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| **RESOURCE LOG – November 2018** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Full Employment? The Economy Isn’t Acting Like It | Low levels of joblessness have historically preceded catastrophe. But maybe not this time.  When unemployment fell to 3.7% in September, the lowest in almost 50 years, it was hard to know whether to cheer or tremble. A white-hot labor market means it’s easy to get a healthy raise, which many workers could certainly use. Booyah! Except that whenever unemployment has fallen anywhere near this low in the past 60 years, a recession has inevitably followed, often very quickly, and inflation has usually surged. *No Bueno.*  Lower unemployment is becoming a new normal.  The biggest worry arising from 3.7% unemployment is that it may signal an imminent recession. The last time the rate was this low – October 1969 – a recession started two months later, and every recession since has been preceded by an unemployment trough.  But history isn’t an oracle. Given the evolving makeup of today’s labor force, unemployment rates aren’t comparable with those of past decades.  “We’re at the top of the cycle,” Fed chairman Jerome Powell acknowledged recently, and the next recession is lurking out there, maybe nearby. External shocks – a worsening trade war, regional conflict, some type of corporate debt crisis – could always stop growth in its tracks. | Fortune Magazine | 11/01/ 2018 | Geoff Colvin |
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| What’s News | ♦ A surge in tech shares lifted U.S. stocks, but a second straight day of gains did little to ease the pain of a brutal October marked by wild market swings. The Dow and S&P 500 finished the month down 5.1% and 6.9%, respectively. | The Wall Street Journal | 11/01/2018 |  |
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| What’s News | ♦ U.S. companies are raising prices, passing on to customers higher costs for fuel, metal and food after years of low inflation. | The Wall Street Journal | 11/01/2018 |  |
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| October’s Wild Ride Jolts Investors  *Two-day rise still leaves portfolios down sharply; bond prices also are hit in a rare double blow.* | Even after the S&P 500 rallied nearly 3% over the month’s final two days, the index in October still notched its biggest pullback in more than seven years.  …shares in Europe and Asia also tumbled.  The tumult left the Dow Jones Industrial Average and S&P 500 clinging to slim gains for the year as a whole. The indexes finished the month down 5.1% and 6.9%, respectively. It was the worst October for the S&P 500 since 2008.  Adding to the stock market’s anxieties has been a rare simultaneous drop in bond prices that pushed yields near their highest levels in years.  Investment portfolios of 60% equities and 40% bonds lost more than 3% in October and are down 1.2% this year… | The Wall Street Journal | 11/01/2018 | Michael Wursthorn |
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| The Riddle of 3% Growth | President Trump and his advisors have long argued that their agenda of tax cuts, deregulation and new trade deals would deliver sustainable growth of 3%, far above the sub-2% that independent economists this possible.  There is good news on long-term growth, if not as good as the administration hopes. Okun’s law, an economic rule of thumb that teases out potential growth from changes in output and unemployment, suggests potential averaged a little over 1% from mid-2009 through mid-2017 and has since picked up to almost 2$.  So sustainable growth may top 2% in coming years. But absent another tax cut, oil boom, bull market or some other stroke of luck, a slow-down from the last 12 months; 3% pace seems inevitable – no matter the outcome of next week’s midterm election. | The Wall Street Journal | 11/01/2018 | Greg Ip |
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| Review & Outlook  The Big Tech Selloff | Herbert Stein famously observed some 40 years ago that what can’t continue won’t, which bears remembering as tech stocks fall following a fantastic nine-year run fueled in part by the Federal Reserve. Americans no doubt wish that stocks could climb forever, but the tech selloff looks like a healthy correction.  Stocks bounced back Wednesday, but before that the tech-heavy Nasdaq had slumped 121% since its August peak. Falling FAANG stocks – Facebook, Apple, Amazon, Netflix and Google parent Alphabet – have swung the S&P 500 into a correction zone.  A tech revaluation was perhaps inevitable as prices leapt over earnings like LeBron James over Kevin Durant. Amazon’s stock in September was trading at nearly 160 times earnings, which wasn’t going to last. But what makes this month’s tech sale so jarring is that it comes amid strong quarterly earnings growth.  Investors are not doubt reacting in part to signs of slowing revenue growth and increasing costs.  The bigger systemic worry among investors is softening global growth.  It’s not surprising that investors are struggling to price tech stocks properly amid this evolving regulatory and competitive landscape while factoring in stronger U.S. growth and rising interest rates.  This return to realism is unfortunate for some investors but shouldn’t undermine the larger economy. The S&P 500 is still up 21% since January 2017. It isn’t bad new if investors steer more capital to other productive businesses that can propel American growth. | The Wall Street Journal | 11/01/2018 | OPINION |
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| Improved Inflation Outlook Lifts Bonds | U.S. government-bond prices edged higher Thursday as a slide in oil prices pushed down inflation expectations.  The yield on the benchmark 10-year U.S. Treasury note settled at 3.144%, compared with 3.155% Wednesday. Yields, which fall when bond prices rise, were flat to slightly higher overnight… | The Wall Street Journal | 11/02/2018 | Sam Goldfarb |
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| Market Swings Put Chill On Debt Boom | Companies are finding it harder to issue new debt, as the volatility battering global stocks adds to concerns in credit markets.  Corporate-bond prices have declined throughout the year and October’s global market rout triggered massive out-flows from credit funds.  U.S. investment-grade issuance slipped 34% from September, according to data-provider Dealogic, while high-yield issuance was down 50% from October last year. | The Wall Street Journal | 11/02/2018 | Joe Wallace |
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| What’s News | ♦ U.S. stocks climbed, helping investors recoup some losses after a bruising October. The Dow rose 264.98 points to 25380.74. | The Wall Street Journal | 11/02/2018 |  |
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| Trump, Xi Talk as Tech Fight Brews | President Trump said he had a “very good conversation” with President Xi Jinping of china that signaled progress in the nations’ trade dispute…  Mr. Trump said the two leaders discussed many issues by telephone on Thursday, including the trade dispute…  The president’s top economic adviser, Larry Kudlow, echoed the president’s optimism, saying in an interview the call represented “a thaw” in relations.  Yet, there was no sign the U.S. would yield in its refusal to resume trade talks with China until Beijing presents a concrete proposal to address Washington’s broader economic complaints. | The Wall Street Journal | 11/02/2018 | Vivian Salama, Aruna Viswanatha and Kate O’Keeffe |
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| Wages Rise as Hiring Accelerates | Robust demand for workers and historically low unemployment are driving the best annual wage increases since 2009. Workers with lower levels of education are seeing some of the fastest wage growth.  Strong hiring and low unemployment are giving U.S. workers their best pay raises in nearly a decade.  Employers shook off a September slowdown to add 250,000 jobs to their payrolls in October, above monthly averages in recent years, the Labor Department said Friday. With unemployment holding at 3.7%, a 49-year low, and employers competing for scarce workers, wages increased 3.1% from a year earlier, the biggest year-over-year gain for average hourly earnings since 2009. | The Wall Street Journal | 11/03-04/2018 | Eric Morath |
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| What’s News | ♦ The U.S. imported a record amount of goods in September, while the trade deficit with China rose to its highest level ever. | The Wall Street Journal | 11/03-04/2018 |  |
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| Wall Street Pegs Higher Oil Prices This Year | Banks last month raised their forecasts for oil prices, amid expectations of a further reduction in crude supply from Iran after U.S. sanctions on the OPEC member take effect next week.  Brent crude – the global oil benchmark-is now expected to average nearly $75 a barrel this year, according to a poll of 11 investment banks surveyed by The Wall Street Journal.  Analysts have estimated that more than a million barrels a day of Iran’s exports could ultimately be taken off the market, which could further tighten supply and boost prices. | The Wall Street Journal | 11/03-04/2018 | Christopher Alessi |
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| Oil Tumbles in Worst Week Since February | Oil prices closed out their worst week since February on Friday, extending a long decline on increasing supply and worries over global growth.  Light, sweet crude for December delivery settled down 55 cents, or 0.9%, to $63.14 a barrel on the New York Mercantile Exchange… | The Wall Street Journal | 11/03-04/2018 | Stephanie Yang and Christopher Alessi |
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| Sometimes, It’s Bonds For the Long Run | Maybe investors should question the dogma of “stocks for the long run.” History shows that a portfolio of bonds has outperformed stocks surprisingly often and for shockingly long periods.  The popular belief that there’s never been a 30-year period in which stocks had lower returns than bonds if false. As recently as 2011, bonds had earned higher returns than stocks over the prior 30 years (long-term Treasury bonds, 10.7% annually; U.S. stocks, 10.4%) | The Wall Street Journal | 11/03-04/2018 | Jason Zweig |
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| Investors Fret Profits Are Peaking | Concern is mounting among investors and executives that the postcrisis boom in U.S. corporate profits is nearing its peak, threatening a nine-year rally that has taken the Dow Jones Industrial Average up more than threefold.  Surging earnings have been the major driver of the Dow industrials’ run this year to 15 records. Last year’s corporate tax cut supercharged profits, easing stretched valuations and fueling an intense rally in some of the fastest-growing, most highly valued companies.  But executives and investors are now saying they believe the earnings bonanza is at an end. Analysts are forecasting 6% profit growth in each of the first two quarters of 2019, as the impact of the tax cut dwindles. That is down from the 7% analysts had been forecasting in early October. | The Wall Street Journal | 11/05/2018 | Michael Wursthorn |
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| U.S. Firms Try to Blunt Bite of Tariffs From China | U.S. companies said they are tempering the effects of escalating tariffs with China through price increases or changes to their supply chains, but they warn investors that the picture could worsen next year.  “The negative impact is pretty widespread across the S&P 500,” said Binky Chadha, chief U.S. equity and global strategist at Deutsche Bank. Still, he said, the overall effect so far is mostly modest. | The Wall Street Journal | 11/05/2018 | Theo Francis |
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| What’s News | ♦ The Dow rose 0.8% to 25461.70 an the S&P 500 gained 0.6% as broad strength across sectors helped offset a drop in tech shares. | The Wall Street Journal | 11/06/2018 |  |
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| Signs to Watch For in an Uncertain World | Nearly a decade into the current bull market, some investors are asking whether a bear is on the horizon.  The S&P 500 is up 305% since the bull market began in 2009. Stock prices have powered forward, thanks to robust earnings growth. Investors have been willing to pay a higher premium for those earnings, as seen in expanding price/earnings ratios.  Currently, the S&P 500 is 6.6% off its all-time high reached Sept. 20, 2018.  The yield curve is one of the most closely watched indicators, measuring the interest rates paid on debt of various maturities. When the economy is strong, the yield on long-term government bonds is typically higher than on short-term debt, reflecting confidence in the long-term economic outlook. When the yield curve inverts and short-term yields surpass long ones, it is a sign investors are worried that inflation – and growth – will be low in the future. High short-term rates tend to crimp business and consumer spending, slowing the economy and putting pressure on corporate profits.  Inversions often have preceded recessions…  Options Market – Think of this as the market crowdsourcing predictions of a bear market. As measured through options expiring in roughly six months, it is the estimated probability of a drop in the S&P 500 of 20% or more. | The Wall Street Journal | 11/06/2018 | Riva Gold |
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| Higher Yields Lure Bond Buyers | U.S. government-bond prices edged higher as traders took advantage of higher yields after sharp selling Friday.  The yield on the benchmark U.S. Treasury note settled at 3.199%...  Investors’ inflation expectations have been kept in check recently by falling oil prices. Still, the jobs report showed that underlying inflationary pressures remain in place.  “We’re expecting to see fairly volatile price action around these events,” said Daniel Mulholland, head of U.S. Treasury trading at Crédit Agricole… | The Wall Street Journal | 11/06/2018 | Sam Goldfarb |
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| What’s News | ♦ Oil prices are on the cusp of a bear market one month after hitting four-year highs, as a wave of supply has returned to hit crumbling confidence in global growth. | The Wall Street Journal | 11/07/2018 |  |
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| What’s News | ♦ U.S. stocks rose as investors awaited election results. The Dow gained 0.7%, while the S&P 500 and Nasdaq both advanced 0.6%. | The Wall Street Journal | 11/07/2018 |  |
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| Elections may mean gains for 401(k)s  *History show Dow rallies after midterms* | As stock market reactions go, the rally on Wednesday following news of a divided U.S. government was about as far from a scary Brexit-like moment as you could get.  Power, politic and money collided following the Nov. 6 midterm elections, as the Democrats snatched back control of the House, prompting stocks to do what they have historically done once election uncertainty fades and clarity over the outcome emerges: The rose.  The Dow Jones Industrial average and broader Standard & Poor’s 500 index each rallied more than 2 percent on Wednesday, the first full day of trading following the midterms.  “Markets like certainty, which we now have, and the split result is what (Wall Street) expected,” says Thorne Perkin, president of Papamarkou Wellner Asset Management in New York. | USA Today | 11/08/2018 | Adam Shell |
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| Midterm Vote Spurs Broad Stock Rally  *Dow adds nearly 550 points as investors show comfort with Congress power split* | The Dow Jones Industrial Average surged nearly 550 points Wednesday as U.S. stocks extended a recent rebound, advancing as a congressional power divide eased worries about swift policy changes that could hurt large companies.  Twenty-nine of the 30 Dow industrial stocks climbed, putting the blue-chip index 2.4% off its October record. All 11 S&P 500 sectors posted gains, moving the benchmark 4% off its record high.  The Dow industrials rose 545.29 points, or 2.1%, to 26180.30. The S&P 500 climbed 58.44 points, or 2.1%, to 2813.89, also logging one of its best sessions of 2018. The tech-heavy Nasdaq Composite added 194.79 points, or 2.6%, to 7570.75 and notched its highest close in three weeks. | The Wall Street Journal | 11/08/2018 | Amrith Ramkumar |
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| What’s News | ♦ The Fed held rates steady and offered a mostly upbeat economic assessment, suggesting another rate increase is likely by year-end. | The Wall Street Journal | 11/09/2018 |  |
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| What’s News | ♦ U.S. oil prices slid for a ninth straight session, hitting an eight-month low and entering a bear market. | The Wall Street Journal | 11/09/2018 |  |
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| What’s News | ♦ The S&P 500 fell 0.3%, dragged down by shares of energy firms. The Nasdaq lost 0.5%, while the Dow edged up 10.92 points. | The Wall Street Journal | 11/09/2018 |  |
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| Treasury Benchmark Yield at 7-Year High | U.S. government-bond prices fell Thursday, pushing the yield on the benchmark 10-year Treasury note to a seven-year high, after the Federal Reserve held short-term interest rates steady while presenting a rosy picture of the UI.S. economy.  The 10-year yield, which helps set borrowing costs for individuals and companies around the world, settled at 3.232%, compared with 3.215% Wednesday. That beat its previous 2018 closing high of 3.227% set on Oct. 5 and marked its highest settlement since May 2011.  The Fed’s statement listed a range of positive economic signs.  The central bank has been one major factor pushing yields higher recently.  …strongly implying they will raise rates for a fourth time this year in December and then keep on tightening monetary policy next year.  Meanwhile, the U.S. economy’s robust performance in recent months has itself snapped demand for Treasurys.  A big reason U.S. government bonds, and then U.S. stocks, declined in recent months was rising uncertainty about inflation expectations and the Fed’s potential response, said Karissa McDonough , a fixed-income strategist at People’s United Wealth Management. | The Wall Street Journal | 11/09/2018 | Sam Goldfarb |
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| U.S. Stocks Slump On Growth Worries | U.S. stocks slumped Friday as renewed global growth concerns on shares of everything from technology to materials to energy companies.  The Dow Industrials dropped 201.92 points, or 0.8%, to 25989.30. The S&P 500 lost 25.82 points, or 0.9%, to 2781.01, and the Nasdaq Composite shed 123.98 points, or 1.7% to 7406.90.  The declines interrupted a strong week for U.S. stocks. The Dow Jones Industrial Average rose 2.8% for the week-its best performance since the period ended March 9. The S&P 500 added 2.1%, and the technology-heavy Nasdaq Composite notched a more modest gain of 0.7%. | The Wall Street Journal | 11/10-11/2018 | Jessica Menton and Donato Paolo Mancini |
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| OPEC Eyes Cutting Oil Production | Plummeting oil prices and signs of a coming global oversupply are bringing producers closer to a pact to cut output.  Saudi representatives said Sunday that the kingdom would slash its exports unilaterally next month, while a broader OPEC alliance debated – but didn’t agree to – a collective production cut.  Meanwhile, Russia, the world’s largest producer, sent missed signals on whether it would pull back on supply…  U.S. oil prices have dropped 21% to $60 a barrel – an eight-month low. | The Wall Street Journal | 11/12/2018 | Summer Said, Christopher Alessi and Benoit Faucon |
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| Old Economy Gives Dow a Boost | Investors coming back to U.S. stocks this month are going retro.  Old-economy companies like Procter & Gamble Co., and Walgreens Boots Alliance Inc. have surged in recent days, helping the Dow Jones Industrial Average to retrace much of its October market swoon and move within striking distance of its 16th record of the year.  The 30-stock index has added 1,300 points over the past two weeks, its best stretch since November 2016.  The gains have come at the expense of technology companies and other fast-growing stocks that have seen their values erode since late September. | The Wall Street Journal | 11/12/2018 | Michael Wursthorn |
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| What’s News | ♦ The Dow lost 602.12 points, or 2.3%, as anxiety over the health of tech giants sparked a broad retreat from stocks. The Nasdaq fell 2.8%, while the S&P 500 shed almost 2%. | The Wall Street Journal | 11/13/2018 |  |
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| Oil Prices Decline In Longest Losing Streak on Record | Oil prices notched their longest losing streak on record Monday, as comments from President Trump negated expectations that the global oil cartel and its allies will cut production.  Light, sweet crude for December delivery fell 0.4% to $59.93 a barrel on the New York Mercantile Exchange…  OPEC met with Russia and other producers in the United Arab Emirates this past weekend to debate a potential output cut.  Oil prices have also taken a hit from concerns about slowing demand growth, particularly as supply has come roaring back. | The Wall Street Journal | 11/13/2018 | Stephanie Yang and Christopher Alessi |
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| Oil Prices Plunge as Oversupply Worries Prompt Steepest Fall Since 2015 | Crude’s decline comes as U.S. production has soared, and now investors are rapidly scaling back their bullish bets in favor of bearish ones.  Nov. 8 – Crude enters bear market, more than 20% lower than its 2018 peak | The Wall Street Journal | 11/14/2018 |  |
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| What’s News | ♦ U.S. stocks fell in a volatile session. The Dow and S&P 500 both lost 0.8%, while the Nasdaq shed 0.9%. | The Wall Street Journal | 11/15/2018 |  |
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| Global Economic Slowdown Deepens | The global economy has hit a soft patch, putting the U.S.’s robust growth at risk should the slowdown persist.  Economic output in Japan and Germany contracted in the third quarter, while in October consumer spending in China hit its slowest pace in five months and bank lending fell, according to data released Wednesday about the world’s biggest economies after the U.S.  “You’ve seen a bit of a slowdown – not a terrible slowdown,” Federal Reserve Chairman Jerome Powell said Wednesday evening. “It is concerning.” | The Wall Street Journal | 11/15/2018 | William Boston, Josh Zumbrun and Nina Adam |
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| Move Into Safe Assets Bolsters Treasurys | U.S. government bond prices rose Wednesday as stocks came under selling pressure, driving up demand for the relative safety of sovereign debt.  The yield on the benchmark 10-year U.S. Treasury note settled at 3.120%, down from 3.145%...  Yields, which fall as bond prices rise, advanced early in the trading day as oil prices rallied, coming out of their 12th straight loss Tuesday…  “The latent concern in the market is that, given above-trend growth and low unemployment, we’re going to start to see an upside spike in inflation”, said Jon Hill, vice president of U.S. fixed-income strategy at BMO Capital Markets. | The Wall Street Journal | 11/15/2018 | Akane Otani |
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| Investors Shift to Emerging Markets | Investors looking to escape the recent tumult in the technology sector a re snatching up stocks in another beaten-up corner: emerging markets. | The Wall Street Journal | 11/15/2018 | Jessica Menton |
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| Bitcoin Falls 11%, As Calm Dissolves | Bitcoin dropped 11% on Wednesday, falling below $6,000 and reaching lows for the year.  Other digital currencies also fell… | The Wall Street Journal | 11/15/2018 | Steven Russolillo |
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| Brexit Revolt Throws U.K. Into Turmoil | U.K. Prime Minister Theresa May was fighting to save her Brexit deal on Thursday after several ministers resigned, deepening the political turmoil over the terms of her plan to exit from the European Union.  The British pound fell sharply after the resignations were announced, closing down 1.67% against the dollar on Thursday, its biggest daily decline against the U.S. currency since October 2016. | The Wall Street Journal | 11/15/2018 | Jason Douglas and Max Colchester |
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| Junk Bonds Hold Steady as Volatility Returns | High-yield credit spreads tended to widen in the weeks leading up to major crises of the past two decades, but narrowed ahead of last month’s downturn in stocks.  High-yield bonds, one of the stock market’s best-known bellwethers of doom and gloom, might be missing a beat when it comes to predicting the next meltdown.  As the S&P 500 hovers around 7% below its recent peak, investors are looking for clues as to whether the recent selloff is a blip or the s tart of something more. In past sell-offs, including during the financial crisis of 2007-2008 and the 1998 Russian debt crisis, junk bonds have often been a precursor for the stocks to follow.  So far, the evidence is leaving investors scratching their heads. | The Wall Street Journal | 11/16/2018 | Christopher Whittall |
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| What’s News | ♦ U.S. stocks gained as tech shares staged a rebound. The S&P 500 rose 1.1%, while the Dow and Nasdaq added 0.8% and 1.7%, respectively. | The Wall Street Journal | 11/16/2018 |  |
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| Slowdown Fears Weigh on Stocks | The S&P 500 edged higher Friday, but steep losses from earlier in the week pushed the broad index to its first weekly loss of November.  Fears that business growth is slowing and the U.S. economy is headed for a rockier road in 2019 were heightened after several more companies, including chip maker Nvidia and retailer Nordstrom, reported disappointing earnings. | The Wall Street Journal | 11/17-18/2018 | Michael Wursthorn and Christopher Whittall |
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| Volatility Signs Spread From Energy to Bonds, Forex | Volatility signals in markets such as high-yield bonds and currencies are picking up – a potential warning that the wild swings in energy prices this week could spread to other assets.  The Cboe Volatility Index, or VIX, which measures how sharply investors anticipate stock prices will move in the future, has averaged at around 20 in the past month, higher than last year, when it stayed closer to 10. | The Wall Street Journal | 11/17-18/2018 | Gunjan Banerji |
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| What’s News | ♦ The S&P 500 edged 0.2% higher, but posted its first weekly loss of November. The Dow gained 0.5%, while the Nasdaq fell 0.2%. | The Wall Street Journal | 11/17-18/2018 |  |
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| What’s News | ♦ Many traders and portfolio managers are buying shares of firms with slower, steadier earnings growth, a sign investors largely remain sanguine about U.S. stocks despite recent reversals. | The Wall Street Journal | 11/19/2018 |  |
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| Corporate Borrowing Turns Less Favorable | Signs of stress are mounting in the corporate-bond market, where rising interest rates and lackluster demand for new debt have investors questioning whether a long run of favorable borrowing conditions for U.S. companies is ending or merely hitting a rough patch.  The amount of extra yield, or spread, that investors demand to hold investment-grade U.S. corporate bonds instead of benchmark U.S. Treasurys in recent days reached its highest level in nearly two years, while spreads on junk-rated bonds hit a 19-month high. | The Wall Street Journal | 11/19/2018 | Sam Goldfarb |
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| Tech Stocks Drop Sharply as Rout Deepens | A market swoon has wiped hundreds of billions of dollars off the leading U.S. tech companies. And in recent weeks volatility has surged while bitcoin and bond yields have fallen, reflecting increasing risk aversion.  Stocks have suffered a series of pullbacks this fall that have chipped away at much of their 2018 gains. Downbeat forecasts from former market leaders such as Apple Inc. and Facebook Inc. have raised questions about whether the past year’s gains can be justified. Adding to those worries, investors are already expecting a broader slow-down in corporate earnings growth as rising rates and a stronger dollar take a greater toll on profits. | The Wall Street Journal | 11/20/2018 | Akane Otani and Riva Gold |
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| Treasurys Gain as Building Index Falls | U.S. government-bond prices extended recent gains Monday after a gauge of U.S. home-builder confidence fell below expectations.  The yield on the benchmark 10-year U.S. Treasury note settled at 3.059%, its lowest close since Oct. 2, compared with 3.074% Friday.  Soft economic data generally help bolster U.S. Treasurys by increasing demand for safer assets and lowering expectations for future interest-rate increases by the Federal Reserve. | The Wall Street Journal | 11/20/2018 | Sam Goldfarb |
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| What’s News | ♦ Market turmoil is unlikely to stop Fed officials from raising interest rates at their meeting next month. | The Wall Street Journal | 11/21/2018 |  |
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| What’s News | ♦ U.S. oil prices plunged to their lowest level in more than a year after Trump emphasized strong ties with the Saudi government. | The Wall Street Journal | 11/21/2018 |  |
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| Selloff Eras3s Market’s 2018 Gains  *Concern rises that bull market is losing steam as tech rout deepens, affecting other sectors* | Rising concern a bout the pace of economic growth spurred fresh declines in stocks around the world Tuesday, wiping out all of 2018’s gains for the S&P 500 and Dow Jones Industrial Average. | The Wall Street Journal | 11/21/2018 | Corrie Driebusch |
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| Corporate Bonds Hammered Globally | Corporate bonds have taken a beating in November, adding to an already difficult year for a market that thrived in an era of ultra easy money.  Prices have tumbled, sending yields, which move in the opposite direction, to multi-year highs.  U.S. corporate bond yields hit an 8½ year peak of 4.38%.  Much of the move reflects rising yields on U.S. Treasury bonds and other government debt, as the Federal Reserve raises interest rates. The Fed is also reducing its vast holdings of bonds and its counterpart in Frankfurt, the European Central Bank, has said it expect to follow suit.  Spreads, or the extra compensation investors demand for holding comparatively riskier debt, are also increasing… | The Wall Street Journal | 11/23/2018 | Mike Bird and Steven Russolillo |
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| U. K. Takes Measured Step Toward Brexit  *Agreement is reached with EU on draft text for future relationship; opposition lingers* | European Union and U.K. negotiators agreed on an outline of future U.K.-EU ties, taking Britain a step closer to an orderly departure from the bloc with a document British Prime Minister Theresa May hopes to use to rally domestic support for her Brexit deal.  But control comes at a price. In return for say over migration, the U.K. will have to leave the EU’s single market. That means cutting the frictionless access to the rest of Europe that U.K.-based businesses enjoyed for decades. | The Wall Street Journal | 11/23/2018 | Laurence Norman and Max Colchester |
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| What’s News | ♦ Climate change, if unchecked, could cause U.S. economic losses of hundreds of billions of dollars a year by the end of the century, a government report said. | The Wall Street Journal | 11/24-25/2018 |  |
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| What’s News | ♦ The downward spiral in oil is accelerating as a surge in U.S. production runs into weaker global economic growth, and Saudi Arabia and OPEC are considering a plan to quietly reduce output to bolster prices. Crude slid 7.7% on Friday. | The Wall Street Journal | 11/24-25/2018 |  |
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| What’s News | ♦ U.S. stocks slipped as the oil rout added to the downbeat mood in markets. The Dow and the S&P 500 both fell 0.7%. The Nasdaq lost 0.5%. | The Wall Street Journal | 11/24-25/2018 |  |
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| Stocks, Bonds Face Year in Red  *A record share of asset classes have posted negative total returns this year, according to Deutsche Bank data going back to 1901* | Stocks, bonds and commodities from copper to crude oil to burlap are staging a rate simultaneous retreat, putting global markets on track for one of their worst years on record and deepening a sense of unease on Wall Street.  Data show global stocks and bonds could both finish the year in the red for the first time in at least a quarter-century, according to BlackRock Inc.  Major stock benchmarks in the U.S., Europe, China and South Korea have all slid 10% or more from recent highs. Crude oil’s tumble has dragged it well into bear-market territory, emerging-market territory, emerging-market currencies have broadly fallen against the dollar, and bitcoin’s price – which had a meteoric rally last year-crashed below $5,000 last week for the first time since October 2017. | The Wall Street Journal | 11/26/2018 | Akane Otani and Michael Wursthorn |
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|  | **Last week:**  **DJIA** 24285.95 ▼1127.27 4.4%  **NASDAQ** 6938.98 ▼3.3%  **STOXX 600** 353.98 ▼1.0%  **10-Yr. Treasury** ▲8/32, yield 3.045%  **Oil** $50.42 ▼$6.26 | The Wall Street Journal | 11/26/2018 |  |
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| What’s News | ♦ U.S. stocks rebounded, led by shares of retailers. The S&P 500 rose 1.6%. the Dow gained 1.5% and the Nasdaq advanced 2.1%. | The Wall Street Journal | 11/27/2018 |  |
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| What’s News | ♦ Trump said he expects to move ahead with boosting tariff levels on $200 billion of Chinese goods to 25%, declaring that it was highly unlikely he would accept Beijing’s request to hold off. | The Wall Street Journal | 11/27/2018 |  |
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| Dallas Sounds Alarm For Housing Market | The U.S. economy just had one of its best six-month stretches in a decade, as the unemployment rate hovers around its lowest level in half a century. Still, along with a recent swoon in the stock market, the housing market – which makes up a sixth of the U.S. economy – has been a troubling weak spot.  U.S. existing home sales have declined on an annual basis for eight straight months… | The Wall Street Journal | 11/27/2018 | Laura Kusisto |
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|  | **DJIA** 24640.24 ▲354.29 1.5%  **NASDAQ** 7081.2 ▲2.1% | The Wall Street Journal | 11/27/2018 |  |
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| Oil Prices Rebound After Rout | Oil prices rose off their lowest levels in more than a year, as traders bet the recent selloff had gone too far.  Light, sweet crude for January delivery climbed 2.4% Monday to $51.63 a barrel on the New York Mercantile Exchange… | The Wall Street Journal | 11/27/2018 | Stephanie Yang and Christopher Alessi |
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|  | **DJIA** 24748.73 ▲108.49 0.4%  **NASDAQ** 7082.70 ▲0.01%  **10-YR TREAS.** ▲4/32, yield 3.057%  **Oil** $51.56 ▼$0.07  **GOLD** $1,211.20 ▼ $9.00 | The Wall Street Journal | 11/28/2018 |  |
|  |  |  |  |  |
| What’s News | ♦ White House adviser Kudlow suggested that Trump and China’s Xi may be unable to resolve their escalating trade fight when they meet this weekend. | The Wall Street Journal | 11/28/2018 |  |
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| Powell Remarks Spark Market Rally  *Dow and S&P 500 erase their November declines after Fed chairman’s comments* | In remarks before the Economic club of New York, Mr. Powell said interest rates are “just below” broad estimates of a neutral level – a setting designed to neither speed nor slow economic growth.  Stocks climbed immediately after Mr. Powell’s midday remarks…  The Dow industrials added 617.70 points, or 2.5%, to 25366.43, extending this week’s rebound. The S&P 500 climbed 61.62 points, or 2.3%, to 2743.79, joining the blue chips in the green for the month as both indexes logged their best day since March 26. Meantime, the tech-heavy Nasdaq Composite rose 208.89 points, or 2.9%, to 7291.59.  All three indexes are up more than 4.2% for the week. | The Wall Street Journal | 11/29/2018 | Amrith Ramkumar and Nick Timiraos |
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| U.S. Debt Distorts Bond Benchmark | The surge in U.S. government borrowing is beginning to warp bond indexes, posing a challenge for investors looking for the best returns when interest rates are rising.  The problem: Treasurys tend to offer investors lower yields and produce weaker returns than other kinds of bonds, such as high-quality company debt or securities backed by mortgage payments.  …index funds end up holding more Treasurys, squeezing out the securities that pay higher rates of interest.  “The value from active management is going to be more important,” said Kathleen Gaffney, director of diversified fixed income at Eaton Vance… | The Wall Street Journal | 11/29/2018 | Daniel Kruger |
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| What’s News | ♦ Fed officials signaled plans to raise rates next month, but they appeared more uncertain about maintaining a pace of quarterly increases after that, policy-meeting minutes show. | The Wall Street Journal | 11/30/2018 |  |
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| What’s News | ♦ U.S. consumers, powered by income gains, spent more in October, driving economic growth. Inflation, meanwhile, was subdued. | The Wall Street Journal | 11/30/2018 |  |
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| What’s News | ♦ U.S. stocks fell, snapping a three-day winning streak The S&P 500, the Dow and the Nasdaq slipped 0.2%, 0.1% and 0.3%, respectively. | The Wall Street Journal | 11/30/2018 |  |
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| What’s News | ♦ The U.S. and China are exploring a deal in which Washington would hold off on further tariffs through the spring in exchange for new talks looking at big changes in Chinese economic policy. | The Wall Street Journal | 11/30/2018 |  |

“Bad is never good until worse happens.” -*Danish proverb*

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