



Weekly Economic News & Updates

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THE WEEK ON WALL STREET

A month of gains for stocks ended with a weekly retreat. The S&P 500 lost 0.30%; the Nasdaq Composite, 0.32%; the Dow Jones Industrial Average, 0.45%. In contrast, overseas shares, tracked by the MSCI EAFE index, advanced 0.14%.¹⁻²

Last month was the best June for the blue chips since 1938, the best month for the S&P since 1955. The Dow gained 6.9% in June; the S&P, 6.2%.³

Trade Talks Could Soon Restart

All week, investors had one eye on Saturday's Group of 20 summit in Japan, where President Trump and Chinese President Xi Jinping were slated to meet. This weekend, President Trump announced that he and President Xi had agreed to a resumption of trade talks between the U.S. and China. As part of that agreement, the U.S. is holding off on placing tariffs on an additional \$300 billion of Chinese goods.⁴

While trade tensions certainly remain between both countries, the news that formal discussions could resume may renew investor optimism about progress toward a trade pact.

Powell Cautions Against Adjusting Rates Too Quickly

In the meantime, Federal Reserve Chairman Jerome Powell attracted attention with new remarks on monetary policy. Powell stated last week that the Fed officials were "mindful that monetary policy should not overreact to any individual data point or short-term swing in sentiment."⁵

While many traders think the central bank will lower the benchmark interest rate at its July meeting, Powell noted that there was not yet consensus for a cut among Fed policymakers.⁵

What's AHEAD

This will be a holiday-shortened trading week. The New York Stock Exchange will close early Wednesday, and all U.S. financial markets will close Thursday for the July 4 holiday. Markets reopen on Friday.

WEEKLY QUOTE

"The longer I live, the more beautiful life becomes."

FRANK LLOYD WRIGHT

WEEKLY TIP

Your home insurance policy should include a **code rider**. This provision stipulates that your insurer will cover **the costs of bringing your home back up to code** during a rebuild. If your home is decades old, some of the wiring, roofing, and plumbing may need upgrades to meet current standards.

WEEKLY RIDDLE

What is the **difference** between a **schoolboy** studying and a **farmer** watching his cattle?

Last week's answer:

The rope isn't tied to anything besides the horse, allowing the horse to roam freely.

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