

March 4, 2019

*In this week's recap: stocks end the week little changed after investors interpret commentary from Jerome Powell and hear that higher taxes on Chinese imports are indefinitely postponed.*

## Weekly Economic Update

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### THE WEEK ON WALL STREET

Stocks lost a little ground as February gave way to March. While domestic and overseas political developments made headlines, the market stayed relatively calm: from Monday's open through Friday's close, the S&P 500 ceded but 0.17%, finishing the week at 2,803.69.<sup>1</sup>

The Dow declined 0.65% in five trading sessions to 26,026.32, while the Nasdaq finished the week 0.06% higher at 7,595.35. The MSCI EAFE index of international stocks rose 0.24% for the week.<sup>2,3,4</sup>

Volatility has dropped in the past few weeks. Wall Street has grown less anxious about the possibility of new tariffs and higher interest rates this year.

### POWELL SHARES HIS OUTLOOK

Last week, Federal Reserve Chairman Jerome Powell told the Senate that Fed officials would take a "patient approach" with regard to future interest rate moves. Powell called the economy "healthy," but noted "conflicting signals" have emerged in recent months; he said that he was not concerned about inflation picking up in response to wage growth.

After making four rate hikes in 2018 and forecasting two more for 2019, the Fed has adopted a "wait-and-see" approach to monetary policy in the new year.<sup>5</sup>

### PLANNED MARCH TARIFFS DELAYED

Earlier in the week, President Trump opted to postpone the 15% increase in tariffs on many Chinese imports slated for the start of March. He did not announce a new deadline. Thursday, U.S. officials said that the deadline had been suspended “until further notice.”

As we noted two weeks ago, the White House had indicated it might postpone new tariffs if substantial progress was made with China on trade talks.<sup>6</sup>

## WHAT'S NEXT

U.K. lawmakers will vote on a revised Brexit deal on March 12. If they reject it, they have two options left. They can either ask the European Union to push back the March 29 Brexit deadline or choose to leave the E.U. without a deal.<sup>7</sup>

## TAX REMINDER

March 15 is the deadline for most partnerships and S corporations to send in their 2018 federal tax returns or extensions. (Some states that tax corporate income set different due dates.)<sup>8</sup>

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### TIP OF THE WEEK



*Some banks market “senior” or “retiree” checking accounts to customers of a certain age. If you are offered such an account, **compare its terms** against the bank’s **standard checking account**; the regular account may be a better deal.*

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## THE WEEK AHEAD: KEY ECONOMIC DATA

**Tuesday:** The latest new home sales numbers from the Census Bureau.

**Wednesday:** Payroll-processing giant ADP releases its February national employment report.

**Friday:** The Department of Labor releases its February job market snapshot.

Source: Econoday / MarketWatch Calendar, March 1, 2019

The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision. The release of data may be delayed without notice for a variety of reasons, including the shutdown of the government agency or change at the private institution that handles the material.

## THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

**Monday:** Salesforce (CRM)

**Tuesday:** Kohl's (KSS), Target (TGT), Urban Outfitters (URBN)

**Wednesday:** Abercrombie (ANF), Dollar Tree (DLTR)

**Thursday:** Burlington Stores (BURL), Costco (COST), Tech Data (TECD)

Source: Morningstar.com, March 1, 2019

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame, and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

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### QUOTE OF THE WEEK

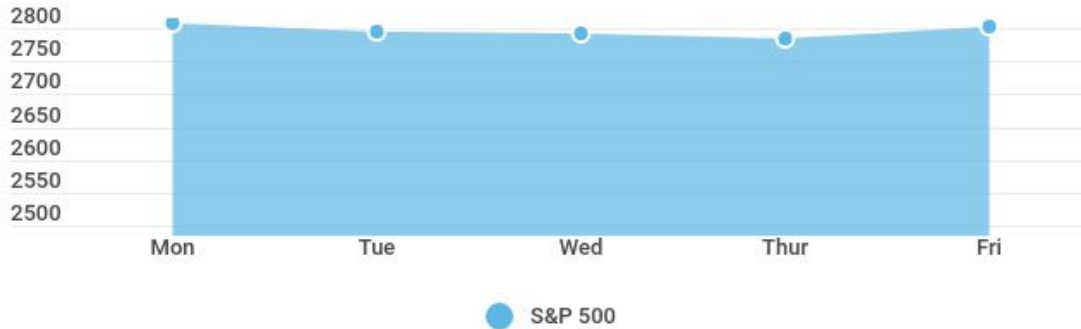


*“Laughter is the closest distance between two people.”*

VICTOR BORGE

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Market Index	Close	Week	Y-T-D
DJIA	26,026.32	-0.65%	+11.57%
NASDAQ	7,595.35	+0.06%	+14.47%
MSCI-EAFE	1,873.72	+0.24%	+8.94%
S&P 500	2,803.69	-0.17%	+11.84%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.76%	+0.11%	+0.07%

Sources: The Wall Street Journal, Mar. 1, 2019, Treasury.gov, Mar. 1, 2019

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance is measured from Monday's open of trading to Friday's close for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite. Weekly performance is measured from Friday's open to Thursday's close for MSCI-EAFE. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

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## THE WEEKLY RIDDLE



*How do you **make** the number 7 **even**?*

*LAST WEEK'S RIDDLE: I can point in every direction, but I cannot reach a destination by myself. What am I?*

*ANSWER: Your finger.*

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### **Know someone who could use information like this?**

Please feel free send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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- 3 - [quotes.wsj.com/index/NASDAQ](https://quotes.wsj.com/index/NASDAQ) [3/1/19]
- 4 - [quotes.wsj.com/index/XX/990300/historical-prices](https://quotes.wsj.com/index/XX/990300/historical-prices) [3/1/19]
- 5 - [usatoday.com/story/money/2019/02/26/fed-interest-rates-powell-says-fed-patient-weighs-hikes/2986104002/](https://usatoday.com/story/money/2019/02/26/fed-interest-rates-powell-says-fed-patient-weighs-hikes/2986104002/) [2/26/19]
- 6 - [cnn.com/2019/02/28/business/us-china-trade-war-tariffs/index.html](https://cnn.com/2019/02/28/business/us-china-trade-war-tariffs/index.html) [2/28/19]
- 7 - [cnbc.com/2019/02/27/brexit-guide-to-what-happens-next.html](https://cnbc.com/2019/02/27/brexit-guide-to-what-happens-next.html) [2/27/19]
- 8 - [forbes.com/sites/greatspeculations/2018/03/06/march-15-is-tax-deadline-for-s-corp-and-partnership-extensions-and-elections-2](https://forbes.com/sites/greatspeculations/2018/03/06/march-15-is-tax-deadline-for-s-corp-and-partnership-extensions-and-elections-2) [3/6/18]

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