



Weekly Economic News & Updates

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THE WEEK ON WALL STREET

Friday, the yield of the 3-month Treasury bill exceeded the yield of the 10-year Treasury note for the first time in 12 years. For some analysts, this “inverted yield curve” may imply a short-term lessening of confidence. (Treasury yields move inversely to Treasury prices.)¹

As a result, the S&P 500 ended the week 0.94% lower. The Nasdaq Composite fell 0.80%, and the Dow Industrials lost 1.19%.^{2,3,4}

In contrast, the MSCI EAFE index following international stocks rose, gaining 0.52% for the week.⁵

FED SEES NO HIKES IN 2019

On Wednesday, the Federal Reserve held interest rates steady, but lowered its estimate of 2019 economic growth to 2.1%.

Last December, the central bank forecast two rate hikes in 2019. It now expects to leave rates unchanged this year, with one quarter-point hike projected for 2020.

This pivot may acknowledge a slight change in economic conditions. The Fed’s latest policy statement noted that the “growth of economic activity has slowed from its solid rate in the fourth quarter.”⁶

OIL HOVERS NEAR \$60

At Friday’s closing bell, a barrel of West Texas Intermediate (NYMEX) crude oil was valued at \$58.85 on the New York Mercantile Exchange (NYMEX). Its value briefly climbed to \$60 earlier in the week.

Month-over-month, the price of WTI crude has risen nearly 5%. Historically, higher oil prices can have a significant impact on retail gasoline prices.⁷

WHAT’S NEXT

A U.S. delegation is scheduled to accompany Secretary of the Treasury Steven Mnuchin to China this week for further trade negotiations. Finally, Brexit will not occur this Friday, as the European Union has extended the United Kingdom’s deadline in response to Prime Minister Theresa May’s request.^{8,9}

WEEKLY QUOTE

*“Life engenders life.
Energy creates energy. It
is by **spending oneself**
that one **becomes rich.**”*
SARAH BERNHARDT

WEEKLY TIP

When a **baby** comes along, it can be hard to stick to a **household budget**. Rather than struggle to meet old goals, **adjust** the budget in light of new realities. Refrain from abandoning budgeting in the wake of the change.

WEEKLY RIDDLE

Determine the numeral between 1 and 100 that is also nine times the sum of its digits.

Last week’s answer:
James Buchanan.

Sources: MarektingPro, 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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