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| **RESOURCE LOG – June 2018** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Is The Stock Market Correction Over? | After reaching a high of 2873 in January, Standard & Poor’s 500-stock index sand 10.2% through early February, putting the broad market index in official correction territory …  The S&P 500 has mounted an unconvincing rally since then…  When will this correction be over?  Not anytime soon.  … says Sam Stoval, chief investment strategist at market research firm CFRA.  In 40% of the years in which stock prices have declined 5% or more, there has been more than one pullback, he notes.  And the market still has plenty to worry about, including a trade war with China, a real war in Syria, rising interest rates and inflation that is starting to creep higher.  The most ominous sign for stocks might be that we’re not worried enough. | Kiplinger’s Personal Finance | 06/2018 | Anne Kates Smith |
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| Bond Managers Unchained  *Unconstrained bond funds offer top managers’ best ideas.* | While the Fed says it is committed to only two more rate increases for 2018, for a total of three, many economists and managers anticipate a fourth increase this year.  Elsewhere in the world, interest rates should remain low, says Rick Rieder, who oversees more than $1.8 trillion as global chief investment officer of fixed income for Black-Rock.  …says Jeffrey Sherman, deputy chief investment officer at DoubleLine.  “I’m not saying tightening is going to cause a problem, but all these bonds have to find a home,” says Sherman. “The means it drives prices down and yields go up.”  In the last half of April, the 10-year Treasury yield, used by many investors as the level of risk-free returns, crossed the crucial 3% mark of the first time since January 2014.  The yield on two-year Treasurys recently crossed above the dividend yield of the S&P 500.  Thus far, tax reforms have not produced the significant uptick in interest rates that many expected, nor has it produced a surprise upside in inflation.  With the gradual rise in interest rates, default risk is already climbing, as the cost to protect securities from default has gradually climbed over the past few years. Asset managers like BlackRock, PIMCO and DoubleLine have already recommended that investors start paring back holdings in investment-grade and high yield corporate credits.  Investors should take caution, since managers may mis-time the market or make a wrong call that ends up destroying wealth, says Todd Rosenbluth, director of fund research at CFRA.  “We’re in and remain in a period where bond returns are going to be relatively muted,” says Rosenbluth. “The greater the potential returns, the greater the risk. | Financial Advisor Magazine | 06/2018 | Christopher Robbins |
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| Markets Sparkled, Then Fizzled | Stock markets rallied at the start of May, shrugging off the prospect of a trade war, weakness in emerging markets and signs of political instability in Europe. But by the end of the month, these developments had pared stock gains…  Strong first-quarter earnings growth helped power stocks higher in early May. Technology shares were again a top performer…  Higher crude -oil prices also helped lift the shares of energy companies.  The yield on the 1-year Treasury note dropped below 2.8% after climbing above 3.1%... | The Wall Street Journal | 06/01/2018 | Chelsey Dulaney |
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| U.S. Levies Raise Fear of Trade War | The Trump administration raised the prospect of a global trade war by imposing tariffs on imports from the closest U.S. neighbors and allies, who swiftly pledged to retaliate with duties of their own.  The new tariffs – on steel and aluminum imports from Canada, Mexico and the European Union – come as the U.S. is studying global levies on autos and auto parts. The administration also plans tariffs on industrial supplies from China.  The Trump administration is negotiating with virtually all of its major trading partners around the globe… | The Wall Street Journal | 06/01/2018 | William Mauldin |
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| What’s News | ♦ May’s stock-market gains were cut short amid trade battles and Italy’s woes. The Dow fell 251.94 points to 24415.84 on Thursday. | The Wall Street Journal | 06/01/2018 |  |
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| Jobs Engine Finds New Gear | Americans traditionally left behind as jobs and wages grow – high-school dropouts, blacks and Latinos – are reaping the benefits of a tightening labor markets, with an unemployment rate that hasn’t been lower in nearly half a century.  The jobless rate in May ticked down to a seasonally adjusted 3.8%, the lowest since April 2000, the Labor Department said. | The Wall Street Journal | 06/02-03/2018 | Eric Morath and Sarah Chaney |
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| What’s News | ♦ U.S. trade negotiators pressed China for long-term purchase pacts as they prepared for weekend talks. | The Wall Street Journal | 06/02-03/2018 |  |
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| What’s News | ♦ The EU launched a WTO challenge to U.S. steel and aluminum tariffs and vowed duties on U.S. exports. | The Wall Street Journal | 06/02-03/2018 |  |
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| Global Growth Loses Steam  *Shifts dims outlook for stocks as some investors turn to safer assets such as bonds* | Stock indexes that rode accelerating global growth to fresh records in January are now hamstrung by a moderate but unmistakable slowdown in economic momentum in Europe and elsewhere.  Meantime, business activity in the eurozone fell to its lowest level in a year and a half last month.  Hardly anyone expects a recession any time soon. A rise this year in energy prices is being attributed to a combination of solid demand, reduced stockpiles and producer discipline. Growth in the U.S. and some other major economies continues apace, with the U.S. nonfarm payrolls report Friday showing a gain of 223,000 jobs…  But with government bond yields near record lows in many countries and the median S&P 500 stock trading at price/earnings multiples seen only rarely in the past century, many investors are buying government bonds and other olower-risk assets to brace against what is expected to be a volatile market year.  “We generally think markets are in for a series of rude awakenings,” said Joachim Fels, a global economic adviser at the money-management firm Pacific Investment Management Co. The firm recently said it expects to see more market volatility.  Politics has also caused concern.  Barclays economists estimated that steel tariffs plus the toll from retaliation could reduce global growth by 0.1 percentage point.  The tariffs “reduce business confidence,” which makes it more difficult for companies to make plans and execute on them, said Gary Pollack, head of fixed-income trading at Deutsche Bank Private Wealth Management.  The U.S. is again looking like the star performer.  U.S. corporate profits soared in the first quarter of the year, a result of the fiscal stimulus… | The Wall Street Journal | 06/04/2018 | Michael Wursthorn, Daniel Kruger and Ben Eisen |
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| What’s News | ♦ The Nasdaq rose 0.7% to a record 7606.46, snapping its longest streak without a fresh high since 2016. | The Wall Street Journal | 06/05/2018 |  |
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| What’s News | ♦ Other major indexes also gained. The Dow added 178.48 points to 24813.69. | The Wall Street Journal | 06/05/2018 |  |
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| Value Investors Step on Gas As Tech Stocks Surge Further | Lured by the prospect of higher returns – the tech-heavy Nasdaq composite Index surged to a record Monday – some value investors are turning away from stocks of consumer-staples companies, basic-materials firms and big manufacturers in favor of shares of fast-growing companies such as Apple Inc. and Netflix Inc.  Some critics say the measures used to identify value have aged poorly in a market dominated by passive investing strategies and asset-light technology companies. | The Wall Street Journal | 06/05/2018 | Michael Wursthorn |
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| What’s News | ♦ Job openings in the U.S. exceeded the number of job seekers this spring for the first time since such record-keeping began in 2000. | The Wall Street Journal | 06/06/2018 |  |
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| What’s News | ♦ The Nasdaq rose 0.4% to 7637.86, a second consecutive record. The Dow slipped 13.71 points to 24799.98. | The Wall Street Journal | 06/06/2018 |  |
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| What’s News | ♦ China offered to buy nearly $70 billion of U.S. products if the Trump administration abandons threatened tariffs. | The Wall Street Journal | 06/06/2018 |  |
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| What’s News | ♦ Social Security costs will exceed its income this year for the first time since 1982, forcing the program to dip into its trust fund. | The Wall Street Journal | 06/06/2018 |  |
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| Falling Real Yields Flash Growth Worries | Inflation-adjusted yields on government bonds in developed markets have retreated from highs hit in May, a sign investors don’t believe the world is poised for a sudden acceleration in economic growth.  In the U.S. on Wednesday, the yield on the 10-year Treasury note rose to 2.975%, continuing to hover near 3%. Meanwhile, the yield on the comparable Treasury inflation-protected security, used by investors to hedge against rising prices, has fallen to 0.826% from 0.943% on May 17.  Investors’ hesitance now marks a reversal after many entered 2018 expecting a surge of global growth and inflation.  The rise of real yields in the U.S. at the same time they are falling in most of Europe and the U.K. shows investors’ changing outlooks for each economy, said Donald Ellenberger, head of multi-asset strategies at Federated Investors Inc.  Central-bank intervention is also helping suppress real yields, as post-crisis policies ranging from ultralow interest rates to large central-bank bond purchases are still suggesting to investors that those economies need extraordinary support. | The Wall Street Journal | 06/07/2018 | Daniel Kruger |
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| U.S. Is Trump’s Focus At G-7  *Tariffs on allies as part of aggressive trade agenda sow discord ahead of gathering* | The immediate focus of the talks – which include Canada, France, Germany, Italy, Japan, the U.K. and the U.S. – will be the Trump administration decision last week to impose tariffs on steel and aluminum imports from fellow G-7 countries. | The Wall Street Journal | 06/07/2018 | Joshua Zumbrun and Vivian Salama |
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| What’s News | ♦ The Dow climbed 346.41 points to 25146.39, a nearly three-month high, as investors weighed the latest signals on trade. | The Wall Street Journal | 06/07/2018 |  |
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| What’s News | ♦ The U.S exported a record amount of oil and fuel in April, helping to narrow the nation’s trade gap. | The Wall Street Journal | 06/07/2018 |  |
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| Dow Pulled Up by Energy Stocks  *Losses among tech shares keep a lid on broader gains, with Nasdaq falling back* | The Dow Jones Industrial Average rose to its highest close in nearly three months, as a jump in the shares of oil-and gas companies helped off-set declines across the technology sector.  The Dow industrials rose 95.02 points, or 0.4%, to 25241.41. The S&P 500 fell 1.98 points, or less than 0.1%, to 2770.37, and the Nasdaq Composite lost 54.17 points, or 0.7%, to 7635.07, pressured by a slide in technology shares.  Elsewhere, the Stoxx Europe 600 edged down 0.2% after the European Central Bank’s chief economist indicated Wednesday that the central bank could decide as soon as next week to wind down its €30 billion ($35.3 billion) monthly bond-buying program.  Peter Praet said the ECB was increasingly confident that inflation would soon rise toward the bank’s target of just below 2%, a target it has missed for years. | The Wall Street Journal | 06/08/2018 | Akane Otani and Georgi Kantchex |
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| Bonds Get Lift From Emerging Markets | U.S. government-bond prices swung between gains and losses before rallying Thursday afternoon amid mounting investor concerns about problems percolating in emerging-market economies.  Yields had earlier topped 3%, touching 3.001% during European market hours, a milestone they had reached in April for the first time in more than four years, after comments Wednesday by European Central Bank officials that policy makers there are preparing to tighten monetary policy. | The Wall Street Journal | 06/08/2018 | Daniel Kruger |
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| ‘Get Moving’: President Goads Advisers  *After tumultuous debate within the White House, Trump turned toward tariffs on China* | The abrupt turn to tariffs, after several weeks during which tensions were easing, was the public manifestation of a tumultuous decision – making process taking place inside the White House on trade, Mr. Trump’s signature economic-policy issue of 2018. | The Wall Street Journal | 06/08/2018 | Bob Davis, Peter Nicholas and Lingling Wei |
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| What’s News | ♦ U.S. household net worth passed the $100 trillion mark for the first time. | The Wall Street Journal | 06/08/2018 |  |
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| What’s News | ♦ The Dow rose 95.02 points to 25241.41, a nearly three-month high, but other stock indexes lost ground. | The Wall Street Journal | 06/08/2018 |  |
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| What’s News | ♦ The administration announced a deal to prevent ZTE’s collapse, but a bipartisan group of China hawks in Congress is moving ahead with a bid to scuttle it. | The Wall Street Journal | 06/08/2018 |  |
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| What’s News | ♦ U.S. stocks posted weekly gains, lifted by consumer shares. The Dow rose 75.12 points Friday to 25316.53. | The Wall Street Journal | 06/09-10/2018 |  |
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| Expected Fed Move Weighs On Bonds | U.S. government bond prices fell, with investors expecting the Federal Reserve to tighten monetary policy when it meets in the coming week amid tensions about emerging markets and global trade.  The yield on the benchmark 10-year Treasury note rose to 2.937% Friday from 2.933% Thursday, helping push the yield to its first weekly increase in three weeks. Yields rise as bond prices fall.  Volatility spread through government bond markets this past week as economic problems in countries such as Brazil, South Africa and Turkey fueled demand for safe assets such as Treasury debt. | The Wall Street Journal | 06/09-10/2018 | Daniel Kruger |
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| An Uneven Recovery in Stocks | After months of trading in a relatively narrow range, the S&P 500 is 3.3% below its all-time high set Jan. 26. The broad stock-market index slumped more than 10% over the nine trading sessions following that record and entered correction territory on Feb. 8 for the first time in more than two years. Technology stocks have powered much of the rebound, thanks to a big surge since late April. The sector is the best performer this year of the 11 segments in the index, with a gain of 14%. | The Wall Street Journal | 06/11/2018 | Lauren Pollock and Peter Santilli |
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| Emerging-Market Rout Feeds Contagion Fear | A rout in emerging markets has sparked concerns that the turbulence could spread from distant corners of the world to the U.S. and elsewhere.  The spasms highlight how a stronger dollar and higher U.S. bond yields can amplify the problem of vulnerable countries, threatening assets that investors recently considered to be comparatively safe.  So far, few believe the weakness in riskier markets threatens the nine-year-long U.S. stock advance, but the recent market moves have bolstered the case for caution. | The Wall Street Journal | 06/11/2018 | Ira Iosebashvili, Ben Eisen and Amrith Ramkumar |
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| Fed Confronts A Dilemma Over The Hot Job Market  *Is inflation around the corner? Getting the answer wrong could cripple the economy.* | Only twice in the past half-century has unemployment fallen to its current rate of 3.8% - for a few years in the late 1960s and for one month in 2000.  The ‘60s episode spurred years of soaring inflation that would take a decade for policy makers to corral. The latter coincided with a technology bubble that, when it burst, caused the 2001 recession.  Among the questions: Could a tighter labor market bring in people not already in the job market and raise workforce participation rates? If that happens, the economy will be in a position to keep growing without overheating.  “We are too focused on the unemployment rate number,” Minneapolis Fed President Neel Kashkari said in an April interview. He calls it a “broken gauge” that doesn’t capture extra labor-market slack.  This group argues that if inflation is the worry, the Fed should wait until it sees it moving higher before raising interest rates much, if at all. This would upend the Fed’s practice of adjusting rates based on economic forecasts, because monetary policy works with long time lags. | The Wall Street Journal | 06/12/2018 | Nick Timiraos |
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| Yield Curve Puts Fed on the Spot | The difference between three and four rate increases may not matter much to investors, who expect rates to keep rising next year. But it matters a lot for the yield curve, which is edging closer toward inverting, the situation in which short-term rates are higher than long-term rates. That is a long-standing signal that a recession is coming.  The yield on the two-year…  …has climbed to 2.5% from 2.31%. The 10-year Treasury yield of 2.94%, on the other hand, is basically level with where it was in March.  The yield curve last was inverted in 2007, just before a recession. | The Wall Street Journal | 06/12/2018 | Justin Lahart |
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| U.S. Stocks Move Past North Korea Talks | Stocks showed little reaction to a landmark summit between President Donald Trump and North Korean leader Kim Jong Un Tuesday…  Just after the Dow Jones Industrial Average closed down 1.58 points, or less than 0.1%, at 25320.73… | The Wall Street Journal | 06/13/2018 | Michael Wursthorn and Riva Gold |
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| Fed Lifts Rates as Economy Heats Up  *Increase is second this year; most central bank officials expect at least four in 2018* | Federal Reserve officials signaled Wednesday they could pick up the pace of interest-rate increases this year and next to keep a rapidly expanding economy on an even keel.  Central bank officials voted unanimously to raise their benchmark federal-funds rate by a quarter-percentage point to a range between 1.75% and 2%. It is their second rate rise this year…  “The decision you see today is another sign that the U.S. economy is in great shape,” said Fed Chairman Jerome Powell…  Stocks fell as investors calculated higher borrowing costs could weigh on earnings.  The Dow Jones Industrial Average declined 119.53 points, or 0.5%, to 25201, and U.S. government bond yields climbed after the decision with the 10-year Treasury rising to 2.979% from 2.959% on Tuesday.  Most Fed officials expect the central bank will need to raise rates at least three more times next year and at least once more in 2020, leaving rates in a range between 3.25% and 3.5% by the end of 2020, the same end point officials projected in March.  The increase announced Wednesday will leave the fed-funds rate around 1 percentage point below that neutral level.  The challenge for central bankers is to boost borrowing costs enough to prevent the economy from overheating, but not so much that it tips into recession. | The Wall Street Journal | 06/14/2018 | Nick Timiraos |
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| What’s News | ♦ The Trump administration is preparing to levy tariffs on tens of billions of dollars of Chinese goods in the coming week, a move likely to spark retaliation from Beijing. | The Wall Street Journal | 06/14/2018 |  |
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| Growth In U.S. Leaves World Behind | The U.S. economy is revving up just as Europe and other major economies lose steam, jeopardizing a rare period iin which the world’s largest economies have been accelerating in unison.  The European Central Bank on Thursday took another step toward ending the massive stimulus measures it has used in an effort to boost growth since 2015. But ECB officials also said they would hold interest rates steady through summer next year, a sign that they felt the eurozone economy remains fragile. | The Wall Street Journal | 06/15/2018 | Jon Sindreu, Riva Gold and Josh Mitchell |
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| China Strikes Back at Tariffs  *As trade war looms, Trump unveils levies on Chinese goods and Beijing retaliates* | Beijing retaliated against planned U.S. tariffs on Chinese goods by targeting high-value American exports – including farm products, cars and crude oil – bringing the world’s two biggest economies closer to an all-out trade war. | The Wall Street Journal | 06/16-17/2018 | Bob Davis, Vivian Salama and Lingling Wei |
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| What’s News | ♦ The Dow industrials fell 84.83 points to 25090.48 Friday on trade-war fears. The blue-chip average posted a loss of 0.9% for the week. | The Wall Street Journal | 06/16-17/2018 |  |
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| What’s News | ♦ Commodities markets tumbled and Treasury prices jumped after the announcement of new tariffs. | The Wall Street Journal | 06/16-17/2018 |  |
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| Commodities’ Standout Year Takes a Blow | Commodities markets, reveling in their best year since 2002, tumbled Friday as new tariffs were announced by the U.S. and China.  Gold slid 2.3% to the lowest level since late 2017, while industrial metals, such as copper, aluminum and lead sank at least 2% and cotton fell 2.9%.  Optimism over synchronized growth in the global economy had propelled rat materials sharply higher this year.  That bullish run started to unwind Friday as escalating trade tensions between the U.S. and China prompted investors to question the global growth outlook. | The Wall Street Journal | 06/16-17/2018 | Benjamin Parkin and Ira Iosebashvili |
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| Dollar Hits Emerging Markets | A weaker greenback not only mathematically increases local-currency returns; it also boosts investment flows to poorer countries, which helps to brighten the growth outlook. When the dollar rises, as it has since April, this mechanism goes into reverse. With signs that the U.S. economy is outperforming, the latest move has been sharp: The ICE dollar index has climbed 6.3% in just two months.  It is probably too early to turn bullish on emerging markets. In the absence of a weaker dollar, that requires fundamental improvement. The best hope might be that growth outside the U.S. rebounds. | The Wall Street Journal | 06/18/2018 | Richard Barley |
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| Rising Oil Prices Are Clogging Global Growth Engines | In many other parts of the world, today’s crude rally is more painful – sparking protests, gas lines and emergency subsidies to quell unrest.  That is because many consumers outside the U.S. face a double whammy when – like now – the dollar gets stronger at the same time as oil prices rise. While petroleum is produced all over the globe, when it is sold to refiners and other buyers it is almost always priced in dollars.  There are global winners, along with losers. The U.S., squeezed over the decades in past oil rallies, is looking pretty comfortable this time. In recent years, America has boosted production significantly, making it much less dependent on imports.  Still, the oil and dollar rally act like a tax, limiting consumers’ discretionary spending. That threatens a pullback in consumption that can eventually hit growth. | The Wall Street Journal | 06/18/2018 | Paulo Trevisani and Tom Fairless |
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| Slower Earnings Growth To Test Market | U.S. corporate earnings growth looks poised to slow from a blistering pace, posing a new challenge to a long bull market that is already contending with an uncertain global-economic outlook and rising interest rates.  Earnings growth has accelerated in recent quarters, helping drive major U.S. stock indexes to new highs and keeping share valuations from getting too stretched as prices rose. That expansion reached a new high in the first quarter, when U.S. corporations increased their earnings at 25%, the fastest pace since the second half of 2010, according to FactSet.  Earnings growth is expected at 19% in the second quarter, 21% in the third and 17% in the fourth, according to FactSet.  The global growth momentum that powered stocks higher at the end of last year is slowing in Europe and other major economies.  Those and other concerns have deflated the stock market after a big year in 2017. The S&P 500 has risen just 4% this year and has been essentially flat since January.  The S&P 500 trades at 16.6 times expected earnings over the next 12 months, above its 10-year average but down from 18.6 late January, according to the WSJ Market Data Group. | The Wall Street Journal | 06/18/2018 | Akane Otani |
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| Trump Prepares More Tariffs for China | President Donald Trump escalated a trade conflict with China Monday, asking his administration to identify a new list of $200 billion in Chinese goods that would be penalized with tariffs.  The move followed tariffs applied last week on $50 billion in Chinese imports to the U.S., designed to punish China for unfair trade practices. Beijing immediately threatened to retaliate with its own equivalent tariffs on U.S. goods. | The Wall Street Journal | 06/19/2018 | William Mauldin |
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| What’s News | ♦ The Dow fell 103.01 points to 24987.47 as U.S. China trade tensions weighed on the market. | The Wall Street Journal | 06/19/2018 |  |
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| There’s No Need for Market Tantrum Just Yet | Last week, the Federal Reserve turned hawkish, the European Central Bank said it would soon stop buying bonds and vulnerable emerging markets crumbled. The market narrative is clear: Dollars are getting tighter, and those who loafed about when money was easy will learn what it feels like to have to repay debts.  We last saw something like this in 2013’s emerging-market “taper tantrum,” which forced several major emerging-market countries to revamp their economies. But despite pain in some big emerging-market currencies, what’s happening now isn’t the same, at least not yet.  In 2013, real yields soared as investors feared the Fed was ready to raise rates. This year 10-year Treasury inflation-protected securities yields have risen far less. | The Wall Street Journal | 06/19/2018 | James Mackintosh |
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| What’s News | ♦ Global stocks, commodities and bond yields tumbled on trade-war fears. The Dow fell 287.26 points, or 1.1%, to 24700.21. | The Wall Street Journal | 06/20/2018 |  |
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| What’s News | ♦ U.S. housing starts rebounded in May to the highest level since 2007. | The Wall Street Journal | 06/20/2018 |  |
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| What’s News | ♦ The president’s escalation of trade threats against China reflects his belief that the U.S. has the upper hand, administration officials said. | The Wall Street Journal | 06/20/2018 |  |
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| What’s News | ♦ The latest tariffs proposed on Chinese imports, if enacted, would likely hit major categories of consumer goods. | The Wall Street Journal | 06/20/2018 |  |
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| Housing Starts Reach Their Highest Level Since 2007 | U.S. housing starts rebounded last month to the highest level since 2007, driven by a construction rebound in parts of the country that have lagged behind for much of the economic recovery as well as a lingering apartment boom. | The Wall Street Journal | 06/20/2018 | Laura Kusisto |
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| Stock Investors Lower Their Aim | Volatility has returned with a vengeance. Tuesday was no exception, with stocks down sharply on renewed worries about President Donald Trump’s trade feud with China. Yet for all the excitement, prices are back where they were in early January. Investors should be pleased to have gotten off so easily.  Stocks have some things going for them right now, of course. Corporate tax cuts boosted profits. Economic growth appears to have picked up, too.  But investors had already priced much of that in. What they hadn’t anticipated were other risks. Chief among them are a Federal Reserve that is showing little timidity about raising rates, slowing growth overseas and the multiple trade skirmishes. | The Wall Street Journal | 06/20/2018 | Justin Lahart |
| What’s News | ♦ U.S. stocks stabilized a day after trade tensions rattled markets. The Nasdaq rose 0.07% to a record 7781.51 and the S&P 500 gained 0.2%. | The Wall Street Journal | 06/21/2018 |  |
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| What’s News | ♦ The surge of retiring baby boomers is reshaping the U.S. into a country with fewer workers to support the elderly, census figures show. | The Wall Street Journal | 06/21/2018 |  |
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| Dow Drops Eighth Day in a Row | The Dow Jones Industrial Average fell, notching its longest streak of consecutive declines in more than a year as trade friction between the U.S. and China weighed on stocks.  The Dow industrials declined 196.10 points,…  The biggest threat to car makers is what happens to the North American Free Trade Agreement between the U.S., Canada and Mexico, said Philippe Houchois, an equity analyst at Jefferies.  Shares of energy companies also struggled Thursday as officials from major oil-exporting countries reportedly neared a deal to increase crude output by one million barrels a day.  Shares that investors typically buy in times of volatility rose Thursday, with the S&P 500’s utilities and real-estate sectors gaining 0.3% and 0.6%, respectively.  Overseas, the Stoxx Europe 600 shed 0.9%, closing at its lowest value since April. | The Wall Street Journal | 06/22/2018 | Danielle Chemtob and Christopher Whittall |
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| What’s News | ♦ The Dow dropped 196.10 points to 24461.70, its eighth straight decline, hurt by U.S.-China trade friction. | The Wall Street Journal | 06/22/2018 |  |
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| Treasury Prices Climb On Week | Government bond prices fell slightly Friday but capped off a second week of gains. The yield on the 10-year Treasury note inched higher to 2.902%, from 2.899% on Thursday. Yields rise as bond prices fall. | The Wall Street Journal | 06/23-24/2018 | Gunjan Banerji |
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| Blue Chips Post 2% Weekly Drop | The Dow Jones Industrial Average rose Friday but posted its biggest one-week slide since March as escalating tariff tensions drove investors out of companies they fear could suffer under tighter trade conditions.  The Dow industrials dropped eight straight sessions through Thursday – notching its longest streak of declines in more than a year.  As investors broadly shed risk, investors withdrew the biggest weekly amount from emerging-market equities, financials and investment-grade bond funds since 2016, according to Bank of America Merrill Lynch  The Dow industrials rose 119.19 points, or 0.5%, to 24580.89, Friday but slid 509.59 points, or 2%, for the week. | The Wall Street Journal | 06/23-24/2018 | Riva Gold and Akane Otani |
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| What’s News | ♦ The president threatened to slap 20% tariffs on European cars after the EU started imposing duties on U.S. goods. | The Wall Street Journal | 06/23-24/2018 |  |
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| Oil Soars As OPEC Agrees to Small Boost | Oil prices rose by the biggest amount in nearly two years Friday after some of the world’s major oil producers agreed to boost crude output less than many investors had feared.  U.S. oil prices surged 4.6% to $68.58 a barrel; the price of Brent, the international benchmark, rose $2.50, or 3.4%, to $75.55, | The Wall Street Journal | 06/23-24/2018 | Benoit Faucon, Summer Said and Stephanie Yang |
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| China Eases Credit as U.S. Tariffs Loom  *Cut in Bank reserve requirement aims to support growth as trade war heats up* | China’s central bank is freeing up more than $100 billion fort commercial banks to boost lending and restructure debt, as the Chinese leadership tries to shore up growth amid slowing momentum for economic expansion and an intensifying trade brawl with the U.S. | The Wall Street Journal | 06/25/2018 | Lingling Wei and Chao Deng |
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| What’s News | ♦ The Chinese yuan dropped to its weakest against the dollar this year, continuing a recent slide. | The Wall Street Journal | 06/26/2018 |  |
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| Stocks Swing On Trade Remarks  *Dueling comments from administration officials send Dow down 328 points* | The U.S. would block Chinese companies from investing in U.S. technology companies, while restricting U.S. technology exports to China. Beijing has reacted strongly to the escalating tensions, with President Xi Jinping vowing to “punch back” against the U.S. trade measures.  The rising tensions over technology transfers sent investors fleeing from some of the market’s best-performing technology firms on Monday. The Dow Jones Industrial Average shed as many as 497 points before ending down 328.09 points, or 1.3%, at 24252.80. | The Wall Street Journal | 06/26/2018 | Bob Davis |
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| Junk Bonds Outdo Higher-Grade Peers | In a mostly dismal year for bonds, investors are finding the best returns in the lowest-quality debt.  Government bonds are wilting under signs of rising inflation and an accelerating U.S. economic expansion, and high-grade corporate bonds have fallen as changes to the tax code and softening global growth mean many longtime buyers don’t want or need the debt.  But high-yield, or junk, bonds are closely geared toward the strength of the U.S. economy. With U.S. growth picking up and business confidence soaring, High-yield bond prices are holding steady even as the Federal Reserve has signaled it is leaning more aggressively on its path of interest-rate increases.  Unlike multinational corporations, operations of high-yield borrowers are concentrated within the U.S., meaning their financial results are less likely to suffer from the impact of rising global trade tensions,…  Year-to-date returns:  Commodities 5.5%  Stocks 2.6%  High-yield bonds 0.7%  Treasury bonds -1.4%  Investment-grade bonds -3.6% | The Wall Street Journal | 06/26/2018 | Daniel Kruger |
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| Treasurys Stabilize As Yields Inch Up | Trading was muted after conflicting messages from within the Trump administration over trade policy jolted markets Monday, sending yields on short – and long-term bonds lower and pressuring stocks around the world.  2.882% Yield on 10-year U.S. Treasury note on Tuesday. | The Wall Street Journal | 06/27/2018 | Danielle Chemtob |
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| What’s News | ♦ U.S. stocks rose, aided by gains in energy companies. The Dow gained 30.31 points to 24283.11. | The Wall Street Journal | 06/27/2018 |  |
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| China Unlikely to Use Treasurys as Weapon | The nightmare scenario is that China, which owns about 8% of the U.S. government’s public debt, could drive down bond prices by unloading even part of its hoard. Such a move would likely send interest rates paid by the U.S. sharply higher.  A decision by China to sell Treasurys could be the economic equivalent of “mutually assured destruction,” said Mark McCormick, head of currency strategy at TD Securities.  So China would be loath to weaponize its financial assets, analysts say.  China for years has used dollars accumulated by running trade surpluses to purchase Treasurys. This is part of a strategy to prevent the yuan from appreciating, analysts and economists said.  Selling dollar assets and repatriating yuan would add to China’s trade problems and “help address U.S. trade problems” by hurting the value of the dollar and making U.S. exports cheaper, said Brad Setser, an economist at the Council on Foreign Relations. | The Wall Street Journal | 06/28/2018 | Daniel Kruger |
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| What’s News | ♦ Oil Prices reached their highest level in over three years as supply threat loomed large. U.S. crude futures roe 3.2% to $72.76 a barrel. | The Wall Street Journal | 06/28/2018 |  |
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| What’s News | ♦ U.S. stocks declined as trade tensions offset gains in energy shares. The Dow fell 165.52 points to 24117.59. | The Wall Street Journal | 06/28/2018 |  |
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| What’s News | ♦ First-quarter GDP grew at an annual rate of 2%, the government said, a downward revision from 2.2%. | The Wall Street Journal | 06/29/2018 |  |
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| What’s News | ♦ U.S. stocks rebounded in an afternoon rally, chipping away at their midweek losses. The Dow added 98.46 points to 24216.05. | The Wall Street Journal | 06/29/2018 |  |
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| Cry for Argentina – The IMF Is Coming | Argentina is in economic trouble again.  Argentina has wrecked its currency time and again and seems on its way to doing so once more, the peso having lost 20% of its value this year. | Forbes | 06/30/2018 | Steve Forbes |
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| Tech Stocks Shine In Rocky Quarter | Stocks were all over the map in a jittery quarter as investors dumped industrial stalwarts on fears of a trade war stifling global growth and increased their bets on shares of large technology companies.  Indexes finished the tumultuous three months mostly higher, even as investors were buffeted by worries about trade tensions and political uncertainty in the eurozone, as well as signs of slowing momentum in the global economy. But the real standout was the tech-heavy Nasdaq Composite Index, which overcame an early slump in the second quarter to book its eighth straight gain.  The S&P 500 and the Dow Jones Industrial Average rose 2.9% and 0.7%, respectively for the quarter, trailing the Nasdaq’s 6.3% advance. | The Wall Street Journal | 06/30-07/01/2018 | Akane Otani and Michael Wursthorn |
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| What’s News | ♦ U.S. stocks edged higher Friday on a pause in trade tensions. The Dow added 55.36 points to 24271.41. | The Wall Street Journal | 06/30-07/01/2018 |  |
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| What’s News | ♦ An inflation measure watched closely by the Federal Reserve hit the central bank’s target in May after running below it every month for six years. | The Wall Street Journal | 06/30-07/01/2018 |  |

“The function of economic forecasting is to make astrology look respectable.” -John Kenneth Galbraith

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