



S&P 500 Tops 3,000

Weekly Update – July 15, 2019

The Week on Wall Street

Friday, the S&P 500 settled above 3,000 for the first time, after rising 0.78% for the week. The Dow Jones Industrial Average chalked up a milestone of its own: the blue chips ended the week above 27,000, gaining 1.52% on the way. Additionally, the Nasdaq Composite wrapped up the week 1.01% higher. The MSCI EAFE index, a gauge of overseas developed markets, fell 0.65%.^{1,2,3}

Stocks rallied at midweek with help from Federal Reserve Chairman Jerome Powell's congressional testimony on monetary policy, plus the latest Fed meeting minutes.

Jerome Powell's Statements

Wednesday, Chairman Powell told Capitol Hill lawmakers that "uncertainties around global growth and trade continue to weigh on the outlook" of the Federal Open Market Committee. He also noted that "manufacturing, trade, and investment are weak all around the world."⁴

On the same day, the Fed presented the minutes of its June policy meeting. The record shared the belief of some Fed officials that "a near-term cut in the target range for the federal funds rate could help cushion the effects of possible future adverse shocks to the economy."⁵

Overall Inflation Remains Muted

The June Consumer Price Index, released last week by the Bureau of Labor Statistics, measured only 1.6% yearly inflation. The Federal Reserve uses the Bureau of Economic Analysis' Core Personal Consumption Expenditures (PCE) Price Index as its inflation barometer; in its latest edition, it showed just a 1.5% year-over-year rise.⁶

Currently, the Fed has a yearly inflation target of 2.0%. In the past, it has often raised interest rates in response to increasing inflation, which can potentially slow growth and affect hiring and employment levels. Absent significant inflation pressure, such a response may not be forthcoming.⁷

Final Thought

All eyes are on corporate earnings this week, as prominent banks and about two dozen other S&P 500 firms report second-quarter results. Market participants have much to consider in terms of profits, revenue, and guidance.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Fed chair Jerome Powell delivers a speech on monetary policy at the G7 summit in France, and the Census Bureau releases its June retail sales report.

Friday: The University of Michigan presents its preliminary July consumer sentiment index, measuring consumer confidence and perceptions of the economy.

Source: Econoday / MarketWatch Calendar, July 12, 2019

The Econoday and MarketWatch economic calendars list 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: Citigroup (C), J.B. Hunt (JBHT)

Tuesday: Goldman Sachs (GS), Johnson & Johnson (JNJ), JPMorgan Chase (JPM), Wells Fargo (WFC)

Wednesday: Bank of America (BAC), Netflix (NFLX), Novartis (NVS), Abbott Labs (ABT)

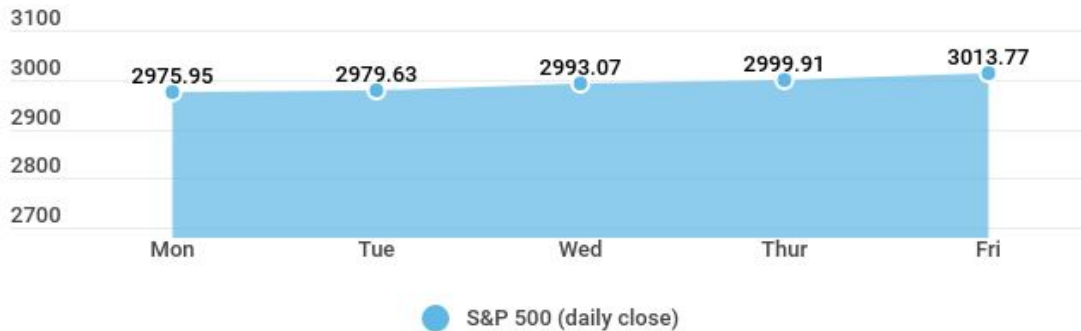
Thursday: Microsoft (MSFT), UnitedHealth (UNH)

Friday: American Express (AXP)

Source: Zacks, July 12, 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.

Market Index	Close	Week	Y-T-D
DJIA	27,332.03	+1.52%	+17.17%
NASDAQ	8,244.14	+1.01%	+24.25%
MSCI-EAFE	1,919.61	-0.65%	+11.61%
S&P 500	3,013.77	+0.78%	+20.22%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.12%	+0.08%	-0.57%

Sources: The Wall Street Journal, July 12, 2019; Treasury.gov, July 12, 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, July 5 to the Friday, July 12 close. Weekly performance for the MSCI-EAFE is measured from the Friday, July 5 open to the Thursday, July 11 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.

QUOTE OF THE WEEK



“Until one has loved an animal, a part of one’s soul remains unawakened.”

– Anatole France



Strawberry & Barley Summer Salad



[4 servings]

Ingredients:

Salad

- 1 cup quick-cooking barley, quinoa, or other grain
- A pinch of salt and pepper
- Edamame (soybeans)
- 5 oz. (or more) of spinach
- 1 lb. of strawberries, sliced
- 2 Tbsp. of Parmesan cheese

Dressing

- ¼ cup sour cream
- ¼ cup buttermilk
- 1 tsp. Dijon or honey mustard
- 1 tsp. poppy seeds

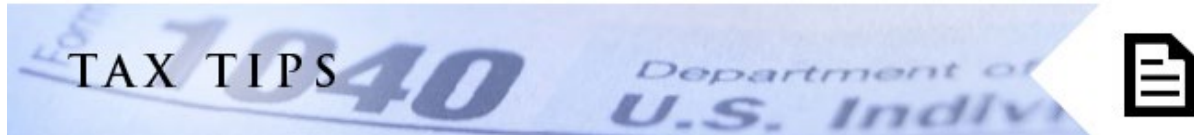
Directions:

Embrace the warm weather with this summer salad. Going vegetarian for a few meals a week helps both your health and the environment, and salads, like these, make it easy and delicious!

1. Cook the quick-cooking barley (or other grain) according to the package.

2. Cook the soybeans according to the package.
3. Whisk together the sour cream, buttermilk, mustard, poppy seeds, and a sprinkle of salt and pepper until mixed thoroughly.
4. In a large bowl, combine the barley, soybeans, dressing, spinach, sliced strawberries, and Parmesan cheese, then toss.

Recipe adapted from Woman's Day⁸



Potential, Pet-Related Tax Deductions

Because this week's tips are all about our furry friends, we thought we'd share some potential pet-related tax deductions. Tax law is always changing, so these deductions may no longer be relevant if new developments arise, but they're things to consider if you have four-legged friends at home.

- Business animals, or animals that live at a trade or business, can be a potential deduction. This would include animals that primarily live at a business, such as a dog that serves as a security measure or a cat that keeps the rodent population at bay. You may be able to deduct expenses, like food, vet visits, and training associated with the job.
- Donations to pet-related charity or organization may be deductible. This is different, though, than adopting a pet, which isn't tax deductible.
- Fostering pets can also be a tax write-off. This is considered a charitable contribution, and expenses for fostering a pet for an IRS-qualified 501(c)(3) organization can be deducted.
- If you have a service dog, these expenses are also tax deductible. According to IRS Publication 502, deductions are available for individuals requiring a guide dog for vision or hearing impairments.

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from ThinkAdvisor⁹



Aim Your Ball Flight, Not Your Body

One of the most-common mistakes that beginning golfers (and even seasoned veterans) make on the course is aiming straight down the fairway. This would make sense in an ideal situation, but many golfers tend toward a different ball flight. For example, you might slice right or left, and if you're aiming for the middle of the fairway, the ball might veer to the side.

Rather than aim your body toward the middle of the fairway, aim it toward your most-common ball flight. That way, if the shot overcompensates to the right or to the left, you're still closer to center. Not sure where your ball flight curves? Practice in the driving range to see where your balls end up. Another way to compensate for this curve is to place your tee to the right or left rather than the middle. This will also help you start your drive in the correct position.

Tip adapted from Me and My Golf¹⁰



The Health Benefits of a Meat-Free Day

There's no denying the overwhelming health benefits of a plant-based diet. But going completely vegetarian or vegan isn't realistic for everyone. Luckily, you can still enjoy the many health benefits by going "meat free" for just one day a week. Here are some of the main benefits of this healthy lifestyle swap:

- *You'll be cutting out potentially dangerous processed meat* – [According to the World Health Organization](#), processed meats rank alongside cigarettes as a major cause of cancer.
- *You'll be decreasing your risk of heart disease* – Coronary heart disease is linked to a meat-based diet, and the majority of cardiovascular diseases can be prevented by switching to a plant-based diet.
- *You'll be getting more vitamins, minerals, and fiber* – When you don't turn to

meat on your meat-free day, you'll likely turn to other foods such as veggies, fruits, whole grains, and other plant-based products. This variety helps you round out your diet!

These are just a few of the many benefits of going meat-free for a day. Want more inspiration? Just Google "Meatless Monday" for recipe suggestions.

Tip adapted from Hello Magazine¹¹



Be an Eco-Friendly Pet Parent

Going green can extend to your furry friend, too! There are many ways to be an eco-friendly pet parent and reduce your carbon footprint (or pawprint). Below are some easy ways you and your pet can be environmentally friendly:

- *Adopt; don't shop* – Not only does adopting a pet from a local shelter help save the life of one of the millions of animals looking for a loving home, but it can also help overburdened shelters reduce their overhead, like electricity and water.
- *Make your own treats* – Commercial dog and cat treats often come in wasteful plastic packaging, only to be thrown away when the treats are gone. Avoid this by making your own dog or cat treats! [Dog Treat Kitchen](#) has tons of delicious recipes, and [this website](#) has some easy DIY cat treats.
- *Use compostable pet products* – When possible, look for a compostable option for your favorite pet products. There are many choices for compostable doggie waste bags, and cat litter made out of corn, pine, or wheat is usually biodegradable.

Even small swaps like these can help you (and your pets) live more environmentally friendly.

Tip adapted from Healthy Pets¹²

Share the Wealth of Knowledge!

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

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¹ <https://www.cnbc.com/2019/07/12/stock-market-dow-futures-rise-after-fed-hints-at-rate-cut-ahead.html>

² <https://www.wsj.com/market-data>

³ <https://quotes.wsj.com/index/XX/990300/historical-prices>

⁴ <https://www.investopedia.com/markets-cheer-lower-interest-rate-outlook-4692639>

⁵ <https://www.investopedia.com/markets-cheer-lower-interest-rate-outlook-4692639>

⁶ <https://www.reuters.com/article/us-usa-economy-inflation/u-s-core-cpi-posts-biggest-gain-in-nearly-1-1-2-years-idUSKCN1U61NR?il=0>

⁷ <https://www.reuters.com/article/us-usa-economy-inflation/u-s-core-cpi-posts-biggest-gain-in-nearly-1-1-2-years-idUSKCN1U61NR?il=0>

⁸ <https://www.womansday.com/food-recipes/food-drinks/a27285750/barley-salad-with-strawberries-and-buttermilk-dressing/>

⁹ <https://www.thinkadvisor.com/2018/04/03/6-potential-pet-related-tax-deductions/?slreturn=20190421211413>

¹⁰ <https://www.youtube.com/watch?v=De9DgJ3qKdM>

¹¹ <https://www.hellomagazine.com/cuisine/2017061339754/health-benefits-vegetarian-once-a-week/>

¹² <https://healthypets.mercola.com/sites/healthypets/archive/2015/02/07/top-10-green-pet-tips.aspx>

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