



Weekly Economic News & Updates

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THE WEEK ON WALL STREET

Last week, investors assessed earnings and the initial estimate of second-quarter economic growth, while awaiting the Federal Reserve’s next announcement about interest rates.

Stocks rose for the week; particularly, tech shares. The S&P 500 gained 1.65%; the Nasdaq Composite, 2.26%. The Dow Jones Industrial Average lagged, adding just 0.14%. MSCI’s EAFE index, a gauge of equity performance in developed foreign markets, ticked up 0.01%.^{1,2}

Economy Grew Moderately in Q2

Analysts surveyed by Dow Jones Newswires had forecast 2.0% GDP for the second quarter. The actual estimate, announced Friday by the Bureau of Economic Analysis, was slightly better at 2.1%.³ While this is the poorest quarterly GDP number since the opening quarter of 2017, the decline in GDP largely reflects a decrease in business investment. Consumer spending improved 4.3% in Q2, and government spending rose 5.0%, which was the biggest quarterly gain in a decade.³

China Trade Talks to Restart

U.S. trade delegates are scheduled to resume face-to-face negotiations with their Chinese counterparts, starting Tuesday in Shanghai. This renewed effort to forge a bilateral trade pact could go on for some time. Secretary of the Treasury Steven Mnuchin, who is part of the U.S. delegation, told reporters last week that it would likely take “a few more meetings” before any kind of accord can be considered.⁴

WHAT’S NEXT

Wednesday at about 2:00pm EST, the Federal Reserve is scheduled to conclude its July meeting. Wall Street is eager to see what the Fed will do with interest rates. The question is whether traders have priced in expectations of a cut and how they may react if no cut comes.

WEEKLY QUOTE

*“To succeed, **planning alone** is insufficient. One must **improvise** as well.”*
ISAAC ASIMOV

WEEKLY TIP

When it comes to **insuring your residence**, remember that the right amount of **coverage** is based on what it costs you to **replace your home**, not just to reconstruct it. Some homeowners underinsure their homes and end up paying some rebuilding or repair costs out of pocket after a calamity.

WEEKLY RIDDLE

You can take **one letter** away from this **8-letter word**, and you still have a word. You can take another letter away from the seven letters left, and you still have a word. Keep on doing that, each time making a **new word**, until you have one letter left. What is this word?

Last week’s answer:

Parsley (Sparsely, minus the S = Parsley).

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

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