

Market Week: February 11, 2019



The Markets (as of market close February 8, 2019)

Most of the benchmark indexes listed here posted gains for the seventh consecutive week. Only the Global Dow lagged behind. Utilities and information technology shares performed well last week, while oil and energy shares did not fare quite so favorably. International trade once again was in the news as negotiations between the United States and China continue with no apparent resolution in sight. Investors will be keeping their eyes on the rhetoric from both of the global economic giants as the deadline for the tariff truce draws nearer. Of the indexes listed here, the Nasdaq led the way, followed by the Russell 2000, which continued to perform best since the beginning of the year.

Oil prices fell last week, closing at \$52.71 per barrel by late Friday, down from the prior week's closing price of \$55.37 per barrel. The price of gold (COMEX) dipped for the first time in several weeks, dropping to \$1,317.90 by last Friday evening, off from the prior week's price of \$1,322.00. The national average retail regular gasoline price was \$2.254 per gallon on February 4, 2019, \$0.002 lower than the prior week's price and \$0.383 less than a year ago.

Market/Index	2018 Close	Prior Week	As of 2/8	Weekly Change	YTD Change
DJIA	23327.46	25063.89	25106.33	0.17%	7.63%
Nasdaq	6635.28	7263.87	7298.20	0.47%	9.99%
S&P 500	2506.85	2706.53	2707.88	0.05%	8.02%
Russell 2000	1348.56	1502.05	1506.39	0.29%	11.70%
Global Dow	2736.74	2947.87	2920.60	-0.93%	6.72%
Fed. Funds target rate	2.25%-2.50%	2.25%-2.50%	2.25%-2.50%	0 bps	0 bps
10-year Treasuries	2.68%	2.68%	2.63%	-5 bps	-5 bps

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic Headlines

- Some government agencies are playing catch-up as they post information not available during the shutdown. Such is the case with the release of the international trade deficit, which is for November. According to the Bureau of Economic Analysis, the goods and services deficit was \$49.3 billion, down \$6.4 billion from October. November exports were \$209.9 billion, \$1.3 billion less than October exports. November imports were \$259.2 billion, \$7.7 billion less than October imports. The November decrease in the goods and services deficit reflected a decrease in the goods deficit of \$6.7 billion to \$71.6 billion and a decrease in the services surplus of \$0.3 billion to \$22.3 billion. Year-to-date, the goods and services deficit increased \$51.9 billion, or 10.4%, from the same period in 2017. Exports increased \$157.1 billion, or 7.3%. Imports increased \$208.9 billion, or 7.9%.
- Economic activity in the services sector slowed in January. According to the Non-Manufacturing ISM®

Key Dates/Data Releases

2/12: JOLTS

2/13: Consumer Price Index, Treasury budget

2/14: Producer Price Index

2/15: Retail sales, import and export prices, industrial production

Report On Business®, the non-manufacturing index fell 1.3% from its December reading. Business activity and new orders also regressed, while employment and prices increased. Survey respondents expressed concern about the impacts of the government shutdown, but remained generally optimistic about overall business conditions.

- For the week ended February 2, there were 234,000 new claims for unemployment insurance, a decrease of 19,000 from the previous week's level. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended January 26. The advance number of those receiving unemployment insurance benefits during the week ended January 26 was 1,736,000, a decrease of 42,000 from the prior week's level, which was revised down by 4,000.

Eye on the Week Ahead

More economic information should be forthcoming as government agencies try to catch up following the shutdown. Inflation indicators are front and center this week with reports on the Consumer Price Index and the retail sales report. Also, the Treasury budget report should be out this week, which should be for last December.

Data sources: News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. Market data: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indices listed are unmanaged and are not available for direct investment.

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