10% lower last year from 2017, according to Oxford Economies.</p> <p>China is a major market for many American manufacturers, and its slowdown has vexed companies from industrial bellwethers Caterpillar Inc. and 3M Co. to smaller firms like tanneries and tool producers.</p> <p>Chinese retail-sales growth weakened to near-record lows late last year. Slowing consumer spending is showing up elsewhere, too.</p>	The Wall Street Journal	02/01/2019	Chuin-Wei Yap and William Boston
Record Job Run Powers On	<p>The U.S. labor market notched its 100th straight month of increased employment in January while sustaining robust wage growth, passing the tests posed by a federal-government shutdown, market volatility and uncertainty about the global economy.</p> <p>The unemployment rate rose to 4.0% last month from 3.9% in December. The Labor Department said the shutdown caused thousands of federal workers to be counted as on temporary layoff...</p> <p>"the payroll party continues," said Beth Ann Bovino, chief U.S. economist for S&P Global Ratings. She said the government shutdown, U.S.-China trade tensions and cooling international economies all will dent U.S. output growth early this year. "But we're largely a domestic-driven economy, and the jobs numbers not only reflect that strength but show it's self-sustaining."</p>	The Wall Street Journal	02/02-03/2019	Eric Morath

Small Businesses Tread Cautiously	<p>Economic confidence among small firms, which edged downward for much of 2018, in January reached its lowest level since President Trump's election, according to a monthly survey of 765 small firms for The Wall Street Journal by Vistage Worldwide Inc. (Vistage polls firms with between \$1 million and \$20 million of annual revenue.) The survey showed 14% of firms expect the economy to improve this year, while 36% expect it to get worse.</p> <p>For the first time since the 2016 election, small firms were more pessimistic about their own financial prospects than they were a year earlier...</p> <p>"We could be at a turning point," said Richard Curtin, a University of Michigan economist who analyzed the data. "Recessions are not made of one firm collapsing, but of many firms cutting back in marginal ways."</p>	The Wall Street Journal	02/04/2019	Ruth Simon
Bonds Signal Warning for Stocks <i>U.S. shares enjoyed a blockbuster January, but Treasuries signal trend could reverse</i>	<p>U.S. stocks and bonds are rallying together, an atypical pattern that some investors worry suggests the January rebound in equities is fated to run up against a painful reversal.</p> <p>Major indexes have started off the year on an upbeat note, closing out their best January since the 1980s. The gains are a testament to fresh optimism about the U.S. and China's trade negotiations, as well as confidence that the Federal Reserve will pause its campaign of raising interest rates...</p> <p>Yet yields on both shorter-and longer-term government debt have continued a months-long slide, a development that has historically signified growing pessimism about the outlook for the U.S. economy.</p> <p>The risk investors face is the possibility that when the two markets' viewpoints converge, stocks will get hit by a fresh wave of volatility.</p> <p>Economists surveyed by The Wall Street Journal estimate that U.S. gross domestic product, while unlikely to grow at the pace it did in 2018, will nevertheless expand at a 2.2% annual rate in 2019.</p>	The Wall Street Journal	02/04/2019	Akane Otani
Junk-Debt Sales Jump, Easing Credit Fears	<p>Junk-rated bonds and loans are flying off the shelves again, easing recent worries that a credit-market freeze could harm the economy.</p> <p>Like other risky assets such as stocks, junk-bond prices largely have moved in response to the shifting messages of Federal Reserve officials, potentially leaving the market vulnerable if there is another turn by the central bank.</p> <p>While robust sales can saddle companies with unsustainable debt loads and pave the way for subsequent pullbacks, they generally contribute to economic growth by enabling companies to refinance debt and invest in people and equipment. A sharp slowdown in debt sales, as occurred in late November and December, can quickly translate to slower economic growth.</p>	The Wall Street Journal	02/04/2019	Sam Goldfarb
China Concerns Loom Over U.S. Stocks	<p>U.S. stocks posted their best January in decades, even after fears of spillover from a China slowdown slammed shares of Apple Inc. and other leading companies in the opening days of 2019.</p>	The Wall Street Journal	02/05/2019	Ira Iosebashvili and Saumya Vaishampayan

	<p>Chinese demand is crucial for tech behemoths such as Apple, global auto makers and industrial firms , and a sharper-than-expected slowdown in China would ripple far beyond its borders.</p> <p>Among investors' worries is whether the Chinese government will be able to navigate slowing growth without a policy misstep that exacerbates its woes. Case in point: The devaluation of the yuan in 2015, which authorities said was an attempt to make the currency more market-driven, fueled fears about Chinese growth that rocked global markets...</p> <p>Recent Chinese data have provided more evidence of slowing growth.</p> <p>Some observers believe things may be even worse than official numbers show.</p>			
Investors Exit U.S. Stock ETFs	<p>This year, investors are stashing cash in fixed-income funds, forsaking U.S. stocks for emerging-market equities and exiting go-go sector ETFs such as technology in favor of ETFs that try to pick high-quality stocks with stable growth prospects.</p> <p>The U.S. profit cycle is decelerating, in contrast with last year when the tax overhaul helped juice corporate earnings.</p> <p>...Matthew Bartolini, head of SPDR Americas Research for ETF issuer State Street Global Advisors.</p> <p>...Mr. Bartolini said, "Part of this is typical cyclical rebalancing," he said. "But December was the worst December since 1931, and the technical indicators are still somewhat bearish."</p>	The Wall Street Journal	02/05/2019	Asjylyn Loder
Purchasing Indexes Give Early Warnings	<p>Global Purchasing managers' indexes, or PMIs, have come forth as a leading barometer of the health of the world's major manufacturing sectors.</p> <p>...one of the earliest and clearest cracks in the global economy was sitting in plain view – the world's purchasing managers were seeing weakening demand,...</p> <p>The basics of PMIs are quite similar: a series of simple questions about whether production, new orders, prices, backlogs and so on are up, the same or down.</p> <p>Globally, manufacturing has lost more steam – the current global reading is the lowest since 2016...</p>	The Wall Street Journal	02/06/2019	Josh Zumbrun
What's News	♦ The S&P 500 rose 0.5%, clinching its fifth straight session of gains. The Dow and Nasdaq advanced 0.7%.	The Wall Street Journal	02/06/2019	
What's News	♦ The U.S. is dispatching Lighthizer and Mnuchin to China early next week to continue trade talks as a March 1 deadline nears.	The Wall Street Journal	02/06/2019	
	<p>DJIA 25411.52 ▲172.15 0.7%</p> <p>NASDAQ 7402.08▲0.7%</p> <p>STOXX600 364.99 ▲1.4%</p> <p>10-YR. Treas. ▲6/32, yield 2.702%</p>	The Wall Street Journal	02/06/2019	

U.K. Assets Suffer Amid Brexit confusion	<p>U.K. stocks have become some of the most shunned assets in the world. One big reason: Investors have lost faith that a weaker pound will lift shares if Brexit takes a turn for the worse.</p> <p>That comes with U.K. slated to leave the European Union on March 29. Some investors fear the U.K. could leave without a deal on the terms of the separation, causing disruption in trade, travel and financial markets. Stock and the currency could suffer.</p>	The Wall Street Journal	02/06/2019	Riva Gold
What's News	<p>♦ U.S. stocks inched lower, ending a five-session winning streak for the S&P 500, which slipped 0.2%.</p>	The Wall Street Journal	02/07/2019	
Nasdaq Nears Bear-Market Exit	<p>The Nasdaq Composite Index is on the cusp of exiting a bear market, rebounding nearly 20% from its Christmas Eve low and highlighting the resilience of the technology shares that have long powered the market.</p>	The Wall Street Journal	02/07/2019	Akane Otani
Banks Lower Oil-Price Forecasts for Year	<p>Banks in January lowered slightly their overall forecasts for oil prices in 2019 from December's projections, even though they expect crude prices to rise in the first half on Organization of the Petroleum Exporting Countries-led production cuts and supply outages in Iran and Venezuela.</p> <p>Brent crude, the global oil benchmark, is now expected to average just over \$67 a barrel in 2019, down from an estimate in December of \$69 a barrel...</p>	The Wall Street Journal	02/07/2019	Christopher Alessi
Pressure Grows for U.S.-China Trade Deal	<p>As a deadline approaches for a high-stakes trade deal between the U.S. and China, some top American business figures who fear the economic and market consequences of a failure are pushing both sides to compromise.</p> <p>The two nations are far from an agreement, as U.S. negotiators prepare to meet with their counterparts in Beijing next week.</p> <p>The uncertainty rattled markets on Thursday, with the Dow Jones Industrial Average falling 220.77 points, its steepest drop in two weeks.</p> <p>Mr. Lighthizer, a longtime critic of China's trade practices who is especially influential with Mr. Trump, last week called enforcement the "foundational issue" in the talks.</p> <p>Hudson Institute China scholar Michael Pillsbury...</p> <p>"My Chinese sources seem remarkably confident that without any concessions, the Trump administration will drop its tariffs or grant them an extension of many more months" to continue talks, Mr. Pillsbury said.</p>	The Wall Street Journal	02/08/2019	Bob Davis
Most Stocks Are Up, and Yet Some Worry	<p>A blistering run of gains has powered nearly all of the stocks in major U.S. indexes higher this year, making some investors uneasy that the nearly decade old bull market will face another bout of volatility.</p> <p>Twenty-six of the 30 stocks in the Dow Jones Industrial Average and 465 of those in the S&P 500 have risen this year...</p>	The Wall Street Journal	02/08/2019	Michael Wursthorn

	<p>The index remains up nearly 8% since Jan. 1, its best start to a year since 1991 and has risen in 18 of the first 26 trading days of the year.</p> <p>Active managers of all styles suffered during the fourth-quarter selloff.</p>			
What's News	<p>♦ The Dow pared its losses heading into the closing bell to notch its seventh consecutive weekly gain. The index fell 0.3% on Friday.</p>	The Wall Street Journal	02/09-10/2019	
Bullish Signals Bolster Investors	<p>A number of technical signals used by analysts to gauge the health of the stock market have flipped to positive from negative, a shift that is buttressing some investors' faith in the 2019 rebound despite last week's volatility.</p> <p>The rally is widely seen as resulting from a more cautious rate-increase outlook from the Federal Reserve and continuing faith in the U.S. economy. But those factors haven't quelled concerns about U.S.-China trade tensions...</p>	The Wall Street Journal	02/11/2019	Amrith Ramkumar
What's News	<p>♦ Makers of household staples from diapers to toilet paper are set to raise prices again this year, hoping to offset higher commodity costs and boost profits.</p>	The Wall Street Journal	02/11/2019	
The Dreaded Earnings Slowdown is Here	<p>Companies' fourth-quarter earnings weren't nearly as bad as investors feared.</p> <p>More than half the companies in the S&P 500 have reported fourth-quarter results. Earnings per share are on track for an increase of 16.8% versus a year earlier, according to Refinitiv, compared with the 14% analysts were looking for...</p> <p>But with the economy cooling, the outlook for the current quarter has deteriorated.</p> <p>The earnings slowdown owes something to last year's corporate tax cut reaching its anniversary date.</p> <p>When earnings growth falls sharply, stocks often languish.</p>	The Wall Street Journal	02/12/2019	Justin Lahart
Transport Stocks Give Optimistic Clues	<p>Shares of airlines, railroads and shipping companies are climbing, a bullish signal the U.S. economy is on strong footing and the broader stock market can continue its recent march higher.</p> <p>Transportation stocks are viewed as a barometer of economic activity because those companies carry the raw materials and goods that power manufacturing.</p> <p>Proponents of the century-old Dow Theory believe that strength among the transports is a positive indicator for the economy and broader market.</p> <p>Stocks of transportation companies from truckers to railroads to shippers were pummeled late last year, along with the broader market, on rising global -growth worries.</p>	The Wall Street Journal	02/12/2019	Jessica Menton
Speculators Make Dollar Look Cheap	<p>Few would disagree the outlook for the global economy has worsened in the past six months. But the U.S. dollar hasn't gotten the memo.</p> <p>Every day brings fresh evidence that the Chinese slow-down is rippling across the globe.</p>	The Wall Street Journal	02/12/2019	Jon Sindreu

	<p>Last week, eurozone officials downgraded their 2019 growth forecasts.</p> <p>Yet the greenback has traded mostly sideways...</p> <p>It is particularly strange that the dollar, as a haven asset, hardly gained during the market panic late last year.</p>			
Strong Dollar Isn't as Good as It Sounds	<p>A stubbornly strong dollar looms over a rebound in U.S. stocks, weighing on companies' profits and stoking worries of slowing U.S. growth.</p> <p>The dollar is up 7.3% since February 2018...</p> <p>The dollars' durability runs counter to Wall Street's expectations.</p> <p>The U.S. currency's strength is becoming increasingly problematic for U.S. multinationals that need to convert foreign profits into dollars.</p> <p>Globally, a strong dollar tends to pressure prices for commodities, which are denominated in the U.S. currency and become more expensive to foreign buyers when the dollar rises.</p> <p>The European Union warned this month that the eurozone economy will grow by 1.3% in 2019 instead of the 1.9% forecast in November, pressured by Brexit worries, flagging demand from China and investor concerns over Italy's ballooning national debt. The euro is down more than 8% in the past year.</p>	The Wall Street Journal	02/13/2019	Ira Iosebashvili
Three Things to Judge a Slowdown	<p>Start with markets: Last month pretty much every major stock market rose, between 6% (France, Germany, Japan) and 9% (Chinese domestic stocks, emerging markets).</p> <p>...the ISM manufacturing purchasing managers index, unexpectedly rebounded to show healthy expansion in the U.S., and jobs figures stayed strong. PMIs elsewhere suggest German and Italian manufacturing is shrinking more than forecast, while Japan is stagnating.</p>	The Wall Street Journal	02/13/2019	James Mackintosh
What's News	<p>♦ The Dow and Nasdaq rose 1.5% and the S&P 500 gained 1.3% as investor fears about trade talks and a government shutdown eased.</p>	The Wall Street Journal	02/13/2019	
What's News	<p>♦ OPEC significantly reduced crude production in January, making good on its latest deal to curb output.</p>	The Wall Street Journal	02/13/2019	
	DJIA 25543.27 ▲117.51 0.5%	The Wall Street Journal	02/14/2019	
What's News	<p>♦ U.S. stocks rose as worries about U.S.-China trade talks and a government shutdown continued to abate. The Dow gained 0.5%.</p>	The Wall Street Journal	02/14/2019	
Nasdaq Climbs in a New Bull Run	<p>The new year rally in technology stocks lifted the Nasdaq Composite to its eighth consecutive weekly rise and propelled the index out of the bear market it entered in late 2018.</p>	The Wall Street Journal	02/16-17/2019	Georgi Kantchev and Corrie Driebusch

	<p>Tech companies have largely reported fourth-quarter results that exceeded expectations,...</p> <p>All three major U.S. stock indexes ended the week up more than 2%. The Dow Jones Industrial Average also notched its eighth consecutive week of gains...</p> <p>The Dow industrials rose 443.86 points, or 1.7%, to 25883.25 Friday, while the S&P 500 added 29.87, or 1.1%, to 2775.60.</p>			
Treasury Yields Tick Higher	<p>The yield on the benchmark 10-year U.S. Treasury note settled at 2.666%, compared with 2.659% Thursday.</p> <p>Trade tensions between the world's two largest economies have weighed on stocks and bolstered bonds in recent months as concerns have grown that the tariff battle is slowing global growth.</p> <p>Treasurys often benefit when investors are worried about the economy because they offer a regular stream of income with essentially no risk of nonpayment.</p>	The Wall Street Journal	02/16-17/2019	Sam Goldfarb
What's News	<p>♦ Trump's trade initiatives face big obstacles, including resistance from trading partners, domestic political opposition and disagreements inside the administration.</p>	The Wall Street Journal	02/19/2019	
What's News	<p>♦ The president gave his firmest indication yet that the U.S. may not increase tariffs on Chinese goods on March 1, as scheduled.</p>	The Wall Street Journal	02/20/2019	
What's News	<p>♦ U.S. stocks edged up, with the S&P 500 advancing 0.1%. Meanwhile, U.S. oil prices rose 0.9% to a three-month high.</p>	The Wall Street Journal	02/20/2019	
In Rate Gamble, Fed Is a Wild Card	<p>Stocks and bonds are rising on bets that the Federal Reserve has ended its nearly four-year campaign of interest-rate increases, worrying investors who believe the central bank could upend those expectations later this year.</p> <p>Some believe the Fed's next move could be to cut the benchmark short-term rate, something it hasn't done since December 2008...</p>	The Wall Street Journal	02/20/2019	Akane Otani
Stocks Edge Up After Fed Minutes	<p>U.S. stocks edged higher, continuing a recent rally after minutes from the Federal Reserve's latest meeting showed officials agreed to signal a pause in interest-rate increases until they could better judge rising risks to economic growth.</p> <p>The Dow Jones Industrial Average climbed 63.12 points, or 0.2%, to 25954.44. The S&P 500 inched up 4.94 points, or 0.2%, to 2784.70.</p>	The Wall Street Journal	02/21/2019	Amrith Ramkumar and David Hodari
Treasurys Weaken as Rate View Gets Hazy	<p>U.S. Treasury prices drifted lower Wednesday after minutes from the Federal Reserve's January meeting showed central bankers were divided on whether they would have to raise interest rates later this year.</p> <p>The yield on the benchmark 10-year U.S. Treasury note settled at 2.652%, compared with 2.645% Tuesday.</p>	The Wall Street Journal	02/21/2019	Akane Otani
What's News	<p>♦ U.S. stocks fell amid downbeat U.S. and European economic data. The Dow and S&P 500 slipped 0.4%.</p>	The Wall Street Journal	02/22/2019	

Rosier Views Propel Stocks <i>The Dow and S&P 500 are up more than 11% for year</i>	<p>U.S. stocks extended their winning streak to nine consecutive weeks and are on track for their biggest early-year advance in three decades, a dramatic turnaround that has given investors renewed faith in the nearly 10-year bull market.</p> <p>A more flexible approach to monetary policy from the Federal Reserve, easing U.S.-China trade tensions and a better-than-feared corporate earnings season have encouraged investors to ease back into the stock market, following the fourth quarter's bruising selloff.</p> <p>"this year's gains are consistent with investors being confident that nothing scary is on the horizon," said Charles Lemonides, portfolio manager of ValueWorks LLC. "We're in a 'Goldilocks' place where the economy isn't running too hot, so therefore the Fed likely won't tighten policy further..."</p>	The Wall Street Journal	02/23-24/2019	Jessica Menton
U.S. Will Hold Off On China Tariffs	President Trump said Sunday he would delay an increase in tariffs on Chinese goods set to take effect at the end of this week, citing "substantial progress" on issues including intellectual property and technology transfer after a weekend of talks.	The Wall Street Journal	02/25/2019	Bob Davis and Lingling Wei
Investors Rally Behind Industrial Metals	<p>Declining inventories and growing optimism about U.S.-China trade talks are fueling a rally in industrial metals such as copper – an encouraging sign for investors fretting over the global economy.</p> <p>Inventories of several metals stored on global exchanges have fallen more than 25% from the start of last year through Feb. 18, according to data compiled by Capital Economics.</p> <p>Analysts said the decline, which has coincided with Washington and Beijing inching closer to a trade agreement, has helped lift investor sentiment toward base metals.</p> <p>Base metals, used heavily in construction and manufacturing, are the building blocks for everything from smartphones to vehicles. Investors often rely on their price moves as a barometer for the health of the global economy...</p> <p>Despite that uncertainty, some are calling for higher prices ahead. Many metals remain well below their peaks from 2018 and prior records and some market watchers think a trade deal should draw investors back into the market.</p>	The Wall Street Journal	02/26/2019	Amrith Ramkumar
What's News	♦ U.S. stocks gained after Trump said he would delay a planned increase in China tariffs. The Dow rose 0.2%.	The Wall Street Journal	02/26/2019	
Powell Says Fed in No Rush to Raise Rates	<p>Federal Reserve Chairman Jerome Powell said the central bank is in no rush to move interest rates while officials assess the impact on the U.S. economy of slower global growth and financial-market turbulence.</p> <p>While Fed officials seem unlikely to change rates soon, they appear much closer to announcing modifications concerning the runoff of the central bank's \$4 trillion asset portfolio. They have indicated recently they are ready to end the runoff later this year.</p>	The Wall Street Journal	02/27/2019	Nick Timiraos

Yields Fall To Lowest In Over Two Weeks	U.S. government-bond prices rose as Federal Reserve Chairman Jerome Powell told lawmakers that the central bank is assessing the path of economic growth and is in “no-rush” to raise interest rates. The yield on the benchmark Treasury 10-year note settled at 2.636%, the lowest in more than two weeks.	The Wall Street Journal	02/27/2019	Daniel Kruger
Emerging-Market Debt Still Wins in the Long Run	The rebound in emerging-market bonds came as the U.S. Federal Reserve retreated from talk of higher interest rates and the dollar fell from postcrisis highs against emerging-market currencies, making hard-currency bonds easier to service. But just as important for investors, emerging-market bonds mostly continued to pay fat coupons. Those fat coupons are vital. In other words, you’re paid enough along the way to justify the occasional severe capital loss from default-on average, and over a long period. Defaults are less bad than many believe...	The Wall Street Journal	02/27/2019	James Mackintosh

According to the latest data from the IRS, which looked at income from the tax year 2015, to be a top 1 percenter, you needed to have an adjusted gross income of at least \$480,930. To be part of the top 0.1%, your adjusted gross income needed to be at least \$2.2 million. Entry to the top 0.01%, required adjusted gross income of \$11.9 million or more. -CNBC, July 20, 2018

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Prepared by James M. Juengling.
Juengling & Associates