



# Weekly Economic Update

---

**In this week's recap:** Stock indices again set records, the Fed makes its third rate cut of the year, October's employment report is a nice surprise, and U.S. and Chinese trade negotiators make some progress.

November 5, 2019

## THE WEEK ON WALL STREET

A better-than-forecast jobs report prompted a stock market rally Friday, two days after traders witnessed another interest rate cut by the Federal Reserve.

Both the S&P 500 and Nasdaq Composite ended the week at historic peaks, while the Dow Jones Industrial Average settled less than 12 points under its all-time record close. The Nasdaq rose 1.74% for the week; the S&P gained 1.47%. The Dow added 1.44%. MSCI's EAFE benchmark, which measures developed stock market performance outside the U.S. and Canada, improved 0.58%.<sup>1,2,3</sup>

## ECONOMY ADDS 128,000 JOBS IN OCTOBER

This net increase far surpassed the gain of 85,000 projected by a Bloomberg poll of economists. These job gains occurred even as last month's General Motors strike impacted hiring in the manufacturing sector.

Unemployment rose slightly to 3.6% in October, an effect of more people entering the job market. Likewise, the U-6 rate, counting both unemployed and underemployed Americans, ticked up to 7.0%.<sup>4</sup>

## THE FED'S LATEST INTEREST RATE DECISION

Last week, the central bank made its third quarter-point rate cut since July, leaving the target range for the federal funds rate at 1.50-1.75%.

Something was missing from the latest Fed policy statement. Since June, a passage had noted that the Fed was ready to “act as appropriate to sustain the expansion.” In the latest statement, that language disappeared. At a press conference Wednesday, Fed Chair Jerome Powell commented that Fed officials “see the current stance of monetary policy as likely to remain appropriate.”<sup>5</sup>

## WHERE TRADE TALKS WITH CHINA STAND

There were further negotiations between U.S. and Chinese officials Friday, and China’s commerce ministry announced that both sides had “reached consensus on principles” integral to the first phase of a new trade pact. U.S. Trade Representative Robert Lighthizer noted only that the latest round of conversation had brought “progress in a variety of areas.”<sup>6</sup>

---

## TIP OF THE WEEK



*A **thorough business plan** should also **identify** your **target audience**: who wants your service or product, why they are interested in it, and the problem your solution solves. Interviews, research, and surveys can come in handy here.*

---

## THE WEEK AHEAD: KEY ECONOMIC DATA

**Tuesday:** The Institute for Supply Management presents its latest Purchasing Managers Index for the U.S. service sector, gauging business activity and new orders.

**Friday:** The University of Michigan’s preliminary November Consumer Sentiment Index appears, measuring consumer confidence levels.

Source: Econoday, November 1, 2019

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

## THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

**Monday:** Marriott International (MAR), Sysco (SYY), Uber (UBER)

**Tuesday:** Allergan (AGN), Toyota (TM)

**Wednesday:** CVS Health (CVS), Qualcomm (QCOM)

**Thursday:** Booking Holdings (BKNG), Walt Disney Co. (DIS)

**Friday:** Duke Energy (DUK), Enbridge (ENB), Honda (HMC)

Source: Zacks, November 1, 2019

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame, and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

---

## QUOTE OF THE WEEK



*“We cannot fail to **win** unless we fail to **try**.”*

*TOM CLANCY*

---

Market Index	Close	Week	Y-T-D
DJIA	27,347.36	+1.44%	+17.23%
NASDAQ	8,386.40	+1.74%	+26.39%
MSCI-EAFE	1,955.48	+0.58%	+13.70%
S&P 500	3,066.91	+1.47%	+22.34%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.73%	-0.07%	-0.96%

Sources: The Wall Street Journal, November 1, 2019; Treasury.gov, November 1, 2019

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, October 25 to the Friday, November 1 close. Weekly performance for the MSCI-EAFE is measured from the Friday, October 25 open to the Thursday, October 31 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

---

## THE WEEKLY RIDDLE



*Jennifer is 20 years old, yet why has her **birthday** occurred only **five times** in her life?*

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

*ANSWER: A well.*

---

KC Financial Advisors may be reached at 913-317-1414 or  
<http://www.CoverYourAssetsKC.com>

**Know someone who could use information like this?**

Please feel free send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

---

Disclosure:

Investment Advisory Services are offered through Brookstone Capital Management, LLC, an SEC Registered Investment Advisor. KC Financial Advisors and Brookstone Capital Management LLC are separate companies. These views should not be construed as investment advice. Neither Brookstone Capital Management LLC nor any named representative gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Please consult your financial advisor for further information. This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded bluechip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the

world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

CITATIONS:

- 1 - [markets.wsj.com](https://markets.wsj.com) [2/8/19]
- 2 - [quotes.wsj.com/index/XX/990300/historical-prices](https://quotes.wsj.com/index/XX/990300/historical-prices) [2/8/19]
- 3 - [insight.factset.com/earnings-season-update-february-8-2019](https://insight.factset.com/earnings-season-update-february-8-2019) [2/8/19]
- 4 - [instituteofsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1](https://instituteofsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1) [2/5/19]  
[-rates/Pages/TextView.aspx?data=yieldAll](#) [6/28/19]

[Pages/TextView.aspx?data=yieldAll](#) [10/18/19]