



## Weekly Economic News & Updates

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### THE WEEK ON WALL STREET

Stocks struggled during a 4-day market week as the U.S.-China trade standoff continued to weigh on the minds of market participants. From the Friday, May 24 close to the Friday, May 31 close, the S&P 500 retreated 2.62%; the Nasdaq Composite, 2.41%; the Dow Jones Industrial Average, 3.01%. The MSCI EAFE index of overseas stocks dipped just 1.47% in a week.<sup>1,2</sup>

Trade is dominating the conversation in the financial markets, with developments steadily unfolding. Wednesday, China's state media suggested that the country could soon cut off exports of rare earths to the U.S. Late Thursday, the Trump administration announced 5% tariffs on all imports from Mexico, effective June 10; these taxes could rise in the coming months.<sup>3,4</sup>

### MEANWHILE, ON MAIN STREET ...

The Conference Board's consumer confidence index soared to 134.1 in May, its highest reading since November; the consumer view of present economic conditions was the best since the end of 2000. Additionally, the University of Michigan's consumer sentiment index ended May at 100.00, near the 15-year peak of 102.4 seen earlier in the month.<sup>5,6</sup>

Spring also brought a solid advance in consumer spending. April's gain was 0.3%, according to the Bureau of Economic Analysis.<sup>6</sup>

### FINAL THOUGHT

While Wall Street remains cautious and concerned about trade, consumers appear to be upbeat, sensing widespread economic prosperity. This underscores the fact that the state of the economy does not necessarily correspond to the state of the stock market (and vice versa).

So, while the Fed continues to maintain a rate environment it believes to be appropriate, long term bond investors clearly believe something else. What would it take to un-invert the yield curve? Well, a little inflation would help; a lot of inflation would help more. But who wants that?! I'd rather have a jet-pack!

### WEEKLY QUOTE

*"The **past** is but the **beginning** of a beginning, and all that is or has been is but the **twilight** of the **dawn**."*

H.G. WELLS

### WEEKLY TIP

A **will** commonly needs to go through **probate**, and it can also be **challenged** during the probate process. On the other hand, if you transfer the title of certain assets you own into a properly written **living trust**, those assets can **avoid probate** after your death.

### WEEKLY RIDDLE

How many **bricks** does it take to complete a **building** made of brick?

### Last week's answer:

A Lie

Sources: MarketingPro, 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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