



## Weekly Economic News & Updates

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### THE WEEK ON WALL STREET

Stocks rallied during a week in which Wall Street was buffeted by headlines. The S&P 500 rose 4.41%. The Nasdaq Composite and Dow Jones Industrial Average respectively added 3.88% and 4.71%. The MSCI EAFE index of overseas stocks improved 2.02% across five days.<sup>1-2</sup>

Following a mixed Monday, the market jumped Tuesday after dovish remarks from Federal Reserve Chairman Jerome Powell. Breaking out of a 6-week losing streak, the Dow had its best week since November.<sup>3</sup>

### FOMC

Up to this point, policymakers have been relatively stubborn in their conviction that rates were at an “appropriate” level and would likely remain unchanged throughout the year. With rising international uncertainties, particularly stemming from trade, and a partially inverted curve, the market, however, is signaling that the current policy stance is restrictive and a rate cut – or two – is needed. With the June FOMC meeting just twelve days away, the Committee is unlikely to capitulate to investors’ call for lower rates in short order. Although with increasingly solid evidence of fundamental weakness including the latest employment report, at the very least, members will expectedly have a more meaningful and in-depth conversation regarding a potential rate cut and the conditions that would warrant a rate reduction in the coming months. In just the past few days, some Fed members, including the Chairman, have opened the door for the possibility of a rate cut.

### HIRING COOLS

Employers added just 75,000 net new jobs to their payrolls in May, according to the Department of Labor. Economists polled by Reuters thought that the gain would be 185,000. The main unemployment rate held at 3.6% last month; the U-6 rate, which includes the underemployed and those who have stopped looking for work, fell 0.2% to 7.1%.

To some analysts, the weak May hiring number hints at private-sector concern over tariffs. To others, it simply signifies the possibility that the economy may be at or near full employment.<sup>6</sup>

### FINAL THOUGHT

While breaking news does often merit investor attention, refrain from letting the headlines of the moment prompt you into emotional decisions. Brace yourself for further headlines that may drive market volatility, because new developments are arriving quickly in the financial markets.

### WEEKLY QUOTE

*“Do **what** you can, with what you **have**, where you **are**.”*  
THEODORE ROOSEVELT

### WEEKLY TIP

*In planning to **insure** your business, consider **three things**: how much coverage your **operations** need, how much coverage your **workers** need, and the amount of coverage that seems appropriate for your **digital and physical assets**.*

### WEEKLY RIDDLE

*What is taken before you can get it?*

### Last week’s answer:

*Only one – the “last” one.*

Sources: MarektingPro, Financial Strategies Group, The Baker Group, [wsj.com](http://wsj.com), [bigcharts.com](http://bigcharts.com), [treasury.gov](http://treasury.gov), Randy Baker and Chris Low and Rebecca Kooshak FTN Financial  
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