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| **RESOURCE LOG – April 2019** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
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| Trillions | The U.S. bond market (including treasury, municipal, corporate, mortgage and asset-backed debt) was worth $43.0 trillion as of 12/31/18. The U.S. stock market was worth $27.4 trillion as of 12/31/18 (source: Securities Industry and Financial Markets Association). | By the Numbers | 04/01/2019 |  |
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| Yield Curve | Some but not all economists view an Invested yield curve as a sign of future economic weakness. The last 7 recessions in the USA (since 1965) have been preceded by an inverted yield curve, i.e., the 3-mmonth Treasury bill yield exceeding the 10-year Treasury note yield. There were also 2 “inversions” that were not followed by a recession within a 12-month period (source: Federal Reserve Bank of Cleveland). | By the Numbers | 04/01/2019 |  |
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|  | Last Week:  **DJIA** 25928.68 ▲426.36 1.7%  **NASDAQ** 7729.32 ▲ 1.1%  **STOXX 600** 379.09 ▲0.8%  **10-YR. TREASURY** ▲ 12/32, yield 2.416%  **OIL** $60.14 ▲ $1.10 | The Wall Street Journal | 04/01/2019 |  |
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| Investors Rush to Buy Up Stocks  *As rally powers major indexes toward record, traders are wary of missing out on gains* | Investors are putting more money into U.S. stocks as 2019’s rebound continues, a shift that some analysts expect to drive markets higher despite the recent rally in government bonds and an expected slowdown in economic growth.  Optimism about trade talks and the Federal Reserve’s signaled halt to interest-rate increases propelled the S&P 500 to its best quarter since September 2009, even as investors wrestle with issues ranging from slowing global growth to uncertainties surrounding Brexit. | The Wall Street Journal | 04/01/2019 | Amrith Ramkumar |
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| Fed’s Pivot Boosts Bonds  *While demand is high as rate worries ease, questions on rally’s strength rise* | Investors piled into bonds in the first few months of 2019, buying everything from Treasurys to riskier corporate debt as a newly supportive Federal Reserve eased concerns about rising interest rates and the potential for a near-term recession.  As of Friday, the closely watched yield on the 10-year U.S. Treasury note, which falls when bond prices rise, stood at 2.416%.  Bond bulls still seem to have the upper hand. Even as Treasurys have rallied recently, corporate bonds have largely kept pace, indicating investors aren’t overly worried about the economic outlook. | The Wall Street Journal | 04/01/2019 | Sam Goldfarb |
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| Stocks Rally on Upbeat China Data  *Dow jumps 329.74 as Beijing reports factory rebound; energy shares are leaders* | U.S. stocks ripped higher after Chinese manufacturing data offered investors a sign that the world’s second-largest economy was stabilizing.  Stocks world-wide kicked off the second quarter with gains after China’s official gauge of manufacturing activity jumped in March…  The Dow Jones Industrial Average added 329.74 points, or 1.3%, to 26258.42, while the S&P 500 advanced 32.79 points, or 1.2%, to 2867.19 and the Nasdaq Composite climbed 99.59 points, or 1.3%, to 7828.91.  Bond prices fell, sending the yield on the benchmark 10-year U.S. Treasury note to 2.496% from 2.416% Friday…  “We don’t see a reason why the global economy can’t continue to advance at a slow and steady pace,” said Craig Birk, chief investment officer at Personal Capital. | The Wall Street Journal | 04/02/2019 | Akane Otani and Paul J. Davies |
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| Oil Hits 2019 High as Demand Outlook Grows | Oil prices jumped to their highest level in almost five months, as strong data out of the U.SA. and China suggested global demand for crude could perk up as supplies tighten.  West Texas Intermediate futures, the U.S. oil standard, ended 2.4% higher Monday at $61.59 a barrel, the highest closing price since Nov. 7. | The Wall Street Journal | 04/02/2019 | David Hadari and Dan Molinski |
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| Factories Pick Up, Calming Investors In U.S.  *American, Chinese rebound fuels rise in stocks, bond yields; Europe declines* | Manufacturing activity in the world’s two largest economies perked up in March, an antidote to financial-market fears of a coming global recession, though pockets of weakness remain and the outlook is uncertain.  Gauges of the U.S. and Chinese factory sectors stabilized last month from earlier slowdowns,…  That reversed a so-called inverted yield curve that had developed in late March in which short-term rates are higher than long rates, a precursor to economic downturns in the past. | The Wall Street Journal | 04/02/2019 | Paul Kiernan and Paul Hannoon |
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| What’s News | ♦ Trump is continuing to blame the Federal Reserve for holding back the economy and the stock market, blasting the central bank and Powell at recent meetings. | The Wall Street Journal | 04/03/2019 |  |
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| Investors Turn to Safety of Treasurys | U.S. government-bond prices rose as investors sought safe assets after signs that global economic growth faces headwinds.  The yield on the benchmark 10-year Treasury note fell to 2.478% from 2.496%, snapping a three-session streak of gains.  Yields, which decline when bond prices climb, fell after the Reserve Bank of Australia Tuesday hinted at a shift toward policies that might be more supportive of economic growth.  The 10-year yield had fallen below the three-month Treasury bill yield for five consecutive trading sessions in late March, spurring concerns among investors about the pace of economic growth and the risk of a future contraction.  Till, with most economists expecting the economy to continue growing, some investors think yields have fallen too far, too fast. | The Wall Street Journal | 04/03/2019 | Daniel Kruger |
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| What’s News | ♦ Falling mortgage rates have spurred a mini-refinancing boom, good news for banks and other lenders. | The Wall Street Journal | 04/04/2019 |  |
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| Rise in Energy costs Threatens Stocks | Investors are concerned that rising wages and energy costs will eat into corporate profits, threatening the decadelong bull market in stocks.  Wages grew at their fastest pace in nearly a decade in February, after starting to pick up speed just over a year ago.  At the same time, energy prices have jumped. Fueled by output cuts led by the Organization of the Petroleum Exporting Countries and U.S. sanctions on Venezuela and Iran, U.S. crude-oil futures prices rose 32% in the three months through March, logging their biggest one-quarter percentage fain since 2009.  These costs threaten to push down corporate profitability…  Muted inflation has pushed central banks to keep interest rates low, in turn encouraging investment in riskier assets such as stocks.  Helped by the tax cuts and a booming economy, the largest U.S. companies may never have been more profitable than they were late last year. Net margins for members of the S&P 500 hit 10.7% in the fourth quarter – their highest level on record, according to FactSet data going back to 1999. | The Wall Street Journal | 04/04/2019 | Joe Wallace and Akane Otani |
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| Land of the Rising Unease  *Japan’s economy shows signs of sputtering on the eve of a tax hike.* | Japan is joining much of the world in facing weaker economic growth, but in one respect it’s unique. Prime Minister Shinzo make it worse by imposing a tax increase later this year.  Confidence among large manufacturers fell to 12 from 19 in December, the steepest decline since 2013. Smaller manufacturers shared the gloom  Japan’s export-dependent economy remains vulnerable to slower growth in Europe and China.  Yet domestic problems are also in plan.  Japan has tried to break out of its growth slump year after year with more Keynesian spending and monetary exertions like negative interest rates…. | The Wall Street Journal | 04/05/2019 | OPINION |
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| The Muni-Bond Mania | …investors seeking to reduce their tax liability are gobbling up municipal bonds, driving down yields and reducing government borrowing costs.  Municipal bond funds are experiencing near-record inflows. More money poured into muni funds during the first eight weeks of this year than during the same period since at least 2006. No longer able to deduct most of their state-and-local taxes on their federal returns, investors are seeking alternative vehicles that offer protection from the tax man.  The 10-year AAA tax-exempt muni bond this week traded below 2% - about 60 basis points lower than the 10-year Treasury and 170 below a similarly rated corporate bond. | The Wall Street Journal | 04/05/2019 | OPINION |
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| U.S. sees Trade Deal With China In Weeks | Mr. Trump struck an upbeat tone on Thursday, but his remarks suggest the two nations will struggle to meet their informal goal of a deal by the end of April.  Mr. Trump and his trade team said negotiations are in their final stages, but caution that daunting issues remain… | The Wall Street Journal | 04/05/2019 | Bob Davis, Alex Leary and Vivian Salama |
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| What’s News | ♦ Germany’s manufacturers saw orders drop sharply in February, a sign Europe’s flagship economy could contract in the first half. |  |  |  |
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| ‘Reality Checks’ | In one of his first major speeches at the helm of the Fed, Bernanke told the Economic Club of New York in March 2006 that he “would not interpret the currently very flat yield curve as indicating a significant economic slowdown to come.” Instead, he favored using multiple sources of information, along with “frequent reality checks,” so that “we are less likely to be misled when a favored variable behaves in an unusual manner.” | Bloomberg News | 04/05/2019 |  |
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| ‘No reason for great alarm’ | Then-Treasury Secretary Snow said in a Jan. 6, 2006, interview that “there’s no reason for great alarm” after the 2-year/10-year spread had returned to flat from an inversion the prior month.  With rates low at both the front and long end, “the yield curve under these circumstances doesn’t foretell anything ominous for the economy.”  Snow, now chairman of Cerberus Capital Management, said Tuesday that he stands by his statement. | Bloomberg News | 04/05/2019 |  |
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| Signs Point to a Durable Rally in Oil | Closely watched indicators in the oil market are boosting confidence that prices can continue to rebound, sparking bullish bets by investors ahead of the summer driving season.  Crude prices are eclipsing levels that they struggled to top in recent months. U.S. oil recently broke through $60 a barrel, and Brent – the global benchmark – is fast approaching $70. Crossing these crucial psychological levels could lure more investors into the market, analysts say.  The ratio of bullish bets to bearish ones by hedge funds and other investors on U.S. crude rose for five straight weeks through March 25, data from the Commodity Futures Trading Commission show. | The Wall Street Journal | 04/05/2019 | Amrith Ramkumar |
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| What’s News | ♦ The U.K. requested an additional delay to Brexit until June 30 to buy more time to get a divorce deal through Parliament. | The Wall Street Journal | 04/06-07/2019 |  |
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| What’s News | ♦ The S&P 500 rose for a seventh straight session after the jobs report, a streak that yielded a 3.1% gain. | The Wall Street Journal | 04/06-07/2019 |  |
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| Jobs Rebound Eases Fears  *A soft February report had added to investor concerns about the U.S. economic outlook* | The unemployment rate held steady at 3.8% last month, just above a 49-year low.  Average hourly wages for private sector workers grew a solid 3.2% from a year earlier…  February’s soft reading had added to investor worries about the economic outlook…  “February was a blip. We aren’t seeing any decrease in demand for workers”, said Teresa Carroll, executive vice president at staffing firm Kelly Services. | The Wall Street Journal | 04/06-07/2019 | Eric Morath and Sarah Chaney |
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| We Seem to Have Sidestepped a Recession, for Now | If the world was at risk of sliding into recession, policy makers appear to have pivoted in time to prevent it.  In the U.S., the slowdown never got started. March capped a quarter in which jobs grew as fast as they did in the fourth quarter. Growth in private hours worked, a better gauge of business labor demand, actually accelerated.  That panic was sparked by two headwinds facing the world. First, global central banks and others were dialing back stimulus. The Federal Reserve raised interest rates four times while slowly shrinking its balance sheet and the European Central Bank prepared to follow suit. Chinese authorities reined in credit growth.  Second, political risk spread: Britain’s flailing effort to exit from the European Union has tanked business investment, and a financial backlash over budget-busting populism sent Italy into recession.  Yet this improved cyclical backdrop masks worrisome structural trends. Total private hours in the first quarter grew at roughly the estimated pace of GDP, suggesting worker productivity barely advanced. | The Wall Street Journal | 04/06-07/2019 | Greg Ip |
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| Jobs Rebound Eases Fears  *A soft February report had added to investor concerns about the U.S. economic outlook* | U.S. hiring sprang back in March, showing a slowdown in February was likely just a passing chill during a historically long stretch of job creation.  Average hourly wages for private-sector workers grew a solid 3.2% from a year earlier…  “February was a blip. We aren’t seeing any decrease in demand for workers,” said Teresa Carroll, executive vice president at staffing firm Kelly Services. | The Wall Street Journal | 04/06-07/2019 | Eric Morath and Sarah Chaney |
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| Investors Look To ‘Ultrashorts’  *Bond funds with the shortest terms draw renewed interest* | A Federal Reserve policy shift that has created uncertainty over interest rates, is generating renewed interest in ultrashort-term bond funds.  Slowing economic growth and quiescent inflation – the same factors that led the central bank to pause its interest-rate increases earlier this year – have left short-term and long-term interest rates at about the same level. That’s good for ultrashort bond funds, which typically invest in high-grade paper with duration of less than a year.  Ultrashort funds have yields that aren’t far from longer-term funds, and their short durations make them less vulnerable to rising market interest rates. Duration is a measure of the sensitivity of a bond’s price to a change in interest rates. When rates rise, bonds with longer durations fall more in price than those with shorter durations.  The yield curve plots the yields of bonds with different maturities. As short-term interest rates are so close to long-term rates, the yield curve has been flat and recently inverted, with the three-month Treasury bill yield surpassing the 10-year Treasury note yield. | The Wall Street Journal | 04/08/2019 | Dan Weil |
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| Expected Earnings Pullback Sets Up Test for Bull Market | The stock market’s strongest run in more than two decades will be tested beginning this week, as a looming pull-back in corporate profit growth sets up major indexes for a fresh bout of volatility.  Dozens of companies have slashed their profit forecasts for the first quarter.  So far, investors appear to have been looking past the expected profit crunch thanks to a more accommodative Federal Reserve.  …S&P 500 up more than 15% since January – its best start to a year since 1998.  That run-up has put it within striking distance of the high it reached in September… | The Wall Street Journal | 04/08/2019 | Michael Wursthorn |
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| Bonds Could Be in for Shock, a Pop in Growth | One big part of the market vulnerable to a better growth picture is long-dated bonds, which have rallied in recent months.  “I’m worried about a 3% yield on 10-year Treasurys more than a 2% yield,” Mr. Preusser added. “Lots of people have acquired a lot of duration (longer-term bonds) at questionable valuations.”  On Monday, 10-year Treasurys yielded 2.517%, back up from their recent lows of 2.38% in late March but still down from more than 3% last November. Some prominent bank analysts have cut their forecasts for yields, but UBS and Goldman Sachs still expect the 10-year to be at 2.8% by year-end. | The Wall Street Journal | 04/09/2019 | Paul J. Davies |
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| In Technology Stocks, Investors Do Trust | A group of the largest technology companies climbed to a record Monday, highlighting investors’ renewed faith in software and chip companies after a fourth-quarter rout.  The S&P 500 information-technology sector on Monday logged its first record close since early October, following a seventh advance in the previous eight sessions.  The S&P 500 is 1.8% below its last record, while the tech-laden Nasdaq Composite is 2.5% off its last peak. | The Wall Street Journal | 04/10/2019 | Amrith Ramkumar |
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| What’s News | ♦ The S&P 500 fell 0.6%, snapping an eight-session win streak amid new trade tensions and growth worries. | The Wall Street Journal | 04/10/2019 |  |
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|  | **DJIA** 26150.58 ▼190.44 0.7%  **NASDAQ** 7909.28 ▼0.6%  **10-YR. TREAS** ▲6/32, yield 2.497%  **OIL** $63.98 ▼$0.42 | The Wall Street Journal | 04/10/2019 |  |
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| Mild Inflation, Fed Talk Help S&P | U.S. stocks edged higher, steadying following Tuesday’s decline as investors weighed data showing moderate inflation and the latest signs of caution from global central banks.  Patient signals from the Federal Reserve regarding interest-rate increases and its balance-sheet runoff program have lifted stocks in recent weeks. Although economic growth is slowing, some analysts say it is still sturdy enough to support corporate profitability without stoking fears of higher inflation that could lead to tighter monetary policy.  Meanwhile, the European Central Bank left policy unchanged as it gauges the impact of its latest measures designed to spur growth in the lagging eurozone economy.  Investors “are emboldened to take risk because they’re convinced the central bankers have their back,” said Lisa Shalett, chief investment officer at Morgan Stanley Wealth Management.  The S&P 500 inched up 10.01 points, or 0.3%, to 2888.21.  The Dow Jones Industrial Average closed up 6.58 points, or less than 0.1%, at 26157.16. The tech-laden Nasdaq Composite rose 54.97 points, or 0.7%, to 7964.24.  “Earnings are peaking irrespective o the resilience of the U.S. economy,” Ms. Shalett said. “We’re telling our clients a 5 to 10% U.S. equity market correction should not be ruled out.” | The Wall Street Journal | 04/11/2019 | Amrith Ramkumar and Donato Paolo Mancini |
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| What’s News | ♦ Fed Officials signaled greater conviction at their meeting last month that they don’t need to move interest rates up or down. | The Wall Street Journal | 04/11/2019 |  |
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| European Union Gives U.K. More Time to Resolve Brexit | European Union leaders agreed to postpone Brexit until Oct. 31 to allow British Prime Minister Theresa May more time to try to get the U.K.’s Parliament to approve the country’s divorce deal with the bloc.  A deal Mrs. May finalized with the EU in November has been rejected three times by lawmakers, and no majority has been found for any alternatives. | The Wall Street Journal | 04/11/2019 | Laurence Norman and Max Colchester |
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| Economists See Fed Holding Rates Flat | The Federal Reserve will keep interest rates unchanged at least through the end of 2021, according to the majority of economists surveyed by The Wall Street Journal this month.  “The Fed’s rate hiking cycle is over,” said Scott Anderson, an economist at Bank of the West. “Next move will be a rate cut.” | The Wall Street Journal | 04/12/2019 | David Harrison |
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| What’s News | ♦ The S&P 500 climbed to notch a third consecutive week of gains after strong bank earnings. The Dow rose 1%, to 26412.30. | The Wall Street Journal | 04/13-14/2019 |  |
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| One Follows the Other | From the end of 2018 to the close of trading last Friday 04/12/2019, the price of a barrel of oil has increased +41% (from $45.41 to $63.89 a barrel) and the price of a gallon of gasoline has increased +24% (from $2,266 to @.811 a gallon). (source: NYMEX, AAA). | By the Numbers | 04/15/2019 |  |
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| Global Rally in Stocks Gathers Momentum | Global stocks are rising at the fastest pace in decades as growth around the world slows, leaving many investors questioning how much longer the market can defy the gravity of the underlying economics.  The S&P 500 has risen 16%...  Benchmark indexes elsewhere have rallied, too, with the Shanghai Composite rising 28%, the Stoxx Europe 600 up 15% and a measure of emerging-market stocks up 13%.  The International Monetary Fund in April cut its outlook for 2019 global growth to 3.3% from estimates of 3.5% in January and 3.7% in October, warning that trade tensions and declining business confidence … | The Wall Street Journal | 04/15/2019 | Akane Otani |
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| Germany Pressured to Spark Growth | What stimulus measures policy makers can use to support their flagging economies was a key issue during weekend meetings at the International Monetary Fund in Washington. In its annual report on global fiscal policies, the IMF singled out Germany, Korea and Australia as places where fiscal stimulus could make sense. Earlier this month, the IMF called on Switzerland to ramp up public spending.  The idea behind debt-financed stimulus is that when economies are weak, governments substitute for a lack of private demand through spending or tax cuts.  But using large-scale fiscal stimulus to address an economic soft patch has met with resistance from countries like Germany that run a conservative economic policy. | The Wall Street Journal | 04/15/2019 | Brian Blackstone |
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| Health Stocks Look Sickly | The S&P 500 finished little changed, as health-care shares declined amid renewed concerns about tighter sector regulation, offsetting gains elsewhere. | The Wall Street Journal | 04/17/2019 | Jessica Menton and Avantike Chilkoti |
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| Consumers Power Banks’ Results | Shares of the largest U.S. lenders have mostly risen following first-quarter earnings, underscoring investor confidence in the economic expansion despite a number of soft revenue readings and a flatter yield curve that points to slowing economic growth.  But uncertainty around the outlook for interest rates this year has clouded the outlook for big banks.  Three years of rate increases have allowed banks to charge borrowers more without significantly increasing what they pay depositors. That era may be coming to an end. | The Wall Street Journal | 04/17/2019 | Rachel Louise Ensign |
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| Stock Pullback Intensified for Health Insurers | With another slide Wednesday, the S&P 500 health-care sector is now down 0.9% for the year, compared with a 16% advance for the broader index.  The group is on track to be the index’s worst-performing sector at the end of April… | The Wall Street Journal | 04/18/2019 | Amrith Ramkumar |
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| Downturn Trades Pick Up With Rally | U.S. stocks just enjoyed their best quarter in at least six years, but last year’s turbulence has left some investors skittish.  At the end of 2018, concerns about global economic growth dragged the S&P 500 into the worst quarter in seven years. Since then, the index has rallied 16% while the Cboe Volatility Index, Wall Street’s fear gauge, fell last week to the lowest level since October. | The Wall Street Journal | 04/18/2019 | Asjylyn Loder and Gunjan Banerjji |
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| Eurozone Jitters Aid Prices of Treasurys | Government-bond prices rose in the U.S. and Europe after new data added to concerns about the eurozone economy.  The yield on the bench-mark 10-year U.S. Treasury note settled at 2.563% Thursday, compared with 2.592%. Yields, which tall when bond prices rise, dropped overnight… | The Wall Street Journal | 04/19/2019 | Sam Goldfarb |
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| Retail Sales Rebounded Broadly in March | Retail sales in the U.S. bounced back in March after a stretch of weak spending, another sign that first-quarter growth was stronger than expected.  1.6% - Seasonally adjusted monthly rise was largest since September 2017. | The Wall Street Journal | 04/19/2019 | Sharon Nunn |
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| U.S. Jobless Claims Hit a 50-Year Low | The number of Americans filing applications for new unemployment benefits fell last week to a fresh 50-year low.  …the lowest level since November 1969.  The unemployment rate last month was a low 3.8%. | The Wall Street Journal | 04/19/2019 | Harriet Torry |
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| Ten-Year Paper | The yield on the 10-year Treasury note closed at 2.56% on 04/18/19. The 10-year note yield closed at 2.98% 04/18/09 (10 year ago). The 10-year note yield closed at 5.23% on 04/18/99 (20 years ago). The 10-year note yield closed at 9.06% on 04/18/89 (30 years ago). (Source: Treasury Department). | By the Numbers | 04/22/2019 |  |
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| Investors Gauge if Rally Is Near Its End  *Some worry about having large holdings of stocks in case volatility returns.* | The S&P 500 is on track for the best four-month start to the year in more than three decades, gaining 16% to be less than 30 points from record.  Many fund managers are holding back from adding to stock allocations or even reducing them, worried that the volatility that buffeted markets at the end of last year could return if a recent cautious shift by central banks fails to bolster global growth or if global trade frictions rise.  …many worry about staying heavily invested in stocks during what appears to be a late state of the economic cycle, with markets near records and stocks trading at comparatively rich valuations. | The Wall Street Journal | 04/22/2019 | Ira Iosebashvili |
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| Businesses See U.S. – China Strains Lingering | “There is no way any deal between China and the U.S. will cause everyone on both sides to say, “We were just kidding,” said Dan Harris, managing partner at Harris Bricken, a law firm that specializes in investment with China. “The tariffs and the arrests and the threats and the heightened risk have impacted companies and that will not go away.”  Beijing clamped down on capital outflows, as authorities questioned expenditures such as Dalian Wanda Co.’s $3.5 billion purchase of Hollywood’s Legendary Entertainment in 2016 as overpriced and ill-considered.  The U.S. Committee on Foreign Investment has moved to block or unwind Chinese investment tin companies that could give it a strategic advantage, including social-media companies. | The Wall Street Journal | 04/22/2019 | Josh Zumbrun |
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| Slide in Volatility Makes Risk Appealing | Volatility in the stock market has continued to drop in 2019, a sign that some investors are embracing riskier assets again.  The Cboe Volatility Index, a yardstick for expected swings in equities, has fallen 9.4% this month after recording one of the biggest declines in history to start the year.  The gauge measures the speed and severity of the stock market’s moves and tends to fall when equities are rising and demand for hedges on the S&P 500 slips.  “Sentiment is incredibly bullish,” said Nancy Davis, chief investment officer at Quadratic Capital Management. “So many people are chasing performance now.” | The Wall Street Journal | 04/23/2019 | Gunjan Banerji |
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| Oil Soars to Highest Level Since October | Oil prices moved higher, extending a sharp rally from a day earlier as analysts weighed the Trump administration’s decision to end waivers allowing imports of Iranian oil.  West Texas Intermediate, the U.S. crude benchmark, added 1.1% to end at $66.30 a barrel on the New York Mercantile Exchange. | The Wall Street Journal | 04/24/2019 | Amrith Ramkumar |
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| S&P 500, Nasdaq Hit Closing Records  *First-quarter earnings reports and a more accommodative Fed help boost stocks* | The S&P 500 and Nasdaq Composite had their highest closings on record Tuesday, marking a resurgence for the stock market after a rout last year hampered its climb. | The Wall Street Journal | 04/24/2019 | Michael Wursthorn and Jessica Menton |
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| Earnings Misses Hurt More This Season | Many companies are beating expectations this earnings season, helping push major indexes to record levels. But of those that miss, the punishment has been more severe than usual.  That means the stakes are high during a busy earnings week in which nearly 150 companies in the S&P 500 are reporting results. | The Wall Street Journal | 04/25/2019 | Corrie Driebusch |
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| Inflation Reading Boosts Bonds | U.S. government bond prices rose Friday after a Commerce Department report showed that a key measure of inflation fell in the first quarter, even as the economy grew faster than expected.  The yield on the benchmark 10-year Treasury note fell to its lowest closing level in more than two weeks… | The Wall Street Journal | 04/27-28/2019 | Daniel Kruger |
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| Low Prices Hit Oil Giants | The world’s largest oil companies are reporting underwhelming first-quarter profits during a time of geopolitical challenges and weaker global commodity prices.  Sanctions in Venezuela, production cuts in Canada and lower natural-gas prices in Asia took a toll on Exxon Mobil Corp., Chevron Corp. and other companies. The business of refining crude, one of the most reliable profit centers in the industry during the past five years, was especially hard-hit.  U.S. oil prices reported their largest one-day decline in dollar terms since Christmas Eve, falling 2.9%, or $1.91, to close at $63.30. | The Wall Street Journal | 04/27-28/2019 | Bradley Olson and Rebecca Elliott |
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| Economy Regains Momentum After Shaky Start to the Year | The U.S. economy started 2019 with a pop, growing rapidly despite multiple headwinds, including weaker domestic demand, suggesting the current expansion has more room in its 10th year.  Rising exports, falling import and higher inventory investment drove much of the growth, helping to offset weaker gains in consumer spending and business investment.  The outlook brightened as the Federal Reserve shelved plans to raise interest rates this year.  Meanwhile, the global outlook has improved as the European Central Bank launched new monetary stimulus. Japan paused a fiscal stimulus package, and China has enacted tax cuts and loosened credit to boost its economy. | The Wall Street Journal | 04/27-28/2019 | Harriet Torry |
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| What’s News | ♦ Xi pledged fresh backing for the liberalization of his country’s economy in ways the Trump administration has demanded. | The Wall Street Journal | 04/27-28/2019 |  |
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| Pessimism About European Shares Eases | European stocks have been among the least liked investments for fund managers in recent months. Yet some investors, sensing Europe’s economic gloom lifting, are gingerly returning to the region.  European shares have rebounded strongly so far this year, with the benchmark Stoxx Europe 600 up 16%. That slightly lags behind broad markets in the U.S., where the S&P 500 is up 17%. While U.S. indexes hit record levels last week, European stocks are still some way off the highs reached four years ago…  U.K. and eurozone stocks are the assets that investors are the most negative about compared with their past views, according to Bank of America Merrill Lynch’s latest Global Fund Manager Survey… | The Wall Street Journal | 04/29/2019 | Avantika Chilkoti |
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| Low Inflation Reading Keeps Rally Alive  *S&P jumps 17% this year, as economy perks up without driving up prices* | U.S. stocks are hitting records again after a monthlong drought, powered by fresh signs that the domestic economy is perking up without spurring a jump in inflation.  The stock market’s latest leg higher has been fueled by better-than-expected earnings, as well as data suggesting the economy grew at a faster pace than initially expected in the year’s first three months. Those reports have offered investors reassurance that the economy is on solid footing after a soft patch had cast some doubt on the expansion’s durability in the final months of 2018.  Much of the argument for low inflation stems from the fact that prices haven’t picked up quickly, even with strong job creation and the unemployment rate at its lowest in years. Adding to investors’ skepticism, the PCE price index – the Fed’s preferred inflation gauge – in 2018 failed to break above 2% for the seventh consecutive year. | The Wall Street Journal | 04/29/2019 | Akane Otani |
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| What’s News | ♦ The S&P 500 and Nasdaq edged up to fresh records. The Dow added 11.06 points. | The Wall Street Journal | 04/30/2019 |  |
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| Slower Inflation Presents Puzzle for Fed | Federal Reserve officials meet this week more confident that the economy has shaken off recession worries that sent markets reeling late last year…  In December, they raised rates and penciled in more increases this year. At their January and March gatherings, they had shelved plans for any changes and set about ending the runoff of their $3.9 trillion asset portfolio.  Officials say their 2% inflation target is symmetric, meaning they expect inflation will drift mildly above and below it at different times. They seek to keep inflation at that level because they see it as consistent with a healthy economy.  Officials worry that the failure to hit the inflation target could undermine its credibility over time, which could cause consumers and businesses to expect lower inflation in the future, which in turn could cause price pressures to weaken further. | The Wall Street Journal | 04/30/2019 | Nick Timiraos and Paul Kiernan |
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| Negative-Yield Bonds Abound in Europe | A growing number of investors are paying governments in Europe for the privilege of holding their bonds.  The expanding pool of such bonds – which guarantee that a buyer will receive loss in repayment and periodic interest than the buyer paid – highlights how expectations for growth in much of the developed world have deteriorated.  Government debt sold by countries including Germany, Ireland and Sweden are among those with negative yields.  Negative yields also mean it will be difficult for developed economies to revive growth should they enter a recession, with historically low interest rates still in place. | The Wall Street Journal | 04/30/2019 | Daniel Kruger |
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| Copper’s Slide Signals Caution on China | Investors often watch the prices of commodities such as copper and crude oil as a reading on the global economy, although a look at the charts for those materials over the past decade shows that both are driven as much by their own supply-demand dynamics and the rise and fall of financial-markets liquidity as anything else.  Efforts by Chinese government to stimulate economic activity have fueled this year’s rebound in copper prices, but some analysts still expect Chinese growth to slow moving forward.  Still, some analysts are confident that a U.S. – China trade agreement would spur further gains in copper. | The Wall Street Journal | 04/30/2019 | Amrith Ramkumar |
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| The Insolvent Thinking of Central Bankers | The utter intellectual bankruptcy of most modern economic policymakers was starkly displayed when European Central Bank boss Mario Draghi recently and unexpectedly announced that the ECB would be making a new round of cheap loans to banks this September to help stimulate the continent’s sputtering economies.  ● Economies don’t “overheat”. The Fed has no business trying to curb the economy when it’s growing rapidly.  ● Price controls on the cost of borrowing money don’t work. Most economists know rent controls distort the market. Interest is the “rent” paid to borrow money.  ● Monetary policy cannot overcome nonmonetary structural barriers to economic progress. The biggest of these barriers are high taxes and excessive regulations. | Forbes | 04/30/2019 | Steve Forbes |

The Small Business Optimism Index jumped to 108.8 in August, the highest level ever recorded in the survey’s 45-year history and above the previous record of 108 set in 1983, during the second year of Ronald Reagan’s presidency. *CNBC, September 11, 2018*

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