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| **RESOURCE LOG – June 2019** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Gold Shines as Traders Flee From Risky Assets | Gold prices surged Friday, advancing to their highest level since early April with fears about a slowing economy pushing some investors toward safer assets and the dollar declining.  Gold for July delivery, the most-active futures contract, rose 1.4% to $1,311.10 a troy ounce on the Comex division of the New York Mercantile Exchange. | The Wall Street Journal | 06/01-02/2019 | Amrith Ramkumar |
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| Broad Market Turmoil Caps Difficult Month for Stocks | Rising trade tensions sent stocks and bond yields around the world skidding Friday, capping a tough month for markets that caused the Dow industrials to notch their longest losing streak in nearly eight years.  Major U.S. stock indexes lost more than 1% on Friday and closed the month of May down more than 6.5%, their worst monthly performance since December.  The Dow Jones Industrial Average slid 354.84 points, or 1.4%, to 24815.04, capping its sixth consecutive week of losses, the longest weekly losing streak since June 2011. The S&P 500 fell 36.80 points, or 1.3%. to 2752.06 while the Nasdaq Composite lost 114.57 points, or 1.5%, to 7453.15. All three indexes remain up for the year, though gains have shrunk, with the Dow industrials now only up 6.4% in 2019.  Investor unease also rippled across the bond market. The yield on 10-year U.S. Treasurys fell sharply to 2.139%, marking its largest one-month yield decline since 2015. As concerns about economic growth build, yields have dropped to their lowest level since September 2017. | The Wall Street Journal | 06/01-02/2019 | Corrie Driebusch and Nathan Allen |
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| What’s News | ♦ U.S. inflation picked up in April after a weak start to the year, likely easing Fed officials’ worries about soft price pressures. | The Wall Street Journal | 06/01-02/2019 |  |
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| Bond Investors Wager on the Dollar | A persistently strong dollar is underpinning a rally in U.S. government bonds, as rising global trade tensions stoke demand for safer assets.  Some investors are wading into U..S. Treasurys without paying to protect themselves against fluctuations in the dollar, a bet that continuing U.S. economic strength and comparatively high interest rates will keep the currency grinding higher.  The yield on the 10-year U.S. Treasury note, a bench-mark for global financial markets that helps set borrowing costs on everything from student loans to mortgages, plumbed fresh 2019 lows on Friday after President Trump’s threat to impose tariffs on all Mexican imports rattled global markets. | The Wall Street Journal | 06/03/2019 | Ira Iosebashvili and Daniel Kruger |
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| Mexican Tariffs’ impact likely to grow  *Consumers would feel pinch as time went on* | The tariffs, set to begin June 10, would gradually climb to 25% on Oct. 1 if Mexico doesn’t take steps “to dramatically reduce or eliminate” the number of migrants, Trump said Thursday. Such a strategy would hurt American shoppers, the economy and stocks, experts say, just as U.S. growth is slowing and the threat of more tariffs on Chinese imports looms larger.  After the first 5% tariff in June, tariffs would increase by 5 percentage points each month before reaching 25% on Oct. 1. | USA Today | 06/03/2019 | Paul Davidson |
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|  | The U.S expansion reaches its 10-year mark this month. More than 20 million jobs have been created so far and the net worth of American households has increased by $47 trillion. | Talking Points | 06/04/2019 | Mark Zinder |
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| Mexico asserts ‘clear limit’  *Tariffs will aggravate crisis, ambassador says* | Mexico’s ambassador to the United States and other top officials warned the Trump administration Monday against imposing tariffs as a way of punishing the country for the migration crisis -saying it will only worsen the problem.  “there is a clear limit to what we can negotiate,” Martha Barcena, the ambassador, said Monday during a news conference at the Mexican Embassy in Washington. “And that limit is Mexican dignity.” | USA Today | 06/04/2019 | Deirdre Shesgreen |
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| Traders Unload Emerging – Market Assets | Investors are fleeing emerging-market assets, high-lighting hos fears of escalating trade conflicts are rippling through financial markets.  An important index of emerging-market stocks slipped into correction territory in May, when it tumbled by more than 10% from its April peaks.  Persistent trade battles have “gravely undermined investor sentiment,” said Paresh Upadhyaya, a portfolio manager at Amundi Pioneer Asset Management. Developing countries “will not be able to grow if trade concerns weigh on the global economy.” | The Wall Street Journal | 06/04/2019 | Ira Iosebashvili |
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| Nasdaq Hits Correction Territory | The Nasdaq Composite slid 120.13 points, or 1.6%, to 7333.02, dropping 10% below its May record.  Many technology stocks had soared in 2019 as investors piled into fast-growing companies. But the group has been stung lately by issues ranging from worries about escalating trade tensions to heightened scrutiny by regulators. | The Wall Street Journal | 06/04/2019 | Akane Otani |
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| Congress, Agencies Target Tech  *House panel to probe industry over concerns about competition as oversight intensifies* | Federal antitrust enforcers and lawmakers are poised to scrutinize the nation’s largest technology companies for potential anti-competitive practices, bringing a new regulatory focus to the vast markets for digital services and a new level of concern for investors. | The Wall Street Journal | 06/04/2019 | Brent Kendall and John D. McKinnon |
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| Mexico Weighs Reprisal To Tariffs | Mexico is exploring possible retaliation to the threat of U.S. tariffs on all of its exports but would rather convince the Trump administration that a negotiated solution is in both countries’ best interest, senior officials said Monday. | The Wall Street Journal | 06/04/2019 | Anthony Harrup and José De Córdoba |
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| Economy Hits Milestone, As Threats Take Shape  *U.S. growth, 10 years old and still strong, faces potential risks from trade wars, interest-rate mistakes and ballooning budget deficit* | Economies aren’t like cars. They don’t just wear down and peter out after running for several years. Something needs to happen to knock them off course.  That’s potentially good news as the U.S. expansion reaches its 10-year mark this month.  While many economists say this one is in position to keep going, risks are looming, most notably threats of tariff-driven trade wars with China, Mexico and others that damage business, household and investor confidence. | The Wall Street Journal | 06/04/2019 | Jon Hilsenrath |
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| What’s News | ♦ The Nasdaq sand 1.6%, dropping into correction territory as investors weighed the possibility of a new regulatory focus on tech giants. | The Wall Street Journal | 06/04/2019 |  |
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| Energy Sources Are Changing  *Renewables gaining on fossil fuels* | The energy landscape changes so fast, even experts have trouble keeping up.  Prices for renewable power are plummeting, technologies for storage are becoming more cost-effective and what’s competitive today isn’t what was competitive five years ago – shifts that will only increase in the coming years.  Coal is over – Coal’s share of the U.S. electricity mix fell from 48% in 2008 to 27% in 2018 and is projected to be 22% in 2020, according to the U.S. Energy Information Administration.  Natural gas is almost over – Natural gas is cheaper than coal and produces 35% of U.S. electricity, according to the Energy Information Administration. Wind and solar power are in many cases competitive with natural gas.  Batteries work – Utah announced an initiative to launch a 1,000-megawatt storage facility able to serve the needs of 150,000 households for an entire year, according to developer Mitsubishi Hitachi Power Systems. | USA Today | 06/05/2019 | Elizabeth Weise |
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| Fed Puts Interest Rate Cut In Play  *As trade tensions rise, central bank looks at taking action, leading U.S. stocks to climb* | Markets rallied Tuesday after Federal Reserve officials said they were closely monitoring the recent escalation in trade tensions and indicated they could respond to any economic deterioration by cutting interest rates.  “We do not know how or when these trade issues will be resolved,” Fed Chairman Jerome Powell said Tuesday. “We are closely monitoring the implications of these developments for t he U.S. economic outlook and, as always, we will act as appropriate to sustain the expansion.” | The Wall Street Journal | 06/05/2019 | Nick Timiraos |
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| Stock ETFs Shed Record $20 Billion in May | Investors dumped stock funds in May at a record clip as trade disputes sent markets tumbling.  Exchange-traded funds that invest in companies around the world shed almost $20 billion in assets, the biggest monthly outflows ever, said Matt Bartolini, head of Americas research for State Street Corp.’s ETF business.  Investors also fled debt issued by junk-rated companies.  The demand sent valuations higher, and riskier credit began behaving more like stocks, Mr. Bartolini said. | The Wall Street Journal | 06/05/2019 | Asjylyn Loder |
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| What’s News | ♦ Markets rallied after Fed officials said they were monitoring trade tensions and indicated they could respond to any economic deterioration by cutting rates. The Dow and S&P 500 both rose 2.1%. | The Wall Street Journal | 06/05/2019 |  |
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| What’s News | ♦ The World Bank lowered its global growth forecast for the year to 2.6% from January’s 2.9%. | The Wall Street Journal | 06/05/2019 |  |
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|  | **DJIA** 25332.18 ▲512.40 2.1%  **NASDAQ** 7527.12 ▲2.6% | The Wall Street Journal | 06/05/2019 |  |
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| What’s News | ♦ A top executive at Fiat Chrysler filed a whistleblower suit claiming the firm cut his pay in retaliation for cooperating with a U.S. probe. | The Wall Street Journal | 06/06/2019 |  |
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| U.S. Crude Oil Slumps Into a Bear Market | U.S. crude futures sank into a bear market on Wednesday, falling more than 20% below their April peak, as the global-growth worries gripping financial markets were compounded by fears of a supply glut.  Oil closed down 3.4% at $51.68 a barrel, dropping below the $53.04 level needed to push it into another bear market after government data showed a surge in domestic stockpiles.  The declines highlight investors’ fears that trade tensions will further undermine economic expansion around the world.  Oil’s swift fall comes just weeks after prices crested above $66 a barrel on April 23… | The Wall Street Journal | 06/06/2019 | Amrith Ramkumar |
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| Fed Starts Debate on Whether To Cut Rates as Soon as June | Federal Reserve officials are beginning preparations for a June policy meeting with difficult choices to deliberate.  A month ago, Fed Chairman Jerome Powell played down speculation of a rate cut this summer. Now officials at the central bank face a darker economic outlook and heightened trade tensions, making a rate cut possible – if not at their meeting on June 18-19, then in July or later.  The officials need to decide what would trigger such action, how much more information they want before making a decision and how to signal their intentions and plans. | The Wall Street Journal | 06/07/2019 | Nick Timiraos |
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| What’s News | ♦ The Dow rose for a fourth straight session, adding 0.7% amid supportive commentary from central banks. | The Wall Street Journal | 06/07/2019 |  |
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| China Tech Stocks in Bear Market | A selloff fueled by trade tensions has led to a 20% drop in the country’s technology-heavy index from its last high in April. | The Wall Street Journal | 06/07/2019 | Sources : Wind (ChiNext), FactSet (Shanghai) |
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| Dow Posts Best Week of 2019  *Stocks rally as weak U.S. jobs report stokes speculation that Fed will cut interest rates.* | The Dow Jones Industrial Average extended its rally Friday, notching its best week in more than six months, after lackluster employment figures for May fanned expectations of loosened monetary policy.  The gains helped pushed the blue-chip index up nearly 1,170 points over the past five days, a major rebound following six straight weeks of losses, with all stocks in the Dow industrials advancing at least 2%.  The Dow industrials rose 263.28 points, or 1%, to 25983.94 after the Labor Department said hiring in the U.S. slowed, with employers adding 75,000 jobs…  Meanwhile, the S&P 500 added 29.85 points, or 1%, to 2873.34, and the Nasdaq Composite rose 126.55 points, or 1.7%, to 7742.10. | The Wall Street Journal | 06/08-09/2019 | Michael Wursthorn |
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| Pace of Hiring Slows Across Economy | Employers tapped the brakes on hiring in May, signaling companies are taking a more cautious approach as trade tensions rise, global growth cools and the decade-long U.S. expansion shows strains.  A bright spot was the jobless rate, which held steady at 3.6%, a half-century low. | The Wall Street Journal | 06/08-09/2019 | Sarah Chaney and Eric Morath |
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| Five Myths About Commodities Investing | Gold prices are hovering near 52-week highs,…  Swine flu is wreaking havoc in China, the world’s largest pork producer, boosting prices for lean-hog futures. Corn and other agricultural commodities are trading at or near their three-year highs, thanks to cool, rainy weather in the U.S….  Does this mean it’s a great time to diversify your portfolio to include a commodities-related fund, especially as the number of new products in this sector continues to grow?  Possibly – but be wary of the myriad claims the fierce proponents of commodities investing make when supporting their favorite asset class.  But unlike stocks and bonds, commodities don’t generate earnings, produce dividends or deliver interest income. Instead, to make money, you need a supply/demand imbalance to materialize in one or many different markets….  Commodities can act as an inflation hedge, but it’s far from certain that they will.  Actually, few asset classes are more speculative, unless you decide that bitcoin is an asset class.  That’s because you’re simply betting on the price or prices of one or several commodities, which can move violently in response to news events about supply and demand – or might not react at all. | The Wall Street Journal | 06/10/2019 | Suzanne McGee |
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| What’s News | ♦ Trump’s threat to impose tariffs on Mexico, averted by an immigration deal Friday, shook up the already delicate interplay between the two neighbors. | The Wall Street Journal | 06/10/2019 |  |
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| What’s News | ♦ The deal with Mexico was broadly celebrated by Republicans but left an undercurrent of tension between the president and many in his party. | The Wall Street Journal | 06/10/2019 |  |
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| What’s News | ♦ The Group of 20 major economies after a meeting in Japan decried worsening trade tensions and their impact on global growth. | The Wall Street Journal | 06/10/2019 |  |
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| Yield Dive Catches Forecasters Off Guard  *Not a single respondent in January’s Wall Street Journal Survey of economists predicted the yield on the 10-year Treasury note would fall below 2.5% this year.* | The drop in 10-year Treasury yields in recent months has been rapid and in many quarters completely unexpected.  The yield on the 10-year Treasury settled on Friday at 2.085%, down from 3.23% in early November.  Yields on 10-year debt in Germany, Japan, Denmark and the Netherlands have fallen into negative territory…  Investors holding bonds before yields plunged have made money because bond prices rise when yields fall. | The Wall Street Journal | 06/10/2019 | Avantika Chilkoti and Daniel Kruger |
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| Dow Will Streak Hits Six Days | U.S. stocks climbed, buoyed by relief over the White House’s decision to drop a threat to hit Mexico with tariffs on billions of dollars of goods.  Worries about U.S .trade fights with China and, more recently, Mexico had sent stocks swinging and bond yields falling well below the highs they hit last year.  The Dow Jones Industrial Average climbed by 78.74 points, or 0.3%, to 26062.68…  The S&P 500 added 13.39 points, or 0.5%, to 2886.73, and the Nasdaq Composite advanced 81.07 points, or 1%, to 7823.17.  Elsewhere, the Stoxx Europe 600 ended up 0.2%, lifted by gains in shares of banks and basic-resources firms. | The Wall Street Journal | 06/11/2019 | Avantika Chilkoti and Akane Otani |
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| Tech Posts Best 6-Day Rise in Years | Technology stocks just posted their best six-day stretch in 7½ years, as investors embrace monetary – and trade-policy shifts widely seen as supporting higher prices.  After a dismal May, the S&P 500 information-technology sector has rebounded nearly 9% in the past six sessions…  The rebound has been strong in part because the fundamental picture for tech firms is widely perceived to be strong regardless of rates and trade. The technology sector is up 24% for the year. | The Wall Street Journal | 06/12/2019 | Amrith Ramkumar |
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| Treasurys Get Lift From Muted Inflation Data | Yields on short-term U.S. government bonds fell after another set of tame inflation data bolstered investors’ expectations that the Federal Reserve will soon move to cut interest rates.  The yield on the 10-year note also slipped, falling to 2.129% from 2.140%.  Soft inflation and concerns about the global growth outlook have generally boosted Treasurys in recent months, causing the 10-year to fall from the roughly 2.6% level it reached in mid-April. | The Wall Street Journal | 06/13/2019 | Sam Goldfarb |
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| Fed Has Three Risks to Navigate on Rates | Thus Fed Chairman Jerome Powell’s job…  …he must weigh three distinct risks requiring different and highly nuanced judgments.  **Economic growth**: it has slowed, from an annual rate of 3.2% in the year through March to about half that in the current quarter…  The so-called yield curve has inverted, i.e. 10-year bond yields are below three-month Treasury bill yields, a reliable past predictor of recessions. The stock market hasn’t sold off much, but that’s partly because investors are counting on a rate cut.  If growth is headed to below 1.9% or negative territory, that’s a reason to cut rates, a lot.  **Inflation**: Stripping out food and energy it was just 1.6% in April, well below the Fed’s 2% target.  Getting inflation firmly back to 2% could take years…  **Trade**: This is the trickiest part of Mr. Powell’s decision.  If trade risk is grave enough for Mr. Powell to cut rates, either in July or sooner, he will be accused of acquiescing to Mr. Trump’s demands… | The Wall Street Journal | 06/13/2019 | Greg Ip |
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| Utilities, Other Safety Stocks Thrive | The latest rise in the stock market has been helped along by safety stocks, signaling a shift among investors toward seeking certainty as trade tensions and central-bank policy push and pull markets.  Recently, more companies in S&P 500 sectors perceived as safer – such as utilities, consumer staples and real estate – have been outperforming the broader market.  The move into safer stocks “really demonstrates how risk-averse investors have become in recent months,” said Eric Marshall, portfolio manager at Hodges Capital Management.  As bond yields have fallen, safety stocks with steady dividend payouts have become more attractive. | The Wall Street Journal | 06/14/2019 | Jessica Menton |
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| Energy Stocks Power S&P 500 Higher | Major U.S. stock indexes climbed, snapping a two-day losing streak, as rising shares of energy companies helped the market’s rally to resume.  The S&P 500 added 11.80 points, or 0.4%, to 2891.64, as energy stocks rose by 1.2%, helping the broad index recoup the losses it suffered over Tuesday’s and Wednesday’s trading sessions. | The Wall Street Journal | 06/14/2019 | Michael Wursthorn |
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| Washington Puts Aside Fears And Embraces Debt | …have fundamentally changed.  Political support for taming deficits has melted away, with Republicans accepting bigger deficits in exchange for tax cuts and Democrats making big spending promises around 2020 election campaigns. Global demand for U.S. Treasury assets has displaced the “bond-market vigilante” mentality of the 1990s that scared Washington..  Leading scholars, in a mini-revolution hitting academia, are debating whether large federal debt and deficits might be tolerable. They aren’t a top concern for voters anymore, either. Even some former deficit hawks say rising government red ink might not be the grave problem they once believed. | The Wall Street Journal | 06/14/2019 | Kate Davidson and Jon Hilsenrath |
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| China’s Economy, Under Pressure, Shows Signs of Weakness | Chinese economic data on industrial output and investment added to evidence of a slowdown that some economists said risks breaching the government’s 6% bottom line for growth, unless there is more stimulus.  Beijing has targeted GDP growth this year between 6% and 6.5%. Either would be the slowest in a quarter-century.  The factory output number, the weakest since 1992, follows disappointing trade data published this week showing exports nearly flat and imports falling 8.5% in May.  Lost momentum for the world’s No. 2 economy reflects battered sentiment stemming from the Trump administration’s tariffs on Chinese export and its efforts to contain the country’s technology sector.  “China will have to introduce more fiscal stimulus to ensure it can reach the 6% bottom line of growth target this year,” said Iris Pang, an economist with ING Bank NV. | The Wall Street Journal | 06/15-16/2019 | James T. Areddy Liyan Qi and Grace Zhu in Beijing contributed to this article |
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| China Growth Concern Lifts Gold | Gold prices climbed Friday as mounting concern over the health of China’s economy hit riskier commodities while tensions in the Middle East pushed investors into haven assets.  Gold futures for August delivery, the most actively traded U.S. contract, rose 0.1% to $1,344.50 a troy ounce… | The Wall Street Journal | 06/15-16/2019 | Joe Wallace |
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| How Long Can This Bull Market Run? | This bull market for U.S. stocks is by far the longest on record, and only a lunatic would think it can last indefinitely.  The S&P 500 hasn’t fallen by at least 20% from a previous high since March 2009.  After 10 bullish years in stocks, some younger investors have no memory of losing serious amounts of money. That could make them think it can’t happen. Saying “this is different” is easier when you compare it to a previous time you didn’t live through yourself.  So nay changes you do make should be incremental rather than drastic. Protecting against losses if this bull market keels over could also restrict your gains when the next one starts to run again. | The Wall Street Journal | 06/15-16/2019 | Jason Zweig |
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| Corporate Bonds Give Reassuring Signals | Solid demand for U.S. corporate bonds is signaling a reasonable amount of optimism from a group of investors known for their caution, a development that is helping ease worries about an economic slowdown.  In recent weeks, the extra yield, or spread, that investors demand to hold U.S. corporate bonds over Treasurys has generally increased, a sign of reduced risk appetite among investors. Spreads, however, have leveled off in recent days and remain well below the levels they reached in early January and during previous growth scares, such as the one that occurred in late 2015 and early 2016.  While Treasurys yields tend to fall when the growth outlook darkens, they are also sensitive to other factors, such as the outlook for inflation and monetary policy as well as the level of government-bond yields elsewhere in the world.  Some investors worry that current low interest rates impose a limit on the Fed’s ability to use cuts to stimulate the economy. Investors are also aware that recessions have typically followed rate cuts by roughly a year. | The Wall Street Journal | 06/17/2019 | Sam Goldfarb |
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| Investors Diverge in Sizing Up Trade | As the trade standoff has intensified and the Federal Reserve has suggested its next move might be a rate cut, some investors have turned to safer assets, sending Treasury yields to their lows for the year. But stocks have continued to climb toward fresh highs, with the S&P 500 finishing Friday just 2% off a record.  One yardstick measuring stock swings, the Cboe Volatility Index, has fallen 40%in 2019, on pace for its biggest annual decline in a decade. Volatility measured tracking crude oil and currencies have also dwindled this year.  The disconnect between markets points to lingering debate among investors about just how much the U.S. and China’s trade fight will hit consumer spending, investment and other drivers of economic growth. | The Wall Street Journal | 06/17/2019 | Akane Otani and Gunjan Banerji |
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| Stocks Advance With Focus on Fed | U.S. stocks edged higher ahead of central-bank policy meetings around the world as investors continue to bet the Federal Reserve will slash interest rates this year.  U.S. stocks rallied in June after Fed Chairman Jerome Powell said the central bank would act if needed to sustain U.S. economic expansion in the face of escalating geopolitical and trade tensions.  The yield on the 10-year Treasury note fell for the fifth consecutive day…  Investors tend to turn to relatively safer assets like government bonds when stocks are falling. But both stock and bond prices rose in lockstep to start the week, continuing a recent trend. The 10-year yield fell to 2.086% from 2.093% Friday. | The Wall Street Journal | 06/18/2019 | Gunjan Banerji |
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|  | **DJIA** 26465.54 ▲353.01 1.4%  **NASDAQ** 7953.88 ▲1.4%  **STOXX 600** 384.78 ▲1.7% | The Wall Street Journal | 06/19/2019 |  |
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| Trump, Xi Plan Trade Talks at G-20 | President Trump and President Xi Jinping of China agreed to meet in Japan next week, lifting financial markets and spurring hopes for a trade truce that could stave off a fresh round of tariffs. | The Wall Street Journal | 06/19/2019 | Vivian Salama, William Mauldin and Josh Zumbrun |
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| What’s News | ♦ ECB President Draghi signaled that the bank could roll out fresh stimulus as soon as July. | The Wall Street Journal | 06/19/2019 |  |
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| Draghi Talk Spurs Bond Rally In Europe | Government-bond yields throughout much of Europe fell to records after European Central Bank President Mario Draghi signaled the bank could roll out fresh stimulus as soon as its next policy meeting in July.  In a sign of deepening pessimism about the European economy, the yield on Germany’s 10-year securities, the benchmark for the region, fell to negative-0.320%, while the yield on 30-year Swiss government debt briefly fell below zero.  The ECB’s pivot to policies meant to stimulate growth is a sign that the economy is at risk of getting further bogged down in period of little expansion and an absence of inflation.  Mr. Draghi’s support for additional ECB stimulus could make it easier for Fed Chairman Jerome Powell to signal that U.S. officials plan to join the ECB in supporting growth by cutting rates. | The Wall Street Journal | 06/19/2019 | Daniel Kruger |
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| The Recovery Is Reaching Its End | When unemployment dropped below 5% three years ago, some economists, including at the Federal Reserve, concluded that the labor market has topped out – that those still out of work would never get jobs. Three years and nearly eight million additional jobs later, it’s clear they were wrong.  In a stable full-employment economy, job creation must be sufficient to accommodate a growing population.  Wage growth rates also suggest that the recovery phase is near its end.  The employment and wage statistics suggest that the slack associated with the 2007-09 recession is all but eliminated.  An S&P 500-based forecast signals economic growth during the next four quarters of slightly below 2%, which is below the past two years’ growth rate.  Historically, economic growth slows when a recovery ends. But there is no law of economics, either theoretical or empirical, that says a recession soon follows the elimination of labor-market slack. Growth depends at least in part on government decisions. | The Wall Street Journal | 06/19/2019 | Edward P. Lazear |
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| Fed Rate Hints Lift S&P Near High | U.S. stocks crept toward record highs as the Federal Reserve left interest rates unchanged but hinted it would slash rates in the months ahead.  The S&P 500 is 0.7% away from its record reached in April. The Nasdaq is about 2% from its high reached in May, and the Dow is hovering at 1.2% from its record reached in October. | The Wall Street Journal | 06/20/2019 | Gunjan Banerji |
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| Fed Hints at Future Cuts in Rates  *Bank is likely to move if economic outlook, clouded by trade fights, doesn’t improve* | …citing recent favorable economic data, the Fed didn’t bow to pressure from President Trump for an immediate rate cut.  U.S. stocks rose toward record highs. The S&P 500 added 8.71 points, or 0.3%, to 2926.46, leaving the index just 0.7% from its record high in April. The benchmark 10-year Treasury yield fell for the seventh straight session to 2.023%, its lowest level since 2016…  The Fed is set to meet next on July 30-31… | The Wall Street Journal | 06/20/2019 | Nick Timiraos |
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| S&P 500 Reaches A Record As Yields Drop Off | The S&P 500 surged to its first record close since April, underscoring confidence on Wall Street t hat the U.S. economy and global markets remain healthy despite a fresh tumble in bond yields around the world.  The yield on the 10-year U.S. Treasury note slipped below 2% Thursday for the first time since late 2016, hitting 1.99% early in the morning…  Yields remained near all-time lows in Germany and France, reflecting rising bond prices.  Worries about trade friction and a souring outlook for growth, particularly in Europe, have spurred the tumble in bond yields and pushed the Federal Reserve and European Central Bank toward loosening monetary policy… | The Wall Street Journal | 06/21/2019 | Jessica Menton |
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| Gold’s Rally Points to a Worrying Future | Gold has taken the lead. The asset, at times considered a haven, has hit almost a six-year high after the Federal Reserve signaled that it was willing to lower interest rates.  The price of gold has sometimes risen in tandem with inflation, or in response to financial stress around the world. Lately, though, it appears to be responding to signals sent by central banks.  Gold tends to rise when after-inflation returns on other assets perceived as safe, such as government bonds, decline. | The Wall Street Journal | 06/21/2019 | Lauren Silva Laughlin |
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| Factory Slowdown Casts Gloom on Global Economy | Manufacturing is faltering in the U.S. and a number of key economies around the world, darkening the outlook for the global economy and increasing the likelihood that central banks will ease policy to provide support.  The purchasing managers index for U.S. manufacturing activity declined to 50.1 in June, the lowest level in nearly a decade…  Meanwhile, manufacturing activity in Europe contracted in June…  U.S. manufacturers attributed the pullback to several factors, including escalating trade tensions, cooling global growth, slowing momentum after last year’s burst of investment and a tight labor market that is constraining production. | The Wall Street Journal | 06/22-23/2019 | Paul Hannon, Sarah Chaney and Austen Hufford |
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| At The Beginning | The ongoing bull market for the S&P 500, which began on 03/10/09, has gained +441% (total return) over its 10-year, 3 ½ month duration. The stock index gained +72% during the first 12 months of the bull run, including +27% during the first month of the bull market (source: BTN Research). | By The Numbers | 06/24/2019 |  |
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| Crystal Ball | As of 12/17/18, 20 Wall Street strategists predicted where the yield on the 10-year Treasury note would be as of 12/31/19, i.e., a year down the road. All 10 individuals forecasted an increase in the 10-year note yield during the year from its actual 12/31/18 yield close of 2.68%, with the predictions ranging from a low of 2.75% to a high of 3.6%. Instead of rising however, the rate has fallen YTD I n 2019 as the yield on the 10-year note closed at 2.06% last Friday 06/21/19 (source: Barron’s). | By The Numbers | 06/24/2019 |  |
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| Negative | The yield on the 10-year German government bond fell to a record low -0.32% on 06/18/19, i.e., a new buyer of that bond is guaranteed to take a loss if he/she holds the bond to maturity (source: Financial Times). | By The Numbers | 06/24/2019 |  |
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| Bond-Yield Plunge Signals Unease  *Mixed messages in the markets heighten pressure on the globe’s fiscal policy makers* | The collapse in bond yields since this spring has been stark, swift and global, upending expectations that the world’s economy would be strong enough to support a return to normal monetary policy after years of easy money.  The drop says investors expect a recession may be looming, and that central banks will have to step in with lower rates to try to forestall it. Ten-year bond yields last week fell to record lows in Germany and France and below 2% in the U.S. for the first time since 2016.  Yet the signal from the bond market is confounding. Other measures of market sentiment remain buoyant: The S&P 500 on Thursday notched its first record close since April…  Another factor is a sense among investors that the global economy – hampered by aging demographics and weak productivity – just can’t break out of a decade of tepid expansion and generate significant inflation. | The Wall Street Journal | 06/24/2019 | Patricia Kowsmann, Avantika Chilkoti and Sam Goldfarb |
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| A Leader of Fracking Boom Rethinks Headlong Growth | Shale drillers transformed the U.S. into the world’s largest oil producer, churning out roughly 12 million barrels a day, according to the Energy Information Administration. But after years of losing money, they are coming under intense pressure from investors and Wall Street financiers to boost returns.  Under pressure to generate positive cash flows, executives are slashing overhead and dialing back drilling plans.  Many older wells are falling short of expectations, and some operators acknowledge that they have fewer future drilling locations than they once predicted. | The Wall Street Journal | 06/25/20119 | Rebecca Elliott and Bradley Olson |
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| Markets Split Into 2 Packs – Risk-On, Risk-Off | Bonds, stocks and currencies are moving in tandem more often, as central-bank surprises and trade uncertainty assert their grip over markets.  Known by investors as “risk-on, risk-off”, the phenomenon happens when markets essentially split into two broad buckets that move together: risk-off, or haven assets, which rally when investors grow skittish; and risk-on, or growth assets, which rally when risk appetite returns.  A basked of assets that reflect either risk-on or risk-off sentiment has moved together nearly a quarter of the past 100 days through June 21…  Two assets, the S&P 500 and the euro’s value against the dollar, tend to rise when investors are optimistic. Two others, the yield on 10-year Treasurys and the dollar’s value against the Japanese yen, tend to fall when investors grow skittish. | The Wall Street Journal | 06/25/2019 | Avantika Chilkoti and Pat Minczeski |
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| Trade Tensions, Job Fears Darken Consumer Mood | U.S. optimism about the economy deteriorated in June to its lowest level in 21 months as consumers fretted over escalating trade tensions and a cooling jobs market, according to a monthly barometer of Americans’ mood. | The Wall Street Journal | 06/26/2019 | Harriet Torry |
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| Fed Chatter, Tech Stocks Pull Down Dow | U.S. stocks fell, as investors weighed commentary from Federal Reserve officials and shares of technology companies slumped.  The Dow Jones Industrial Average fell by 179.32 points, or 0.7%, to 26548.22, its biggest decline since May. The S&P 500 slumped 27.97 points, or 1%, to 2917.38. The Nasdaq Composite lost 120.98 points, or 1.5%, to 7884.72.  The yield on the 10-year Treasury note fell to 1.994%, its lowest level since November 2016… | The Wall Street Journal | 06/26/2019 | Will Horner |
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| Gold Rallies in Anticipation of Lower Rates | The price of gold is rising at the quickest pace in years, illustrating the extent to which global investors are anticipating lower interest rates around the world and seeking alternatives to bonds and currencies.  The most-active gold futures contract climbed as much as 1.5% Tuesday before closing slightly higher at $1,418.70 a troy ounce – its highest level since August 2013. | The Wall Street Journal | 06/26/2019 | Ira Iosebashvili and Amrith Ramkumar |
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| Business Spending Now on the Brink | The Commerce Department on Wednesday said new orders for durable goods – long-lasting items such as computers and engine parts – fell 1.3% in May after falling 2.8% in April.  Indeed, nondefense capital goods excluding aircraft, which economists use to get a read on overall business investment, rose just 0.4% last month – not enough to make up half of its 1% drop the month before.  The by-now-familiar worries a bout a weakening global outlook and trade tensions are a big part of what is going on. Manufacturers in particular are more exposed to the rest of the world than other domestic companies, so when trouble flares up abroad, they can get hit. The dollar’s strength over the past year has compounded the problem, making U.S.-made goods less competitive globally. | The Wall Street Journal | 06/27/2019 | Justin Lahart |
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| Investors Flock to Inflation Bonds | Demand is surging for U.S. government bonds that have returns adjusted for the rate of inflation, even as investors have grown increasingly skeptical about the potential for prices to rise, the latest sign that many expect interest rate cuts from the Federal Reserve.  Yields on Treasury inflation-protected securities, which fall as bond prices climb, have declined along with fixed-rate U.S. government debt to near their lowest levels in almost t wo years. The yield on 10-year TIPS fell to 0.327% Thursday from about 1.20% in November… | The Wall Street Journal | 06/28/2019 | Daniel Kruger |
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| Strong Growth Is Expected to Slow | The pace of U.S. economic growth remained at a strong 3.1% annual rate in the first three months of the year, but a downward revision to consumer spending suggests the momentum could be difficult to maintain in the second quarter.  The pace of growth in the first quarter was much stronger than the 2.2% rate in the fourth quarter of last year. Still, economists project growth is slowing in the second quarter of this year.  Sectors of the economy tied to trade, manufacturing and housing appear to be struggling with uncertainties related in part to overseas trade tensions.  ♦ Consumer spending, which accounts for more than two-thirds of U.S. economic output, grew at a 0.9% annual rate in the first quarter, compared with a prior estimate of 1.3%. That was a sharp slow-down from the fourth quarter…  ♦ Weaker consumer spending was driven by lower outlays on services than previously thought.  ♦ A measure of business investment, fixed nonresidential investment, rose at a 4.4% rate, well above t he prior reading of 2.3%. Business investment was strong last year… | The Wall Street Journal | 06/28/2019 | Harriet Torry and Paul Kiernan |
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| Stocks Cap Best First Half Since ‘97 | Stocks notched solid gains in the second quarter thanks to a shift in perceptions that the Federal Reserve will cut interest rates, extending a rally that propelled the S&P 500 to record highs.  The benchmark overcame an escalation in the U.S.-China trade fight to close Friday up 17% so far this year…  Stocks also rose despite mounting fears of an economic slowdown that have pushed bond yields down globally.  The S&P closed Friday at 2941.76, up 16.84 points, or 0.6% on the day and 3.8% for the second quarter. The Dow Jones Industrial Average rose 73.38 points, or 0.3%, to 26599.96 and is now up 14% in 2019. | The Wall Street Journal | 06/29-30/2019 | Corrie Driebusch |
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| Lid Kept On OPEC Output  *Saudi Arabia will apply pressure on producers that haven’t complied* | OPEC is set to extend its oil production cuts into the second half of this year, cartel and Saudi officials said, as the group and its allies contend with Middle East tensions that threaten crude supply and economic weakness in China that could crimp demand. | The Wall Street Journal | 06/29-30/2019 | Benoit Faucon and Summer Said |
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| Renewed Trade Tensions Fuel Caution | Money managers including Russell Investments have pared their exposure to U.S. stocks, favoring more attractively valued shares of emerging-market companies.  How those moves pan out largely depends on what happens in Osaka, Japan, this weekend, when Messrs. Trump and Xi meet Saturday on the sidelines of the Group of 20 summit.  While money managers at UBS Asset Management expect a trade deal at some point over the next 12 months, the broad level of uncertainty has led them to take a more neutral investment stance that offers some protection. | The Wall Street Journal | 06/29-30/2019 | Michael Wursthorn |
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| Treasury Yields Decline | U.S. government-bond yields fell for a third consecutive quarter, reflecting how worries about slowing growth and global trade have boosted investor demand for haven assets.  The yield on the benchmark 10-year Treasury note, which falls when bond prices rise, settled at 2% on Friday, from 2.007% the previous day. It has fallen by more than a full percentage point in the past three quarters, its biggest decline over such a period since 2011.  An agreement between President Trump and Chinese President Xi Jinping would likely ease fears of a tariff-caused global economic slowdown and cut demand for haven assets like Treasurys, the Swiss franc and Japanese yen, some investors believe. | The Wall Street Journal | 06/29-30/2019 | Ira Iosebrashvili |
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| U.S., China agree to new trade talks after Xi meeting  *A Trump About-Face on Huawei, Tariffs* | President Trump’s decision Saturday to relax limits on Chinese telecommunications giant Huawei and to delay new tariffs on Chinese goods may revive stalled trade talks with Beijing, but it leaves negotiators confronting the same tough issues that derailed negotiations in early May.  But lawmakers in both parties objected to his decision to allow at least some U.S. companies to continue supplying Huawei… | The Washington Post | 06/30/2019 | David J. Lynch and Damian Paletta |
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| Rebound ends ahead of G-20 | U.S. stocks halted this month’s rebound as investors turned their focus to key trade talks with China and weighed the chances that central banks around the world will take steps to shore up economic growth.  The S&P 500 fell 0.3 percent, posting its first weekly decline of June. The Dow fell 0.4 percent to 26,600. The Nasdaq dropped 0.3 percent.  After a three-week rally that had pushed the S&P 500 back to a record following a rout in May, investors turned more cautious. | The Washington Post | 06/30/2019 | Bloomberg News |

“Give a man a fish and he will eat for a day. Teach a man to fish and he will eat for a lifetime. Teach a man to create an artificial shortage of fish and he will eat steak forever!” -*Jay Leno*

***JULY FOURTH*** *– When the Continental Congress approved the Declaration of Independence on 07/07/1776, the population of the 13 colonies was 2.5 million, equal to the population of Houston Today (source: Census Bureau).*

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