



Weekly Economic News & Updates

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FOMC

Patience young grasshopper. That was the theme this week as Jerome Powell channeled his inner Caine to deliver his semi-annual testimony to Congress. Citing challenges to domestic and global growth, the Chairman used his even-tempered equanimity to assure and reassure lawmakers and investors that the central bank will be able to exercise its forbearance with aplomb while making adjustments to future policy. In a speech Thursday night to the Citizens Budget Commission in New York City, he also said that “the economy is in a good place.”

Market News

Bonds will most certainly care later this week when the new Jobs Report comes out on Friday. Surveys suggest a gain of about 185k in Non-Farm Payrolls that, in turn, may push the current 4% Unemployment Rate down by 0.1%. Perhaps of more significance, early estimates of a 0.3% monthly gain in Average Hourly Earnings could push the year-over-year growth rate up to 3.3% from 3.2%. The pace of growth is slow, but there is a pace.

But, before that happens, markets will need to digest the just-released news that Construction Spending fell by 0.6% in December when a slight increase was expected. Let’s hope those dashed expectations do not describe a trend when tomorrow brings reports of the ISM’s predicted pick-up in its Services Index. A private report from Markit Services should show similar results. A report showing a decline in New Home Sales is also expected tomorrow. A new report from the Census Bureau is expected to show the deficit in the nation’s Trade Balance widened to about -\$58B from -\$49B. The Federal Reserve will be releasing its Beige Book on the same day, and its colorless commentary will be closely scrutinized for signs of color, but none will be found.

FINAL THOUGHT

Borrowing more money may not be the optimal remedy either, but consumers don’t seem to care about that. The Federal Reserve is expected to also report on Thursday that American Consumer Credit grew by 17B American dollars in January and that’s up about \$500M from December. And with the release of Friday’s employment report, we’ll also learn, maybe, that Housing Starts picked up more than 10% in January as Building Permits slipped about 3%. Temperatures across the nation have slipped even more, so bundle up and be careful out there.

WEEKLY QUOTE

“Cherish all your happy moments: they make a fine cushion for old age.”
Christopher Morley

WEEKLY TIP

*Recent college graduates are certainly challenged to **save** for the future, what with student loans, rent, and entry-level jobs. It can be tough to set anything aside. Still, **saving and investing something** is better than nothing, and the effort must be made. Given the power of compounding over time, **starting early is smart***

WEEKLY RIDDLE

How do you make the number 7 even?

Last week’s answer:
Your Finger

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