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## Weekly Economic News & Updates

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### THE WEEK ON WALL STREET

The S&P 500 came within 0.1% of a record close Friday. Stocks were lifted last week by positive news on U.S.-China trade negotiations, plus earnings announcements.

The Nasdaq Composite posted the largest weekly gain of the three major U.S. stock indices. It rose 1.90%. Last week also brought gains of 0.70% for the Dow Jones Industrial Average and 1.22% for the S&P. The MSCI EAFE, a benchmark for developed stock markets outside the U.S., rose 1.14%.<sup>1,2,3</sup>

### Another Hint of Progress in Trade Talks

Friday, the Office of the U.S. Trade Representative stated that parts of a new trade deal with China were near completion. No specifics were given as of Friday's close, but the USTR noted that negotiators had "made headway" on key issues. Analysts think both sides may cancel certain tariffs as part of a deal. President Trump has said that he would like to sign a new trade accord with China's President, Xi Jinping, next month.<sup>4</sup>

### A Gain for Consumer Sentiment

Rising to a final October mark of 95.5, the University of Michigan's Consumer Sentiment Index advanced 2.3 points month-over-month. During August and September, the index's level varied from 89.8 to 93.2.<sup>5</sup>

### What's Next

Jerome Powell will likely be telling the world that America's central bank has once again cut its policy rate by 25 basis points to 1.75%. With the world widely expecting this development, it will only be news if it doesn't happen. The not-happening of inflation has been news for a while and to the consternation of our policymakers, that news won't change this week. On Halloween, investors will likely learn that the once scary specter of inflation

#### WEEKLY QUOTE

*"Lack of **money** is no obstacle. Lack of an **idea** is an obstacle."*

KEN HAKUTA

#### WEEKLY TIP

*This is the time of year to think about year-end **charitable gifts**. Consider and research organizations you might wish to donate to and inquire about the **possible tax advantages** that could come from those contributions.*

#### WEEKLY RIDDLE

*Round like an apple and deeper than a cup, yet all the king's horses can't pull it up. What is it?*

#### Last week's answer:

Rain

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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remains a harmless apparition when the BEA reports that the Fed's favored measure of inflation, the Personal Consumption Expenditures Index, was unchanged in September at 1.4%. At its core level, without food and energy, we will likely learn that the disinflationary poltergeist is still not cooperating when year-over-year core PCE slips one-tenth to 1.7%. In the same report, better news may be found if the estimates for increases in September's Personal Income and Personal Spending come about as expected. Both measures are predicted to have gained 0.3%.