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Weekly Economic News & Updates

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THE WEEK ON WALL STREET

The U.S. and China announced a limited trade agreement last week. That news lifted U.S. and foreign stocks, leading to weekly gains.

Advancing 0.91% on the week, the Nasdaq Composite outperformed the S&P 500 (up 0.73%) and Dow Jones Industrial Average (up 0.43%). The MSCI EAFE index, measuring the performance of developed markets overseas, improved 0.42%.^{1,2}

Phase-One Trade Deal Reached, December Tariffs Averted

Friday, White House and Chinese officials confirmed an agreement on what has been characterized as an initial step toward a larger trade pact. As a result of this phase-one deal, new U.S. tariffs (slated to go into effect on December 15) were canceled. The 15% tariffs (imposed on \$110 billion of Chinese goods in September) now fall to 7.5%.

In return, China has committed to buying greater quantities of American crops, factory goods, and energy products.³

Fed Holds Steady on Short-Term Interest Rates

The last Federal Reserve meeting of the year brought no adjustment for the federal funds rate. The vote to leave short-term rates unchanged was unanimous.

After the meeting, Fed chair Jerome Powell told the media, “as long as incoming information about the economy remains broadly consistent with [our] outlook, the current stance of monetary policy will likely remain appropriate.”⁴

Retail Sales Disappoint

Economists, surveyed by Bloomberg, expected a retail sales gain of 0.5% for November, but according to the Department of Commerce, the advance was only 0.2%. In a bright spot for analysts who wanted to see a strong start to the

WEEKLY QUOTE

“Nothing in the world is permanent, and we’re foolish when we ask anything to last, but surely we’re still more foolish not to take delight in it while we have it.”
 W. SOMERSET MAUGHAM

WEEKLY TIP

When you schedule **home repairs or home improvements**, double-check that the **contractor you hire is licensed, fully bonded, and insured**. If that is not the case, you could be assuming unnecessary risk during their visit.

WEEKLY RIDDLE

The more places I be, the less you can see. What am I?

Last week’s answer:

9. Two twins are 2 people, three triplets are 3 people, and four quadruplets are 4 people.
 $2 + 3 + 4 = 9$.

Sources: MarketingPro, Financial Strategies Group, The Baker Group, www.sj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

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holiday shopping season, sales at online retailers rose 0.8% last month.⁵

Note: There will be no Weekly Economic Update next week, but we will be back on December 30 with a special “Year-in-Review” edition of the WEU. Have a happy holiday season!

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: The Census Bureau offers a snapshot of November residential construction activity.

Thursday: A look at November existing home sales from the National Association of Realtors.

Friday: November personal spending data and the third estimate of third-quarter economic expansion from the federal government, plus the year’s final University of Michigan Consumer Sentiment Index (which measures consumer confidence levels).