

RESOURCE LOG – 2017

Article Title	Detail	Publication	Date	Author
Global Stocks Cap Strong First Half <i>After a solid run for equities in the U.S. and abroad, investors ask: Will gains last?</i>	<p>Global stock markets collectively had their best opening half-year in years, but turbulence this week could be a harbinger of greater volatility.</p> <p>All but four of 30 major indexes representing the world's biggest stock markets by value have risen this year...</p> <p>In the U.S., the tech-heavy Nasdaq Composite surged 14%, its best first half since 2009. The Dow Jones Industrial Average and S&P 500 each rose about 8% - the best start to a year since 2013.</p>	The Wall Street Journal	07/01-02/2017	Steven Russolillo
What's News	♦ Inflation eased for the third consecutive month and consumer spending was tepid in May, potential complications for the Fed.	The Wall Street Journal	07/01-02/2017	
What's News	♦ The Dollar is down 5.6% so far this year, its worst stretch in six years, as investors turned more confident that economic recoveries around the world are gaining on or surpassing growth in the U.S.	The Wall Street Journal	07/03/2017	
Stock Face Energy Crunch <i>Worries emerge that crude-price collapse could diminish bullish outlook on market</i>	<p>Tumbling oil prices are emerging as the latest threat to the long stock-market rally.</p> <p>U.S. stocks set records in the first half of the year, bolstered by steady economic growth world-wide and the best quarterly earnings among S&P 500 companies in nearly six years. Energy companies are expected to provide the biggest boost in earnings growth of the broad index's 11 sectors this year, according to analysts surveyed by FactSet, largely due to favorable comparisons with a weak year-ago period.</p> <p>S&P 500 companies are expected to post earnings growth of 9.8% in 2017 compared with a year earlier...</p> <p>But some investors are concerned that the recent collapse in crude prices could damp that bullish outlook.</p> <p>Also the stock market has been moving less in tandem with oil prices this year than last, when U.S. crude and the S&P 500 hit their 2016 lows on the same day.</p> <p>"As long as oil finds a floor around \$40 a barrel or higher", earnings should continue growing, said Alan Gayle, director of asset allocation at RidgeWorth Investments.</p>	The Wall Street Journal	07/03/2017	Akane Otani
What's News	♦ The S&P 500 posted its biggest one-day drop since May in a broad selloff. The Dow shed 158.13 points.	The Wall Street Journal	07/07/2017	
Jobs Grow, but Wages Stay Stuck <i>U.S. employers hire 222,000 more people but pay mysteriously isn't rising apace</i>	<p>...the unemployment rate rose slightly to 4.4% with more people actively looking for work.</p> <p>The U.S. has added jobs every month since October 2010... The unemployment rate touched a 16-year low in May and the number of job openings hit a record earlier this year.</p>	The Wall Street Journal	07/08-09/2017	Jeffrey Sparshott

	<p>Still, average hourly earnings for private-sector workers rose slightly in June, 2.5% compared with a year earlier...</p> <p>Tepid wage growth is a puzzle because worker incomes should in theory rise faster as employers compete for scarce labor.</p>			
The Stock Market Faces A New Threat: Bonds	<p>Rising bond yields threaten to undermine the case for holding expensive stocks, and shareholders should be worried.</p> <p>Stock markets have provided a flavor of the risks ahead as bond yields jumped over the past two weeks. In the eurozone, where the bond moves started, financials are the only sector that have managed to rise, as banks benefit from higher yields.</p> <p>Just how big the danger is will depend on what happens to bond yields, or course. But it will also depend on why yields rise...</p> <p>Rising bond yields can be good for stocks if they are driven up by expectations of a stronger economy.</p>	The Wall Street Journal	07/11/2017	James Mackintosh
What's News	<p>♦ An emerging-markets rally is losing steam as major central banks signal they are winding down easy-money policies.</p>	The Wall Street Journal	07/12/2017	
Dow Hits Record on Rate Signals <i>Clues from the world's largest central banks on their next moves buoy sentiment</i>	<p>Stocks and government bonds rallied and the dollar fell after Federal Reserve Chairwoman Janet Yellen addressed a slowdown in inflation.</p>	The Wall Street Journal	07/12/2017	Amrith Ramkumar and Riva Gold
Bank Deposits Don't Pay	<p>For now, most bankers are happy to keep deposit yields at historically low levels, even as the Federal Reserve moves further from near-zero rates.</p> <p>The Fed has raised rates four times since December 2015. But at most banks, rates for things like savings accounts have barely budged.</p> <p>The Fed had previously signaled that it expected to raise rates one more time this year, from the current range of between 1% and 1.25%.</p>	The Wall Street Journal	07/13/2017	Christina Rexrode
What's News	<p>♦ Yellen said a strong labor market and rising import prices supported her expectation that soft inflation would prove transitory.</p>	The Wall Street Journal	07/14/2017	
Economy Chugs as Market Soars	<p>Surging optimism in financial markets hasn't translated into a big pickup in economic growth.</p> <p>Stocks hit records Friday and big U.S. banks reported stronger-than-expected earnings. But new government data showed consumers pulled back spending at midyear even as markets rallied. Households also grew less optimistic about the future and inflation on consumer purchases softened.</p>	The Wall Street Journal	07/15-16/2017	Ben Leubsdorf

	<p>President Donald Trump has set out an agenda to push economic growth well beyond the roughly 2% pace that has prevailed since the recession ended in 2009, but so far there is little sign of a real breakout happening.</p> <p>Rising stocks could point to an upturn down the road, or conversely a risk that investors could soon get tripped up.</p>			
What's News	♦ The Dow industrials and the S&P 500 closed at records as investors anticipated low rates for the foreseeable future.	The Wall Street Journal	07/15-16/2017	
The Four Stocks You Can't Skip	<p>When one-third of the S&P 500's gain comes from four stocks, there aren't many ways to beat the market without them.</p> <p>A good year for the stock market would be a lot less exciting if it hadn't been for the shares of Amazon.com, Apple, Google parent Alphabet and Facebook.</p> <p>The total return of the S&P 500 is 10.5% this year. Only three of its 11 sectors have done better: technology (home to Apple, Alphabet and Facebook), consumer discretionary (home to Amazon) and health care.</p>	The Wall Street Journal	07/17/2017	Justin Lahart
What's News	♦ Wall Street's VIX, a key gauge of market volatility, hit its lowest level in almost 24 years Friday.	The Wall Street Journal	07/17/2017	
Economic Data Show Continued Resilience	<p>The economy steamed a long strongly in the second quarter, matching the 6.9% growth rate in the first, as Beijing balances its growth objectives against the need to rein in excessive credit and an overheating property market.</p> <p>The second-quarter result leaves little doubt that China will meet its annual growth target of "about 6.5%", though economists still expect some slowing in the second half of the year.</p>	The Wall Street Journal	07/17/2017	Grace Zhu and Liyan Qi
Investors Are digging Deeper for Value <i>They find alternatives after cutting exposure to assets that now seem too expensive</i>	<p>Some investors are searching globally for out-of-favor assets, concerned that a looming wind down of central banks' easy-money policies will hit the markets' top performers.</p> <p>Signals that policy makers around the world are preparing to dial back stimulus efforts amid evidence of broad improvement in the global economy sparked selling in government bonds, utilities shares and the U.S. dollar in recent weeks.</p> <p>The yield on the benchmark U.S. 10-year Treasury note is a yardstick money managers use to value other assets, so a rapid climb in yields could rattle other markets. At the same time, the cyclically adjusted price-earnings ratio for the S&P 500, a popular metric pioneered by Nobel Prize-winning economist Robert Shiller, shows valuations are at their highest levels since 2002.</p> <p>The average S&P 500 stock now trades at 3.1 times book value, according to FactSet, the highest multiple in a decade.</p>	The Wall Street Journal	07/18/2017	Ira Iosebashvili
China's Growth Masks Signs of Trouble	China touted its economic expansion this year as evidence it can reduce debt without harming growth. But the outlook appears hazier when considering the property market's outsize role in the economy, jittery consumers and signs that significant deleveraging hasn't fully set in.	The Wall Street Journal	07/18/2017	Lingling Wei

	<p>But Beijing has to continue to clamp down on credit to shift to a more sustainable growth model, leaders say.</p> <p>Beijing faces a policy dilemma in its battle to tame the property market, which, together with construction and home furnishings, now contributes to a third of the overall economy.</p> <p>In addition, the rising property prices are causing many consumers to tighten their purse strings.</p>			
What's News	♦ Foreigners are buying U.S. homes at a record rate, helping push up prices in coastal cities already squeezed by supply shortages.	The Wall Street Journal	07/19/2017	
Markets to the Fed: Please Leave Us Alone	<p>Bond yields around the world have surged since the European Central Bank hinted last month that its bond buying was coming to an end, a replay of the "taper tantrum" in 2013 when the Federal Reserve caught markets off guard.</p> <p>Both episodes are fodder for a view widespread in markets that bonds long ago ceased to be an independent reflection of economic fundamentals and are now just a giant bet on what central banks do with their securities portfolios.</p> <p>Randal Quarles, a private-equity executive nominated as Fed vice chairman for regulation, last year claimed "years of near-zero interest rates have led to a rise in speculative positions across a wide range of asset classes."</p>	The Wall Street Journal	07/20/2017	Greg Ip
What's News	♦ Three major stock-market benchmarks in the U.S., Europe and Asia have avoided pullbacks this year.	The Wall Street Journal	07/20/2017	
What's News	♦ The S&P 500's information-technology sector beat its previous high, set at the dot-com bubble's peak.	The Wall Street Journal	07/20/2017	
What's News	♦ The Dow, S&P 500 and Nasdaq all set records on broad gains. The blue chips rose 66.02 to 21640.75.	The Wall Street Journal	07/20/2017	
'Real' Bond Yields Fall on Growth Doubts <i>Declines in yields for inflation-adjusted debt show skepticism on the U.S. economy</i>	<p>Inflation-adjusted bond yields are falling again, high-lighting investors' doubts about the U.S. economy's growth prospects.</p> <p>The yield on the 10-year Treasury inflation-protected security, or TIPS, pulled back to 0.483% Friday, down from 0.530% Thursday and a recent high of 0.646% on July 7. Yields fall when bond prices rise.</p> <p>The 10-year TIPS yield is one popular measure of "real" yields, or the yield on the benchmark 10-year Treasury note minus the rate of inflation.</p> <p>Real yields are important because they reflect investors' actual purchasing power from their bond investments.</p> <p>"Lower real yields, if sustained, imply lower growth potential for an economy", said Donald Ellenberger, head of multisector strategies at Federated Investors.</p>	The Wall Street Journal	07/24/2017	Min Zing

	<p>Meanwhile, the average yield on U.S. junk bonds also ticked up as real yields climbed and retreated as bonds rallied recently. U.S. bond funds and exchange-traded funds focusing on U.S. junk bonds have suffered weekly net outflows in four of the past five weeks, according to data from fund tracker Lipper.</p> <p>Some investors don't expect a big selloff in the junk-bond market.</p>																		
Caterpillar Boosts Outlook on Signs of Global Upturn	<p>Caterpillar Inc. signaled cautious optimism about global growth, offering fresh evidence that many markets are in rebound mode after a yearslong slump.</p> <p>The world's largest heavy-machinery maker, an economic bellwether, in its second-quarter earnings report Tuesday highlighted growing demand in China's construction sector and a revitalization of the mining industry.</p>	The Wall Street Journal	07/26/2017	Andrew Tangel and Josh Zumbrun															
Treasurys Pull Back Awaiting Fed	<p>A bout of selling hit the U.S. government-bond market Tuesday...</p> <p>The selling sent the yield on the benchmark 10-year Treasury note to 2.328% from 2.253%Monday...</p> <p>This week's turn toward higher yields is the latest twist for the Treasury market, which has endured big swings over the past month.</p> <p>If inflation remains stuck below the Fed's 2% annual target, many investors expect yields to either fall or stay around current levels.</p>	The Wall Street Journal	07/26/2017	Sam Goldfarb															
'Fear Gauge' Hits a Record Low	<p>A key measure of market volatility set a new floor Tuesday, falling to its lowest level ever in intraday trading.</p> <p>The CBOE Volatility Index, known as Wall Street's "fear gauge," declined to 9.04 at one point in the day, marking a new intraday low...</p> <p>The VIX uses S&P 500 options prices to project expected stock-market swings over the next 30 days. It tends to rise when stocks are falling and vice versa.</p> <p>Markets have been calm this year, and some investors and analysts have said that a resurgence in volatility could be on the horizon.</p>	The Wall Street Journal	07/26/2017	Gunjan Banerji and Amrith Ramkumar															
BANKRATE.COM MMA, Savings and CDs	<p>Average Yields of Major Banks:</p> <table><tr><td>Type</td><td>1-YR</td><td>5-YR</td></tr><tr><td></td><td></td><td></td></tr><tr><td>National average</td><td></td><td></td></tr><tr><td>Savings</td><td>0.31</td><td>0.85</td></tr><tr><td>Jumbos</td><td>0.34</td><td>.090</td></tr></table>	Type	1-YR	5-YR				National average			Savings	0.31	0.85	Jumbos	0.34	.090	The Wall Street Journal	07/26/2017	
Type	1-YR	5-YR																	
National average																			
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What's News	♦ Global growth and a weakening dollar are boosting profits at many U.S. firms that do business overseas, helping support the rally in stocks. The Dow rose 85.54 to a record 21796.55.	The Wall Street Journal	07/28/2017																
What's News	♦ Shell's CEO warned that oil prices may never reach pre-crash levels and demand will eventually decline.	The Wall Street Journal	07/28/2017																

Libor, Once the World's Premier Benchmark, Faces Extinction	The London interbank offered rate was created in 1986 and was the benchmark for trillions of dollars of loans and derivatives before becoming a symbol of financial malfeasance after the financial crisis. The U.K. regulator on Thursday said it would phase out the rate in five years.	The Wall Street Journal	07/28/2017	
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When Philadelphia Phillies relief pitcher Tug McGraw was asked what he would do with his 1980 World Series winnings, he replied, "Ninety percent I'll spend on good times, women and Irish Whiskey. The other ten percent I'll probably waste." -Tug McGraw, 1944-2004

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