

RESOURCE LOG - May 2018

Article Title	Detail	Publication	Date	Author
What's News	♦ Trump eased trade pressure on the EU and other top U.S. allies, giving them more time to negotiate deals to avoid steel and aluminum tariffs	The Wall Street Journal	05/01/2018	
What's News	♦ U.S. stocks eased, hurt by health-care and industrial shares. The Dow fell 148.04 points to 24163.15, cutting its April gain to 0.2%.	The Wall Street Journal	05/01/2018	
What's News	♦ The Fed's inflation gauge rose 2% in March from a year ago, hitting its target as spending and pay rose.	The Wall Street Journal	05/01/2018	
Treasury Prices Take a Step Up Yield on 10-year note falls for third session in a row as data on incomes disappoint	Treasury prices rose, sending the yield on the 10-year note lower for a third straight session. The 10-year Treasury yield slipped to 2.936% on Monday from 2.959% Friday. Yields fall as bond prices rise. The yield on 10-year Treasuries has risen in 2018, last week topping the 3% mark for the first time in more than four years. Analysts also are keeping an eye on the difference in yields between shorter-dated and longer-dated Treasuries, known as the yield curve. Many investors watch the yield curve for signals on what could be ahead for the economy.	The Wall Street Journal	05/01/2018	Gunjan Banerji
Dollar Advances On Solid Readings	The dollar rose Monday as signs of economic expansion in the U.S. supported the currency while the outlook in Europe continued to discourage investors.	The Wall Street Journal	05/01/2018	Daniel Kruger
Oil Prices Retreat as Dollar Advances Traders also watch whether Trump will abandon the deal on Iran's nuclear program	Oil prices fell to a two-week low, weighed down by rising U.S. crude production, a strengthening dollar and debate over whether America will pull out of the Iran nuclear deal. Light, sweet crude for June delivery fell \$1.32, or 1.9%, to \$67.25 a barrel on the New York Mercantile Exchange.... The rally that brought U.S. oil futures near \$70 this year has stalled.... Meanwhile, a stronger U.S. dollar has put pressure on commodities such as oil, which are priced in the U.S. currency and become more expensive to foreign buyers when the dollar rises.	The Wall Street Journal	05/02/2018	Stephanie Yang
Fed Is on Course for Rate Increases Policy makers remain headed for gradual rises, including a possible one in June	The Federal Reserve held short-term interest rates steady Wednesday and indicated it remains on track to raise them gradually.... Labor markets are strong. Wages are rising. And inflation has reached the central bank's 2% target but with little evidence of a breakout. Stocks and bond yields edged lower after the meeting ended. The Dow Jones Industrial Average closed down 174.07 points, or 0.7%, to 23924.98 in a fourth straight session of losses.	The Wall Street Journal	05/03/2018	Nick Timiraos

Rising Dollar Batters Emerging Markets <i>Higher interest rates expected in the U.S., uncertainty on global growth worry investors</i>	The U.S. dollar's resurgence is rippling through emerging markets, sparking steep falls in stocks, bonds and currencies that investors had flocked to in recent years in search of bigger returns. The MSCI Emerging Markets Index, which measures stock performance, is down 1.5%, while a JPMorgan index that tracks emerging-market government bonds issued in local currencies has fallen 3.6% over the past month through Tuesday. The declines illustrate the increasingly uncertain outlook for emerging-market assets. The selling threatens to inject fresh volatility into global markets, which have been rocky in recent months as investors parsed rising trade tensions, the climb in global interest rates and questions over regulation of the technology sector. Rising U.S. rates can encourage investors to take money out of emerging-market assets – which typically offer higher yields but are perceived as riskier to invest in safer U.S. Treasury bonds. Some investors aren't giving up on emerging markets yet, citing still-strong economic growth and, compared with past periods of stress, lower ratios of foreign-currency debt to gross domestic product.	The Wall Street Journal	05/03/2018	Chelsey Dulaney and Ira Iosebashvili
What's News	◆ The tax overhaul helped drive earnings at the largest U.S. companies, with over half their combined profit growth stemming from a drop in their rates.	The Wall Street Journal	05/04/2018	
What's News	◆ The Dow recouped a nearly 400-point drop to end 5.17 points higher at 23930.15. The S&P 500 and Nasdaq fell.	The Wall Street Journal	05/04/2018	
New Tax Law Fattens Corporate Profits	The tax savings are helping to drive profits to new highs among companies in the S&P 500 index. Overall, first-quarter after-tax earnings for index companies were on track through Wednesday to rise 25.3% over the 2017 period, according to Thomson Reuters. That would mark the seventh straight quarter of per-share profit growth and the strongest gains in more than seven years.	The Wall Street Journal	05/04/2018	Theo Francis and Richard Rubiin
U.S. Investors Head Abroad	Rising interest rates were supposed to such money back into U.S. markets. In reality, they are driving Americans to invest overseas. One key reason is because the gulf between increasing U.S. interest rates and negative rates in Europe and Japan, a common technique of using currency forwards to hedge foreign-exchange risk is basically paying investors to take risk abroad. A currency forward contract locks in an exchange rate for the purchase or sale of a currency on a future date.	The Wall Street Journal	05/04/2018	Mike Bird
A Tug of War in Markets	The Dow Jones Industrial Average suffered its second consecutive week of declines and is 8.8% below its Jan. 26 all-time high. Stocks have struggled to regain momentum following a string of lukewarm earnings reports and economic data, while a rising dollar and strengthening government-bond yields threaten to diminish their allure.	The Wall Street Journal	05/05-06/2018	Source: FactSet (stocks, Dow Industrials dividend yield); WSJ Market Data Group (WSJ Dollar Index); Ryan ALM (Treasury yield)

Saudis Push for Oil at \$80 a Barrel	Saudi Arabia is maneuvering to push oil prices up to at least \$80 a barrel this year, shifting away from its longtime role as a stabilizing force in global energy markets. The Saudis already have helped drive oil prices up nearly 50% in the past year – to nearly \$74 a barrel on Friday...	The Wall Street Journal	05/05-06/2018	Summer Said and Michael Armon
What's News	♦ U.S. unemployment fell to 3.9% in April, the lowest level since December 2000, the result of a historically long jobs expansion.	The Wall Street Journal	05/05-06/2018	
What's News	♦ The Dow rebounded, climbing 332.36 points Friday to close at 24262.51, but ended down for the week.	The Wall Street Journal	05/05-06/2018	
Forecaster Fail: Missing Oil's Rise <i>A nearly 12% climb in crude this year has upended predictions on Wall Street</i>	No one is more surprised by \$75 oil prices than Wall Street's oil experts. The price of crude has climbed nearly 12% this year and has reached its highest levels since 2014 – a rally that has caught most big banks flat-footed. But oil is seen as particularly tricky given its sensitivity to hard-to-gauge geopolitics and the opaque workings of the Organization of Petroleum Exporting Countries.	The Wall Street Journal	05/07/2018	Allison Sider and Georgi Kantchev
What's News	U.S. stocks and bonds are trading water, reflecting conflicting feelings about a strong economy set against concern about rising interest rates and fears of inflation.	The Wall Street Journal	05/07/2018	
Energy Stocks Flip From Dud to Darling <i>The sector is up more than 10% in the past month as oil prices, company earnings rise</i>	Energy stocks had fallen out of favor after many investors lost huge fortunes when oil prices began skidding in 2014 from above \$100 a barrel to under \$30. Even as prices showed signs of rebounding earlier this year, wary investors avoided the S&P 500 energy sector, which recorded its worst three-month stretch in three years in the first quarter. Another factor that has helped the energy sector is healthier balance sheets. In the U.S., oil production continues to grow. By some estimates, U.S. production is expected to overtake Russia in five years, and some worry the growing output from American shale producers could depress energy prices.	The Wall Street Journal	05/09/2018	Michael Wursthorn and Akane Otani
What's News	♦ The Dow advanced for a fifth straight day, climbing 182.33 points to 24542.54, as energy shares gained.	The Wall Street Journal	05/10/2018	
What's News	♦ Oil rose to a 3 ½ year high as renewed Iran sanctions stoked supply concerns.	The Wall Street Journal	05/10/2018	
China Plans Offer to Buy More From U.S.	China likely will offer to import more U.S. goods during negotiations in Washington next week... Chinese officials expressed willingness to work with the U.S. to reduce the trade gap during last week's talks...	The Wall Street Journal	05/10/2018	Lingling Wei in Beijing and Bob Davis in Washington
What's News	♦ A U.S. report offered signs inflation's acceleration is moderating, potential good news for workers who have felt minimal gains from pay raises.	The Wall Street Journal	05/11/2018	

What's News	◆ Stocks advanced as fears about runaway inflation abated. The Dow climbed 196.99 points to 24739.53.	The Wall Street Journal	05/11/2018	
Buybacks Surge, Steadying Market	U.S. companies are buying back their shares at a record pace, providing fresh support during a rocky stretch for the stock market when many investors have rushed for the exits. Cash-rich businesses are also raising dividends swiftly.	The Wall Street Journal	05/11/2018	Ben Eisen and Akane Otani
Pricing Hitch in Heart of U.S. Oil Boom <i>In West Texas, strained pipelines lead to crude selling for under \$60 a barrel</i>	The main U.S. oil benchmark, West Texas Intermediate, has soared to its highest level in years at \$71 a barrel. Good luck getting that price in West Texas. In the epicenter of America's drilling boom, crude is going for less than \$60 a barrel because oil output there has overwhelmed pipelines that connect the Texas desert to markets along the Gulf Coast and abroad.	The Wall Street Journal	05/11/2018	Allison Sider and Ryan Dezember
Emerging Debt Markets Pull Back	Countries in the developing world have been borrowing heavily, supported by upbeat expectations for global growth and a long period of low to negative interest rates.... But as U.S. rates have started to climb, with the 10-year Treasury note touching above 3% for the first time since 2014, and the dollar rallied, more cautious investors have pulled away from riskier emerging-markets bets. A stronger dollar hurts developing countries by making it more expensive for them to service dollar-denominated debts and to pay for imports.	The Wall Street Journal	05/12-13/2018	
FAANG Stocks Bite Back	The S&P 500 posted its biggest weekly gain in nine weeks as stocks that led last year's market rally, such as Facebook Amazon.com, Apple, Netflix and Google parent Alphabet, marched higher. The Dow Jones Industrial Average has climbed for seven consecutive sessions, its longest winning streak since November, though the gains have been relatively muted. Although U.S. stocks have built some momentum, emerging markets have been battered by the dollar's resurgence. Emerging-market equity funds suffered their biggest weekly outflows in nearly nine months in the latest period. Netflix ▲ 70.1% Amazon ▲ 37.1% Apple ▲ 11.4% Facebook ▲ 6.0% Alphabet ▲ 4.7% S&P 500 ▲ 2.0%	The Wall Street Journal	05/12-13/2018	
What's News	◆ The Dow gained 68.24 points to 24899.41 amid signs of easing trade tensions between the U.S. and China.	The Wall Street Journal	05/15/2018	
Gap in Bonds Sets Treasuries Apart	The difference between yields on 10-year U.S. Treasury notes and German government bonds is at its widest point in almost three decades, a sign of investor confidence in U.S. growth. U.S. Treasury 2.995%	The Wall Street Journal	05/15/2018	Source: Thomson Reuters

	German bund 0.610%			
What's News	♦ Trump's plans to rewrite NAFTA this year looked unattainable Tuesday after negotiators appeared too far apart to strike a deal before a deadline this week.	The Wall Street Journal	05/16/2018	
What's News	♦ U.S. firms are ramping up capital spending, which is estimated to have risen 24% last quarter from a year earlier, after years of tepid growth.	The Wall Street Journal	05/16/2018	
What's News	♦ The Dow fell 193.00 to 24,706.41 as investors parsed economic data, bond yields and U.S. China talks.	The Wall Street Journal	05/16/2018	
Investors Step Back Into Struggling REITs	Real-estate investment trusts have been underperformers for the past two years in the U.S., but as merger activity increases some investors are giving them a look. The FTSE Nareit All Equity REITs index produced a total return of 3.7% in March, compared with a 2.5% decline for the S&P 500 stock index over the same period. In April, the REIT index's total return of 0.5% outperformed the S&P 500's 0.4%. Still, despite the recent uptick, the REIT index had a total return of negative 6.2% in the first four months of the year, versus the S&P 500's 0.4% decline.	The Wall Street Journal	05/16/2018	Esther Fung
What's News	♦ The Russell 2000 index of small stocks hit a record, reflecting tax-overhaul gains and signs growth in the U.S. looks more robust than overseas.	The Wall Street Journal	05/17/2018	
Economy Boosts Retailers	A strong U.S. economy and recent store improvements are helping Walmart Inc., Macy's Inc. and other big retail chains replace business lost to online rivals. Buoyed by low unemployment and rising wages, Americans are stepping up purchases of everything from apparel to groceries to dishwashers.	The Wall Street Journal	05/18/2018	Sarah Nassauer and Suzanne Kapner
What's News	♦ Macron and Merkel ruled out actions that could put the EU and U.S. into a trade war over Iran sanctions.	The Wall Street Journal	05/18/2018	
U.S. Lacks Capacity to Meet Trade-Deficit Goal With China	Economists say trade deficits are caused by broader macroeconomic trends tied to how much a country saves and spends, not by changes in trade policy or exports of particular goods. Still, President Donald Trump has sought to manage trade flows to reduce the deficit and has sought China's cooperation in achieving that goal. Last year, the U.S. ran a \$375 billion merchandise trade deficit with China...	The Wall Street Journal	05/18/2018	Bob David and Lingling Wei
What's News	♦ Mortgage rates jumped to their highest level since 2011, a shift that could slow home price appreciation and squeeze first-time buyers.	The Wall Street Journal	05/19-20/2018	
What's News	♦ Stocks stalled, posting weekly losses on trade and rate concerns. The Dow edged up 1.11 points on Friday.	The Wall Street Journal	05/19-20/2018	
Stung by Rising Rates	The S&P 500 suffered its biggest weekly loss in six weeks, as rising government-based yields punished high-dividend stocks in the utilities and real-estate sectors. Investors for years poured money into those shares, along with telecom and consumer-staples stocks, as they sought investment income that outpaced super low yields in the bond market. But that trend has reversed in recent months as Treasury yields have climbed.	The Wall Street Journal	05/19-20/2018	Source: FactSet (Indexes, stocks, dividend yields); Ryan ALM (Treasury yields);

	The yield on the benchmark 10-year Treasury note is hovering near its highest level since July 2011 following a recent batch of mixed economic data. Utilities tend to grow slower than other industries and often carry heavy debt loads. They typically fare better in down periods and trail the market during upswings. -5.5% - month to date Real-estate investment trusts are trading at a big discount to the assets they own, according to Green Street Advisors, even as investors are pouring money into private real-estate funds. -1.3% month to date; -3.2% past week			WSJ Market Data Group (volume)
Cracks in the Emerging World	A rising dollar and higher interest rates in the developed world are drawing foreign investment out of emerging markets. Developing countries that are highly reliant on outside capital to finance their budgets, have large amounts of debt coming due over the next year and not enough dollar reserves on hand to cover it all are the most economically vulnerable to the investor flight from risk.	The Wall Street Journal	05/21/2018	
Stocks Rise on Trade Hopes <i>Blue chips climb almost 300 points, but optimism on China and U.S. could fade</i>	Trade tensions receded as Treasury Secretary Steven Mnuchin said the U.S. will suspend its efforts to apply tariffs to \$150 billion in Chinese imports. Investors continue to grapple with uncertainty on a number of other fronts. Economic growth appears to be cooling abroad, signs of bubbling inflation could force the Federal Reserve to raise interest rates more quickly than expected and geopolitical tensions with North Korea continue to brew.	The Wall Street Journal	05/22/2018	Gurjan Banerji and Jon Sindreu
What's News	♦ The Dow fell 178.88 points to 24834.41 amid concern over trade tensions and North Korea talks.	The Wall Street Journal	05/23/2018	
Trump Seeks New Tariffs On Cars	President Donald Trump is asking for new tariffs of as much as 25% on automobile imports, according to those familiar with his request...	The Wall Street Journal	05/24/2018	William Mauldin, Timothy Puko, and Kate O'Keefe
Fed Signals June Rate Rise <i>Officials also debate long-term strategy as the need for economic stimulus recedes</i>	The debate is taking on urgency because rates could soon rise to a level that isn't designed to stimulate growth, a stance the Fed hasn't deliberately taken for nearly a decade. The minutes didn't suggest much worry about the economy overheating, and they instead suggested officials were likely to welcome a modest rise in inflation above the Fed's 2% target. Consumer prices rose 2% in the year ended in March, according to the Fed's preferred inflation gauge...	The Wall Street Journal	05/24/2018	Nick Timiraos
Higher Treasury Yields Make an Impact	This year's rise in government-bond yields is rippling through the economy, affecting everything from mortgage rates to stock performance. Signs of steady economic growth and expectations for rising inflation have helped push the yield on the bench-mark 10-year Treasury note this year to its highest level since	The Wall Street Journal	05/25/2018	Daniel Kruger and Akane Otani

	2011, leaving U.S. government bonds paying more than the debt from other developed countries. Yields, which rise when bond prices fall, are up this year, lifted by expectations of an acceleration in growth and inflation following \$1.5 trillion in tax cuts and a surge in government spending. The S&P 500 utility and real-estate sectors have fallen 5.2% and 6.3%, respectively, this year, ranking among the worst-performing in the S&P 500. The broader index is up 2% for the year. The MSCI Emerging Markets Index, which measures stock performance across more than 20 countries, is down 10.8% from its Jan. 26 high, while the JPMorgan Emerging Market Bond Index is off 4.3% from its Jan. 5 peak.			
What's News	♦ The Dow fell 75.05 to 24811.76 after the Korea summit cancellation fueled investor uncertainty.	The Wall Street Journal	05/25/2018	
Oil Tumbles on Supply Pact	Russia and Saudi Arabia are hammering out the terms of a deal to jointly increase oil production – a move that sent prices sharply lower on Friday... The London-traded international benchmark fell \$2.35 a barrel, or 2.98%, to \$76.44.	The Wall Street Journal	05/26-27/2018	Summer Said and Benoit Faucon
Investors Flock Back to Treasuries	Tepid economic data and fears of a broad trade war fueled a rally in government bonds this week, sending 10-year yields sharply lower. Yield on the 10-year Treasury note – May 25 2.931%.	The Wall Street Journal	05/26-27/2018	Source: Tullett Prebon
What's News	♦ U.S. stocks stalled, with the Dow falling 58.67% points to 24753.09, but major indexes hung on to weekly gains.	The Wall Street Journal	05/26-27/2018	
Italy's Political Drama Raises Stakes for Euro	The impasse, sparked by President Sergio Mattarella's decision on Sunday to block the formation of a euroskeptic government, revived long-standing European fears that Italy, with €2.3 trillion in debt and a perennially sick economy, could trigger a new existential crisis in the eurozone..	The Wall Street Journal	05/29/2018	Giovanni Legorano and Marcus Walker
Treasuries Jump Amid Concerns About EU Investors are watching whether money will be pulled from banks in Italy, other hot spots	U.S. government bonds rallied Tuesday, sending the yield on the benchmark 10-year Treasury note to its biggest one-day decline since the aftermath of the Brexit vote, as political turmoil in Italy fueled concerns about the stability of the European Union. The 10-year yield fell to 2.772% from 2.931% Friday, its biggest single-session decline since June 24, 2016. Yields, which fall as bond prices rise, have posted their biggest four-session slump since November 2011. The 30-year yield fell below 3% to 2.971%, its lowest closing level since April 2. Late Tuesday, those suggested that the probability of four Federal Reserve rate increases this year had fallen to 13% from 51% a week ago... The yield on two-year Treasuries, which typically moves in line with expectations for Fed interest-rate policy, fell to 2.319% from 2.480% Friday...	The Wall Street Journal	05/30/2018	Daniel Kruger

Italian Turmoil Spurs Global Selloff Dow loses nearly 400 points and Treasury yields fall sharply as investors cut risk	Six years after the eurozone stepped back from the brink of breakdown, a violent selloff in Southern European debt bled into broader financial markets, pushing investors toward the safety of the dollar and the Japanese yen, which rallied sharply. The Dow Jones industrials dropped 391.64 points, or 1.6%, falling back into the red for the year. The S&P 500 declined 1.2% and the Stoxx Europe 600 closed 1.4% lower. Financial companies were the hardest-hit sector in the S&P 500, sliding 3.4%, as bank shares tumbled. Italy's woes rippled across the eurozone, driven by investor worries that an exit by the bloc's third-largest economy could force other out...	The Wall Street Journal	05/30/2018	Jon Sindreu and Mike Bird
What's News	♦ Stocks snapped a losing streak as fears about Italy eased. The Dow rose 306.33 points to 24667.78.	The Wall Street Journal	05/31/2018	
What's News	♦ The Trump administration plans to make good on its threat to impose tariffs on European steel and aluminum after failing to win concessions from the EU.	The Wall Street Journal	05/31/2018	

The annual GDP Growth Rate in the U.S. averaged 3.19% from 1948 until 2017. - Trading Economics

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