

**RESOURCE LOG – August 2018**

Article Title	Detail	Publication	Date	Author
Where To Invest When The Party Ends	<p>The last recession coincided with one of history's worst bear markets in stocks. Between its peak in October 2007 and its trough in March 2009, the S&amp;P 500 tumbled 56%, and shareholders worldwide endured a staggering \$11trillion in lost market value.</p> <p>Pulling money out of a declining market means having to decide when to jump back in to capitalize on a recovery. The number of investors who can correctly identify the beginnings and endings of bear markets can comfortably fit in a minivan,...</p> <p>A recent study from Morningstar frames the issue starkly. From 1997 through 2017, the S&amp;P 500 returned 7.2% annually. But if you had been on the sidelines, for whatever reason, and missed the market's 30 best days – a tiny fraction of the 5,217 trading days during that 21-year span – your stock portfolio would have <i>lost</i> 0.9% annually.</p>	Fortune Magazine	August 2018	Matt Heimer
Reliable Indicators Are Pointing Down	<p>Focusing on debt and its cost is wise because bond interest rates boast an excellent record of forecasting recessions – and they're close to predicting one now. When the yield on long-term (10-year) Treasury securities falls below the yield on short-term (three-month) Treasuries – an inversion of the yield curve – a recession is on the way.</p> <p>As of mid-July, the yield curve had not inverted, but it was getting close...</p> <p>But super-low unemployment also means the expansion is pressing up against its limits.</p>	Fortune Magazine	August 2018	
The End is Near	<p>The optimism is beaming like the summer sun. America's big-company CEO's are bursting with confidence, in June expecting to take in even more revenue and make bigger investments than they foresaw in March, when they were more confident than ever before in the 15 years the Business Roundtable has been surveying them. Leaders of small businesses also are brimming with optimism – more than at any time in the past 30 years, reports the National Federation of Independent Business.</p> <p>...it wouldn't be surprising if the U.S. economy continued to grow impressively for at least a few quarters more.</p> <p>Yet all these signs of economic strength mask fundamental realities that won't fade away and mustn't be ignored. The current economic expansion is much nearer its end than its beginning, as accumulating hints suggest – including the stagnating stock market,...</p> <p>Already the concerns are pushing up long-term interest rates, which is bad for asset values. Uncertainty about the effects of a trade war is causing many companies to postpone action...</p> <p>Ray Dalio, CEO of the world's largest hedge fund, Bridgewater Associates, writes, "That is why it is not unusual to see strong economies accompanied by falling stock and other assets prices."</p> <p>Meanwhile, employers will likely have to bid up wages in order to attract and keep good workers, hitting corporate earnings directly.</p>	Fortune Magazine	August 2018	

	Inflation and interest rates are rising and will likely continue to do so, forecasts the CBO. With all those factors combining, says Dalio, “We know that we are in the ‘late-cycle’ part” of the business cycle.			
Stop Signs For Trade, A Pileup For Stocks <i>Trade tensions are slamming the brakes on the bull market.</i>	<p>The stock market is finally falling out of love with the Trump administration. During the President’s first year in office, the S&amp;P 500 rose a jaw-dropping 21.8%, but that momentum has petered out. As of mid-July, the index was 3% below its January 2018 peak. There... stumbling...but rising trade tensions around the globe are among the biggest.</p> <p>Shareholders haven’t panicked yet, in part because current tariffs affect only a tiny fraction of global trade. The World Bank estimates that even factoring in the conflict, global growth in 2018 will reach 3.1%, the fastest rate since 2011.</p> <p>Of course, trying to forecast how a trade war could affect every stock you own is a daunting task – and perhaps a fruitless one in this unpredictable climate. A simpler approach, says Shawn Cruz, manager of trading strategy at TD Ameritrade, is to diversify your portfolio away from U.S. large-cap stocks.</p> <p>But companies in the Russell 2000, which tracks U.S. small-caps, derive just 21% of their revenue from outside the U.S., compared with 38% for those in the S&amp;P 500 – and that greater domestic focus shields them from the full impact of trade battles. It’s a good time to split a U.S. stock allocation 50/50 between the S&amp;P 500 and small-caps....</p>	Fortune Magazine	August 2018	Chris Matthews
What’s News	♦ U.S. stocks rose, helped by a tech bounce and strong earnings among industrials. The Dow gained 108.36 points to 25415.19.	The Wall Street Journal	08/01/2018	
Deficits Prompt Treasury To Boost Borrowing	<p>The higher-than-expected increase in borrowing needs – the Treasury’s total for the remainder of 2018 would be 63% higher than what it borrowed during the same six-month period last year – helped drive the yield of 10-year Treasury notes above 3% for the first time since June.</p> <p>The rising supply of debt could push up the cost of borrowing as the government seeks to attract investors, though many factors, including the inflation outlook, Federal Reserve decisions and shifting investor appetites for safe securities also play roles in setting interest rates.</p> <p>The Fed has been raising short-term interest rates to ensure the fast-growing economy doesn’t overheat.</p>	The Wall Street Journal	08/02/2018	Josh Zumbrun and Daniel Kruger
What’s News	♦ The Fed held interest rates steady and gave an upbeat economic assessment, suggesting another rate increase is likely at the central bank’s next meeting.	The Wall Street Journal	08/02/2018	
What’s News	♦ U.S. stocks fell as losses in energy and industrial issues offset a tech rebound. The Dow retreated 81.37 points to 25333.82.	The Wall Street Journal	08/02/2018	
What’s News	♦ The U.S. boosted pressure on China, with the administration threatening to more than double proposed tariffs on imports and Congress passing a defense bill aimed at curbing Beijing.	The Wall Street Journal	08/02/2018	

Upbeat Earnings Give Shares a Boost	<p>Investors are rewarding companies that beat Wall Street's earnings expectations with the largest share-price gains in years, helping to underpin a U.S. stock-market rally rattled by this year's trade tensions and rising interest rates. Earnings for S&amp;P 500 companies are expected to log a rise of 24% for the second quarter, according to Fact-Set estimates. That would rank as the second-largest increase since 2010 and extend a streak of double-digit profit growth for U.S. companies that had in previous quarters failed to impress investors.</p> <p>"This is a market that is proving the skeptics wrong," said Jack Ablin, chief investment officer of Cresset Wealth Advisors. "There is a fair amount of resilience in corporate America and that's a good thing for equities."</p> <p>Strong earnings helped send the S&amp;P 500 up 3.6% in July,...</p>	The Wall Street Journal	08/03/2018	Chelsey Dulaney
What's News	♦ Apple became the first U.S. company to surpass \$1 trillion in market value, underscoring the iPhone maker's explosive growth and its role in the tech industry's ascent.	The Wall Street Journal	08/03/2018	
What's News	♦ Tech shares rallied, lifting the Nasdaq 1.2% and sending the S&P 500 0.5% higher. The Dow lost 7.66 points.	The Wall Street Journal	08/03/2018	
What's News	♦ The Bank of England raised its benchmark interest rate to its highest level in almost a decade, highlighting inflation concerns.	The Wall Street Journal	08/03/2018	
What's News	♦ Beijing said it was prepared to retaliate after Trump threatened to double proposed tariffs on \$200 billion of Chinese goods.	The Wall Street Journal	08/03/2018	
China Readies More Tariffs <i>Plan affects \$60 billion in American products, follows Trump threat</i>	China is planning to impose tariffs on a majority of its U.S. imports, a move designed to match the Trump administration's threats that will further intensify trade tensions between the world's two largest economies.	The Wall Street Journal	08/04-05/2018	Lingling Wei and Bob Davis
What's News	♦U.S. stocks rose Friday, lifting the S&P 500 to its fifth consecutive weekly gain. The Dow added 136.42 points to 25462.58.	The Wall Street Journal	08/04-05/2018	
Profits Soar as Economy Advances	<p>America's biggest companies are reporting some of the strongest earnings growth since the recession, boosted by lowered tax rates and a robust U.S. economy that is fueling demand across industries.</p> <p>Profits at S&amp;P 500 companies jumped an estimated 23.5% in the three months through June, according to data from Thomson Reuters...</p> <p>The profit gains, which stretched across all S&amp;P sectors, from energy to health care, have helped sustain a stock-market rally that sent major indexes to near records...</p>	The Wall Street Journal	08/06/2018	Thomas Gryta
Value Stocks Stage a Rebound	Shares of companies that the market tends to overlook could be coming back in favor as investor fears over trade tensions grow and the nine-year bull market ages.	The Wall Street Journal	08/06/2018	Danielle Chemtob and Peter Santilli

	<p>Last month, the Russell index of 1,000 of the biggest so-called value stocks beat a similar index that tracks fast-growing companies for the first time since March and by the widest margin since September 2017, according to Bank of America Merrill Lynch. The Russell 1000 Value Index climbed 3.8% in July, compared with the Russell 1000 Growth Index's gain of 2.9%.</p> <p>Investors typically flock to value companies in the later stages of an economic cycle, before a recession.</p> <p>Industrial, financial and health-care companies led stock-market gains in July as interest rates rose and data showed the economy growing at the fastest pace in nearly four years.</p>			
S&P 500 Hits Highest Level Since January	<p>Robust second-quarter earnings growth has pushed the S&amp;P 500 to its biggest level since January despite escalating tariff threats from the U.S. and China.</p> <p>The S&amp;P 500 rose 10.05 points, or 0.4%, to 2850.40 Monday, bringing it 0.8% below its January record.</p>	The Wall Street Journal	08/07/2018	Amrith Ramkumar and Ben St. Clair
What's News	<p>♦ The Trump administration completed plans to impose new tariffs on \$16 billion in Chinese imports, bringing the total value of products covered by the duties to \$50 billion by the end of the month.</p>	The Wall Street Journal	08/08/2018	
Home Sales Decline, Hit West Hardest	<p>Rising home prices and interest rates are worsening affordability and damping home sales across the country.</p> <p>The housing market cooled in metropolitan areas across the country in the second quarter, with the pace of second-quarter sales slowing 2.4% compared with a year ago, according to the NAR.</p> <p>Price increases moderated for metro areas across the country, but affordability continued to worsen.</p>	The Wall Street Journal	08/09/2018	Laura Kusisto
Traders Bet on Stock Rally <i>Tax cuts and a robust U.S. economy boosted corporate profits in the three months through June</i>	<p>With U.S. stock benchmarks mere points away from fresh records, some traders are piling into bets that share prices will rally higher and volatility will remain muted.</p> <p>The S&amp;P 500 and the technology heavy Nasdaq Composite hit their second-highest close in history on Tuesday.</p> <p>Meanwhile, skew remains elevated for exchange-traded funds like the tech-heavy Invesco QQQ Trust and iShares Russell 2000 ETF...</p> <p>This signals there is still some fear lurking in the market over tech and small-cap stocks-groups that have been outperformers in the stock market this year.</p> <p>Now, "both the macro and earnings backdrop set up well for (the S&amp;P 500) to grind higher in the near term," wrote Mandy Xu, derivatives strategist at Credit Suisse, in a note this week.</p>	The Wall Street Journal	08/09/2018	Gunjan Banerji

	The majority of U.S. companies that have reported earnings have beat revenue and earnings estimates, according to FactSet. Tax cuts and a robust U.S. economy boosted corporate profits in the three months through June.			
What's News	♦ China warned it would match the Trump administration step for step should it move ahead with new tariffs on Chinese imports.	The Wall Street Journal	08/09/2018	
Nasdaq Extends Winning Streak	<p>The Nasdaq Composite Index notched its eighth straight session of gains Thursday, shrugging off declines in the other major U.S. stock indexes in the latest sign that investors are retaining their faith in major technology firms.</p> <p>The 3.46-point gain took the Nasdaq to 7891.78, just 41 points shy of its record set last month.</p> <p>With 82% of S&amp;P 500 tech companies having reported results, second-quarter earnings have risen 32% from the same period a year earlier – a growth rate that is nearly on par with the first quarter.</p>	The Wall Street Journal	08/10/2018	Michael Wursthorn
Earnings Steady Wobbly Market	<p>The S&amp;P 500 edged lower as the latest round of corporate-earnings reports offered some support to a stock market reckoning with yet another trade volley.</p> <p>Investors said renewed trade tensions sapped some of the market's enthusiasm after China threatened Wednesday to slap new tariffs on various chemicals and medical equipment, among other goods.</p> <p>On Thursday, the S&amp;P 500 fell 4.12 points, or 0.1%, to 2853.58...</p> <p>Still, corporate earnings for the second quarter appeared strong. With 90% of the companies in the S&amp;P 500 having reported results, the firms have posted 25% growth in profits from a year earlier, according to FactSet.</p>	The Wall Street Journal	08/10/2018	Michael Wursthorn
Economists Boost Near-Term Projections	<p>Economists are raising 2018 growth projections after a strong second quarter, but disputes with U.S. trading partners, a fading boost from fiscal stimulus and rising short-term interest rates lead many to believe the boom won't last much beyond that.</p> <p>The average estimate for economic growth this year increased to 3%, up from projections of 2.9% last month and 2.4% a year ago, according to The Wall Street Journal's monthly survey of private economists.</p> <p>"the tax cuts and jump in federal spending will keep the economy buzzing for another 12 months." Said Bernard Baumohl, chief economist of the Economic Outlook Group.</p> <p>"Beyond that, however, I expect to see dark clouds forming that would signal a recession is near."</p> <p>Fed policy is another wildcard. Inflation, as measured by the consumer-price index, is forecast to remain above 2% through 2020, a backdrop that will require the Fed to continue raising short-term interest rates in the near term, ending next year with its benchmark federal-funds rate at about 3%. Higher Fed rates, while keeping inflation from moving too much higher, could also help tamp down growth.</p>	The Wall Street Journal	08/10/2018	Josh Zumbrun

Trump Turns Up the Heat On Turkey as Lira Plunges	<p>The Turkish lira fell sharply to its lowest level ever on worries about Ankara's economic stability, sending tremors through Europe and emerging markets amid renewed jousting between the country's leader and President Trump.</p> <p>By the end of New York's trading day, a dollar bought 6.43 lira, a decline of 41% from the start of the year. The Dow Jones Industrial Average slumped 196 points or 0.8% to 25313, its third straight decline, while the dollar rose to a one-year high.</p>	The Wall Street Journal	08/11-12/2018	David Gauthier-Villars and Jon Sindreu
Stronger Inflation Eats Into Paychecks	<p>A humming U.S. economy is pushing inflation up to levels that the central bank considers healthy.</p> <p>Consumer prices rose 2.9% over the past year, a rate last exceeded in late 2011,...</p> <p>The rising cost of things like rent, gasoline and health care is another sign the economy is kicking into a higher gear after years of slower growth.</p> <p>But rising prices are now eating up much of Americans' wages gains, restraining their ability to spend in the future.</p>	The Wall Street Journal	08/11-12/2018	Josh Mitchell
Bonds Advance On Jitters In Turkey	<p>U.S. government bond prices rose Friday after continued economic uncertainty in Turkey – and the fear of a ripple effect across other markets – pushed investors to the relative safety of Treasuries.</p> <p>The yield on the benchmark 10-year Treasury posted its biggest one-day drop since May 29, closing at 2.859% Thursday. Yields fall when bond prices rise.</p> <p>"We really saw a flight to quality", said Larry Milstein, managing director of Treasury and agency trading at R.W. Pressprich &amp; Co. "The question is if this leads to contagion."</p>	The Wall Street Journal	08/11-12/2018	Orla McCaffrey
Worries Weigh on Eurozone Growth	<p>Europe's economy has slowed, and seems unlikely to bounce back strongly...</p> <p>"The euro growth cycle is in a phase when it needs more (capital expenditures)," said Shweta Singh, a managing director at economics consultancy TS Lombard. "That's why the impact of the trade wars on sentiment is so worrying".</p> <p>Indicators of how the economy has performed since June suggest it won't quickly regain lost momentum.</p> <p>HIS Markit's survey of 3,000 businesses was close to the 18-month low reached the previous month.</p> <p>"The survey responses indicate that the slowdown likely reflects worries about trade wars, tariffs and rising prices, as well as general uncertainty about the economic outlook," said Chris Williamson, HIS Markit's chief business economist.</p>	The Wall Street Journal	08/13/2018	Paul Hannon
What's News	♦ Emerging-market investors are preparing for an unsteady start to the week after days of heightened rhetoric, renewed trade tensions and another slide in the Turkish lira.	The Wall Street Journal	08/13/2018	
What's News	♦ U.S. stocks lost ground as oil prices fell and Turkey's crisis weighed on global markets. The Dow shed 125.44 points to 25187.70.	The Wall Street Journal	08/14/2018	

What's News	♦ A broad investor retreat has pushed the market for digital currencies down 70% from its January high, reflecting user frustration and a general shakeout in speculative investments.	The Wall Street Journal	08/15/2018	
What's News	♦ Moves in the Turkish lira, Indian rupee and other currencies have sparked questions about how far financial distress might spread.	The Wall Street Journal	08/15/2018	
What's News	♦ U.S. stocks rose as concerns over Turkey appeared to ease. The Dow added 112.22 points to 25299.92.	The Wall Street Journal	08/15/2018	
What's News	♦ Germany's economic growth accelerated in the second quarter, ensuring the eurozone as a whole avoided a slowdown.	The Wall Street Journal	08/15/2018	
Jitters in Commodities Spread to Stocks	<p>A rout in commodities and emerging market assets spilled over to U.S. stocks Wednesday, the latest sign that underlying worries about the global economy continue to hang over the long-running bull market.</p> <p>The Dow Jones Industrial Average and S&amp;P 500 fell for the fifth time in the past six sessions, with the Dow dropping as much as 334 points before closing down 138 points, or 0.5%, at 25162. The S&amp;P 500 was 1.9% below its January record following its worst day since late June, after coming within 0.5% of its all time high last week.</p>	The Wall Street Journal	08/16/2018	Amrith Ramkumar
What's News	♦ A rout in commodities and emerging-market assets spilled over to U.S. stocks. The Dow fell 137.51 points to 25162.41, while the S&P 500 slumped 0.8%.	The Wall Street Journal	08/16/2018	
What's News	♦ Retailers from Walmart to Nordstrom are posting strong sales, evidence that the economy is spurring shopping and that some chains have found ways to compete in an increasingly online world.	The Wall Street Journal	08/17/2018	
What's News	♦ U.S. stocks soared, with the Dow gaining 396.32 points to 25558.73, amid upbeat economic data and signs of cooperation between Washington and Beijing.	The Wall Street Journal	08/17/2018	
China, U.S. Chart End to Impasse	<p>The planning represents an effort on both sides to keep a deepening trade dispute – which already has involved tariffs on billions of dollars of goods and could target hundreds of billions of dollars more – from torpedoing the U.S. China relationship and shaking global markets.</p> <p>The talks represent a clear move by Beijing to get relations with Washington back on track...</p>	The Wall Street Journal	08/18-19/2018	Lingling Wei and Bob Davis
What's News	♦ The Dow climbed 110.59 points to 25669.23, as fears of contagion from Turkey's crisis continued to ebb.	The Wall Street Journal	08/18-19/2018	
Currency Turmoil Hits Commodities	<p>Prices for sugar and coffee fell to the lowest point in a decade or more on Friday, capping off a painful week as traders fled commodity markets in search of safer assets.</p> <p>A rout in emerging-market currencies and concern about global economic health escalated during a week when there was selling of natural resources from oil to copper.</p>	The Wall Street Journal	08/18-19/2018	Benjamin Parkin

Tech Bulls Brush Off Price Fears <i>Stocks' high multiples fuel investor anxiety, but sector fans say they overstate risks</i>	<p>The buoyant performance of U.S. tech stocks is driving some fund managers and others to dismiss longstanding valuation concerns as short-sighted.</p> <p>While shares of companies including Amazon.com Inc., Netflix Inc. and Salesforce.com Inc. have surged this year to price/earnings ratios that are several times the market's longtime average, many fans of these investments contend that such metrics can overstate risks.</p> <p>The nine-year advance recently has been led by furious, sustained rallies in Amazon, Apple, Inc. and Google parent Alphabet Inc., among others.</p> <p>Skeptics say high valuations and a lack of "breadth" – that is, outsize gains concentrated in a small number of popular stocks – leave the broader market vulnerable to a pull-back.</p>	The Wall Street Journal	08/20/2018	Michael Wursthorn
Stronger Dollar Weighs on Emerging Markets	<p>The U.S. dollar's continued rise is injecting further risk into emerging markets, particularly those which have been borrowing heavily in the American Currency and benefiting from foreign investment.</p> <p>The WSJ Dollar Index is up 8.3% from its mid-February low. Among emerging markets, Turkey, Hungary, Argentina, Poland, and Chile all have large amounts of debt denominated in dollars and euros. That becomes more difficult to pay off when the local currency falls, particularly if revenues in the country are denominated in local currencies.</p> <p>A rising dollar also pressures prices for commodities, which are denominated in the U.S. currency and become less affordable to foreign buyers when the dollar appreciates. That's bad news for commodity exporters like Brazil, Chile and Russia.</p>	The Wall Street Journal	08/21/2018	Benjamin Eisen and Ira Iosebashvili
What's News	♦ The Dow arose 89.37 points to 25758.69, its highest level since early February. The S&P 500 and the Nasdaq also notched gains.	The Wall Street Journal	08/21/2018	
What's News	♦ The S&P 500 rose Tuesday, closing 0.3% below its January record. The Dow advanced 63.60 points to 25822.29.	The Wall Street Journal	08/22/2018	
Bull Market, soon to be longest, has room to run <i>Despite numerous scares, no sign of bears</i>	<p>Stamping an expiration date on the bull market for stocks that began almost a decade ago has proven to be a losing proposition.</p> <p>The long, upward rise in U.S. stock prices that began in March 2009 near the end of the Great Recession – a rally that survived countless scares and was doubted by market skeptics – is about to surpass the famed surge from the 1990s as the longest-running bull in Wall Street history.</p> <p>The main drivers pushing share prices even higher, market experts say, are a U.S. economy powering along at its fastest clip since 2014, companies growing their profits at the best pace in eight years and the nation's jobless rate now at an 18-year low.</p> <p>Those forces propelled the market's broadest gauge, the S&amp;P 500, to an all-time intraday high on Tuesday. It briefly topped its previous record close of 2,872.87 from January. After hitting a peak of 2,873.23, the index closed up 0.21 percent at 2,862.96.</p>	USA Today	08/22/2018	Adam Shell



	During this bull run, the S&P 500 has posted a gain of nearly 325 percent, overcoming all kinds of shocks.			
World Stocks Are Outrun by the U.S. Bull	<p>Most major stock markets have fallen short of the S&amp;P 500 since it bottomed on March 9, 2009, during the financial crisis.</p> <p>Indexes in Japan, China and Europe have lagged behind the U.S. Markets...</p> <p>And the rise in a broad gauge of emerging markets in less than half that managed by the S&amp;P 500.</p> <p>The divergence between the U.S. and the rest of the world has grown more stark this year. U.S. economic growth hit its fastest pace in nearly four years in the second quarter, and earnings are soaring.</p>	The Wall Street Journal	08/23/2018	Steven Russolillo and Mike Bird
Treasury Rally Burns Wall Street	The bets on lower prices, or "shorts" in traders' parlance, however, have been squeezed by this month's price rise in Treasurys, which has pushed the yield on the 10-yea note to 2.83%. That's well below the 3% level that many investors have viewed as the current floor for a rate that stands at the center of financial markets and factors into trillions of dollars in outstanding mortgages and other loans.	The Wall Street Journal	08/23/2018	Daniel Kruger
What's News	♦ Fed officials at their last meeting signaled they were likely to raise interest rates next month and expressed concerns that prolonged trade disputes could disrupt economic growth.	The Wall Street Journal	08/23/2018	
What's News	♦ The S&P 500 edged lower, even as the index's bull run reached a milestone. The Dow fell 88.69 points, while the Nasdaq rose 0.4%.	The Wall Street Journal	08/23/2018	
Cracks start to show up in bull's armor	<p>The Wall Street bull market may be the longest in history, but there are signs of weakness starting to appear.</p> <p>After 3,454 days without a drop of 20 percent or more, there's bound to be cracks in the foundation of the graying bull. And Oliver Jones, a markets economist at Capital Economics, a London-based firm, raised a yellow flag in a report Thursday.</p> <p>Jones' beef is that so-called cyclical stocks, or those that have benefited most from the health of the U.S. economy and have led the market advance since the financial crisis, have started to post smaller returns than so-called defensive stocks. Tech stocks and shares of firms that sell discretionary goods have been losing ground since early June to more defensive parts of the market, such as utilities, health care and companies that sell consumer staples.</p> <p>One theory as to why less high-octane stocks have started to do better is that they may be less vulnerable to concerns about trade, Jones noted. What worries him, though, is that the economically sensitive stocks also did worse than more defensive stocks in the run-up to the internet stock crash in 2000 and the financial crisis in 2008.</p> <p>Jones expects U.S. economic growth to "slow sharply" next year because of the headwind from Federal Reserve interest rate hikes and the fading benefits from tax cuts. "We forecast that the S&amp;P 500 will fall about 20% between now and the end of the year," Jones wrote.</p>	USA Today	08/24/2018	Adam Shell

	That's a bear market.			
S&P 500 Certifies Record Rally <i>Index hits new high on Fed comments, earnings</i>	<p>The S&amp;P 500 rose to a fresh high Friday, bringing to an end its longest streak without a record in two years and affirming the bull market's longevity.</p> <p>Major indexes had drifted between small gains and losses over the course of the week, with the S&amp;P 500 quietly notching the milestone of the longest-ever U.S. bull market Wednesday but finishing just shy of setting a record close.</p>	The Wall Street Journal	08/25-26/2018	Ben St. Clair and Akane Otani
Fed Chair Defends Gradual Increases	<p>Federal Reserve Chairman Jerome Powell defended the central bank's strategy of gradually raising interest rates against criticisms that the central bank is moving either too quickly or too slowly, jeopardizing the economy's expansion.</p> <p>Mr. Powell, in remarks Friday at an annual central banking conference in the Grand Tetons, built out the case for lifting rates so long as inflation is stable and unemployment falling, in order to keep the economy on an even keel. He also pushed back against critiques that the Fed is risking high inflation or asset bubbles by raising rates too slowly.</p>	The Wall Street Journal	08/25-26/2018	Nick Timiraos
Global Tech-Stock Rally Fractures	<p>For much of the most recent leg of the bull market, investors searching for growth piled into shares of a group loosely known as "FAANG-BAT," comprising U.S. tech giants Facebook, Inc., Apple Inc., Amazon.com Inc., Netflix Inc. and Google parent Alphabet Inc., as well as Chinese firms Baidu Inc., Alibaba Group Holding Ltd. And Tencent Holdings Ltd.</p> <p>The group of stocks collectively rocketed 62% higher last year, more than tripling the S&amp;P 500's gains. But that trade has begun to fracture in recent months, reflecting escalating trade tensions between China and the U.S., doubts about the global economy's health and uncertainty whether the tech sector's rally has gone too far.</p>	The Wall Street Journal	08/27/2018	Akane Otani and Steven Russolillo
U.S., Mexico Reach Deal on Trade <i>Trump threatens to freeze out Canada, proposes getting rid of the name Nafta</i>	<p>The Trump administration said it would give Canada until Friday to iron out crucial differences, including a revision that makes it harder for Nafta members to challenge U.S. trade penalties. While Mexico accepted that change, Canadian officials have said for months that would be unacceptable.</p> <p>Mr. Trump's harsh rhetoric against Canada was the latest example of his hardball approach to trade policy, where he has chosen to impose intense pressure on other countries through threats or tariffs to try to win concessions.</p> <p>His strategy is driven by a belief that the U.S. has significant clout over other nations eager to sell into the world's largest market and that prior administrations failed to make use of that.</p>	The Wall Street Journal	08/28/2018	Jacob M. Schlesinger, Josh Zumbrun and Robbie Whelan
Nasdaq Soars Past 8000 to Record <i>Surge in tech-heavy index, powered by Amazon, Netflix and others, recalls 19990s</i>	<p>The Nasdaq Composite vaulted above the 8000 thresh-old for the first time Monday, underscoring the dominant role mega-cap technology shares have played in propelling the U.S. stock market past its global peers this year.</p> <p>A number of the technology titans, including Amazon and Microsoft, have upended investors' expectations this year as they continued to post soaring profits.</p>	The Wall Street Journal	08/28/2018	Akane Otani

	<p>More broadly, the U.S. economy remains strong, a factor that has propelled not just the Nasdaq but the S&amp;P 500, the Russell 2000 index of small-capitalization companies and the Dow Jones Transportation Average to records this month.</p> <p>The Nasdaq rose 71.92 points, or 0.9%, to 8017.90 on Monday...</p> <p>With its 16% gain in 2018, the Nasdaq has nearly doubled the S&amp;P 500's advance.</p>			
Treasuries Fall With Inflow of New Debt	<p>U.S. government-bond prices slipped Tuesday as investors contended with an influx of new Treasury debt.</p> <p>The yield on the benchmark 10-year U.S. Treasury note settled at 2.884%, compared with 2.848% Monday.</p>	The Wall Street Journal	08/29/2018	Sam Goldfarb
<p>Corporate Profits Take Off</p> <p><i>U.S. firms post largest year-over-year gain in six years, fueled by tax cuts and solid economy</i></p>	<p>U.S. corporate profits boomed in the second quarter, boosted by large tax cuts and stronger economic growth than initially reported.</p> <p>The commerce Department said Wednesday that its broadest measure of after-tax profits across the U.S. rose 16.1% in the quarter ended June 30 from a year earlier, the largest year-over-year gain in six years.</p> <p>Strong economic growth also played a role. The Commerce Department revised upward its estimate of how fast the U.S. economy grew in the second quarter, to an annual rate of 4.2% from an earlier estimate of 4.1%.</p> <p>On Wednesday, the S&amp;P 500 index added 0.6%, while the tech-heavy Nasdaq Composite climbed 1%. Both set new highs. The Dow Jones Industrial Average closed up 61 points, or 0.2%, at 26124.57.</p>	The Wall Street Journal	08/30/2018	Harriet Torry and Theo Francis
Canada, U.S. Say Trade Talks Are On Track	<p>Trade ties between the U.S. and Canada took a sudden optimistic turn on Wednesday as the two countries signaled they were on track to meet a tight Friday deadline to revise the North American Free Trade Agreement.</p> <p>The Trump administration had set that deadline for Canada to join a preliminary accord the U.S. and Mexico had achieved on Monday or risk being left out.</p>	The Wall Street Journal	08/30/2018	Paul Vieira and Vivian Salama
<p>Small Stocks Gain Big, for Now</p> <p><i>Tax cuts, frictions over trade boost the demand for shares in the Russell 2000</i></p>	<p>Soaring profits at smaller publicly traded companies are driving the Russell 2000 to records as investors bet U.S. economic strength will boost smaller companies while trade frictions hit their multinational counterparts.</p> <p>A resurgence in economic growth and consumer spending has brightened prospects for the stock market's smaller cohorts, analysts say, while the shadow of a trade war has damped the returns of big, multinational stock such as industrial manufacturers.</p> <p>...earnings throughout the index of small-capitalization stock grew by 35% from a year earlier, while sales jumped 10.5%, according to Michael O'Keeffe, chief investment officer at Stifel Nicolaus &amp; Co.</p> <p>Small-cap stocks also often swing more than the rest of the market and can suffer sharp reversals.</p>	The Wall Street Journal	08/30/2018	Michael Wursthorn

	<p>For now, investors are betting the trade spat between Washington and Beijing and other allies will continue to have a bigger impact on multinationals that get revenue from overseas.</p> <p>That strong economic footing is setting small-cap stocks up for another blockbuster quarter of earnings in the third quarter – and next year.</p>			
Treasurys Steady as Auctions Conclude	<p>The yield on the benchmark 10-year U.S. Treasury note settled at 2.882%,...</p> <p>New supply of Treasury debt tends to push up yields on existing bonds, particularly when auction sizes are getting larger, as they are now because of an expanding federal budget deficit.</p> <p>Other conditions that typically drive up yields – strong U.S. economic data and a campaign by the Federal Reserve to raise short-term interest rates – have also been in place this year.</p> <p>Still, yields have been contained by other factors.</p> <p>Though many investors keep expecting yields to rise, it is the “global component and inflation that’s keeping us here,” said Priya Misra, head of global rates strategy at TD Securities in New York.</p>	The Wall Street Journal	08/30/2018	Sam Goldfarb
Treasurys Increase On Mild Inflation	<p>U.S. government-bond prices climbed Thursday after the latest inflation data showed continued gradual gains in consumer prices and investors sought safer assets following the latest sign of trade frictions.</p> <p>The yield on the benchmark 10-year U.S. Treasury note fell to 2.860%.</p>	The Wall Street Journal	08/31/2018	Amrith Ramkumar
What’s News	♦ Americans spent all of their income gains and then some in July, helping to keep the economy humming.	The Wall Street Journal	08/31/2018	
What’s News	♦ An inflation gauge that is closely watched by the Fed accelerated in July to the fastest annual clip since 2012.	The Wall Street Journal	08/31/2018	
What’s News	♦ U.S. stocks fell, with the S&P 500 and the Nasdaq pulling back from records. The Dow lost 137.65 points.	The Wall Street Journal	08/31/2018	
Emerging-Currency Rout Worsens	<p>While Argentina and Turkey are in particular trouble because of domestic issues, developing economies around the world are being squeezed as the Federal Reserve raises interest rates, boosting the U.S. currency. That has pushed up the cost of some developing nations’ large dollar-denominated debts, prompting central bankers to voice concern about the Fed’s direction.</p> <p>“There’s a stark divide between the Fed thinking that the effects of unwinding QE will be minor, local and likely to already be priced in, versus what we find in market terms, which is that it’s likely to be major and global,” said Matt King, global head of credit-products strategy at Citi.</p>	The Wall Street Journal	08/31/2018	Mike Bird, Saumya Vaishampayan and Jon Sindreu

"To learn who rules over you, simply find out who you are not allowed to criticize." - *Voltaire*

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