

RESOURCE LOG – April 2018

Article Title	Detail	Publication	Date	Author
Bond Bears Get Wary of Treasurs	The yield on the benchmark 10-year U.S. Treasury note posted its third consecutive quarterly gain, boosted by surging expectations for growth and inflation in the wake of a \$1.5 trillion tax cut passed at the end of last year. Inflation undermines the value of bonds by eroding the purchasing power of their fixed interest payments and their principal. The most recent inflation data showed a loss in momentum. The 10-year yield reached a four-year peak at 2.943% on Feb. 21 and has since fallen to 2.741%. The increase of 0.332 percentage point was the largest for a quarter since December 2016.	The Wall Street Journal	04/02/2018	Daniel Kruger
Volatility Stages a Return	A message of volatility in U.S. stocks had one of its biggest quarterly rises ever, reflecting growing investor concerns about inflation, rising interest rates and global trade tension. The Cboe Volatility Index, of VIX, surged about 80% during the first quarter after the measure of equity-market turbulence slid for three years.	The Wall Street Journal	04/02/2018	Gunjan Banerji
Foreign Demand Curbs Treasury Yields	A surge in demand for U.S. government debt from foreign investors is providing a bulwark against a further rise in Treasury yields. The yield on the benchmark 10-year U.S. Treasury note closed at 2.732% Monday.... Support from overseas investors is one element that could help prevent yields from climbing much further. Among the factors that could disrupt the increase in demand for Treasury debt: rising tensions over trade, particularly with China, the largest U.S. trading partner.	The Wall Street Journal	04/03/2018	Daniel Kruger
Stocks Begin Quarter With a Drop <i>Selling spreads further than just tech shares; Nasdaq is negative for the year again</i>	Monday's moves added to what has been a rough patch for the stock market, which has struggled for traction this year as investors have grappled with rising interest rates, weakness in technology shares and rising global tensions. The Dow Jones Industrial Average ended down 458.92 points, or 1.9%, to 23644.19, after falling as much as 758 points earlier in the session... The S&P 500 lost 58.99 points, or 2.2%, to 2581.88...	The Wall Street Journal	04/03/2018	Akane Otani and Koraku Naroka
Tech Stocks Slide Amid Backlash <i>Losses spill over into other segments, with all S&P 500 sectors down on Monday</i>	All together, the so-called FAANG stocks – Facebook Inc., Amazon.com Inc., Apple Inc., Netflix Inc. and Google parent Alphabet Inc. – lost \$78.7 billion in market value Monday... Every stock in the S&P 500 technology sector ended lower for the day. The losses spilled over into other segments of the market as well...	The Wall Street Journal	04/03/2018	Akane Otani, Michael Wursthorn and Ben Eisen

What's News	◆ U.S. stocks staged a broad rebound, as all 11 sectors of the S&P 500 climbed. The Dow gained 1.6%.	The Wall Street Journal	04/04/2018	
Stocks in Line to Get an Earnings Lift <i>First-quarter surge in companies' profits is forecast, helped by tax cuts, the economy</i>	Corporate profitability is expected to have accelerated again during the first three months of the year, offering investors some reason for optimism after a punishing stretch in financial markets. Boosted by a recent corporate-tax overhaul and a strengthening global economy, S&P 500 firms are forecast to report profit growth of 17% in the first quarter of 2018 from a year earlier, according to reported results and analysts' forecasts compiled by FactSet. A strong earnings season could reinforce the underpinnings of the nine-year bull market in U.S. stocks. Share prices have tumbled in recent weeks, with the S&P 500 index down 9% from its Jan. 26 peak, stoking fears that the rally's best days are behind it.	The Wall Street Journal	04/04/2018	Ben Eisen and Akane Otani
What's News	◆ Stocks recovered early losses and ended higher as investors bet on an ultimate compromise on trade. The Dow rose 230.94 to 24264.30.	The Wall Street Journal	04/05/2018	
What's News	◆ The Dow rose for a third straight day, climbing 240.92 points to 24505.22.	The Wall Street Journal	04/06/2018	
Traders See Gains in Market Turmoil <i>Fear gauge is up 72% since start of the year; the new safe haven is now volatility</i>	Stock-market swings in the past week have many investors scrambling to profit from the return of turbulence after a prolonged period of tranquility. Rising interest rates, budding fears of inflation, the prospect of a trade war and a rout in technology stocks have dragged U.S. stocks lower and spurred one of the most sustained bouts of market volatility in years. Before Thursday, the S&P 500 index had gained or lost a least 1% during eight of the previous nine trading sessions. ...President Donald Trump late Thursday said he was considering slapping tariffs on an additional \$100 billion in Chinese imports, sending stock-index futures tumbling in after-hours trading. That turbulence is a sharp reversal from the sustained period of calm that had kept the Choe Volatility Index, Wall Street's fear gauge, near record lows.	The Wall Street Journal	04/06/2018	Asiyln Loder, Ira Iosebashvili and Gunjan Banerji
Trump Eyes \$100 Billion in Added Tariffs	The move Thursday caught much of Washington by surprise. Should Beijing choose to match the U.S. tariffs on imports from China, now potentially totaling \$150 billion, that would more than cover all U.S. exports to China. Even before Mr. Trump's announcement Thursday, key lawmakers from the president's party were criticizing the confrontation with China. U.S. Trade Representative Robert Lighthizer said Mr. Trump's threatened action was an "appropriate response" to China's actions.	The Wall Street Journal	04/06/2018	Bob Davis
Cash Should Be in Your Portfolio Again	The value of cash was demonstrated in the first quarter. Both stocks and bonds lost money – the first quarter that has happened since the aftermath of Lehman's failure in 2008. Cash turned out to be the safe asset.	The Wall Street Journal	04/06/2018	James Mackintosh

	Those who want the security of holding government paper have to lock up their money for just a year to beat the dividend yield on stocks, with the one-year Treasury till yielding 2%. There are good reasons to worry that both the short-term cushion provided by bonds when equities drop and the longer-run gains from falling yields could be coming to an end.			
Emerging Markets Hang on Fate of Tech <i>Rising importance of sector's stocks and their elevated prices change the equation</i>	Technology shares now dominate emerging markets like commodities once did, leaving those indexes even more exposed than U.S. bench-marks to selloffs in the sector. The recent tech selloff has knocked 8.4% off the MSCI Emerging Markets Index since it peaked on Jan. 26, while the S&P 500 has lost 7.3% over that period. Investors are concerned about high valuations, increased regulation of American tech taints and a potential trade war between the U.S. and China. Other investors remain broadly bullish about technology companies in emerging markets, because those countries are at an earlier stage of economic development.	The Wall Street Journal	04/06/2018	Mike Bird
Stocks Plummet Amid Escalating Trade Tensions	Growing tensions between the U.S. and China exacerbated investors' fears of an all-out trade war between the world's largest economies, shaving more than 550 points off the Dow Jones Industrial Average on Friday as investors braced for more turbulence ahead. All 11 major sectors of the S&P 500 index declined as investors broadly sold stocks, with the deepest declines among big industrial manufacturer like Boeing Co. and Caterpillar Inc....	The Wall Street Journal	04/07-08/2018	Michael Wursthorn
What's News	◆ U.S. payrolls rose again last month, adding 103,000 jobs and extending the longest continuous expansion on record.	The Wall Street Journal	04/07-08/2018	
What's News	◆ Powell said the Fed will stick to its path of gradual rate increases to keep the U.S. economy growing without overheating.	The Wall Street Journal	04/07-08/2018	
Reason for Optimism: Bearish Investors	As concerns about trade and technology stocks heat up, investors are at their most pessimistic in more than seven months, according to the American Association of Individual Investors' most recent weekly sentiment survey... Meanwhile, the Cboe Volatility Index, known as Wall Street's "fear gauge," is up 95% for the year so far. The S&P 500 is down 2.6% so far this year, even as corporate-earnings expectations have climbed, share buybacks have risen and the economy has continued to grow. "With investor optimism lower now, it should be easier for equity markets to make further gains from here if global growth remains healthy," said Mike Bell, global market strategist at J.P. Morgan Asset Management. The forward price/earnings ratio of the S&P 500 has fallen to 16.5 – its lowest since November 2016 – from as high as 18.6 in late January.	The Wall Street Journal	04/07-08/2018	Riva Gold

What's News	◆ U.S. stocks pared gains after powering higher for much of the session. The Dow rose 46.34 points to 23979.10.	The Wall Street Journal	04/10/2018	
What's News	◆ U.S. stocks climbed as Xi's remarks eased fears of a U.S. China trade war. The Dow jumped 428.90 points, or 1.8%, to 24408.00.	The Wall Street Journal	04/11/2018	
What's news	◆ Producer prices rose more than expected in March, a sign inflation pressures may be building.	The Wall Street Journal	04/11/2018	
Dollar Calm In Market Turbulence	Stocks have swung violently amid rising trade tensions and a modest cooling of the outlook for global growth. The dollar has made an equally important statement by doing not much at all. The dollar fell in January, continuing 2017's decline, but that trend broke as turbulence hit markets. Since then it has moved sideways. Brighter economic prospects outside the U.S. pushed the dollar lower last year against the euro and emerging-market currencies. A broadly rising dollar would be a worrying development for emerging-market stocks and bonds, among the few bright spots for investors this year.	The Wall Street Journal	04/11/2018	Richard Barley
Xi rally helps fuel 428-point surge by Dow	The Dow's 428-point upside surprise Tuesday was powered by a speech by Chinese President Xi Jinping that defused trade tensions between the U.S. and Beijing. Stock market volatility has returned in recent weeks amid heated rhetoric from both sides in a tariff dispute that has spooked investors. What Xi did say that investors liked was that China will lower import tariffs on autos, increase market access for foreign investors and strengthen protection of intellectual property rights. Those moves, which had been outlined by China in 2017, took the edge off the trade fight – at least for now. It was a de-escalation investors were hoping for.	USA Today	04/11/2018	Adam Shell
Oil Hits Highest Price Since 2014 <i>Mideast turmoil intensifies rally, as output cuts by OPEC chop away at glut</i>	Oil surged to the highest levels in more than three years as tensions simmered in the Middle East, signaling optimism that a glut that has crippled the market for years is ending. U.S. crude futures jumped \$1.31, or 2%, to \$66.82 a barrel Wednesday on the New York Mercantile Exchange. Gary Ross, global head of oil analytics and chief energy economist at @&P Global Platts, has been predicting that Brent prices would rise to \$75 to \$80. He said Wednesday that a "perfect storm" of falling supplies and geopolitical saber rattling could push prices even higher.	The Wall Street Journal	04/12/2018	Allison Sider
Fidelity Revamps Advisory Fee Rates	The average fee for this advice across the industry was 1.3% for customers with \$100,000 and 1.08% for clients with \$750,000 in assets, according to information provided by advisers to research and consulting firm Cerulli Associates.	The Wall Street Journal	04/12/2018	Sarah Krouse

	In some cases, new Fidelity customers will pay less than they would today. For example, new customers with less than \$200,000 in assets who want portfolios composed entirely of Fidelity funds will pay a lower gross advisory fee – 1.5% – after the change than the 1.7% they would pay today. So a customer with \$100,000 in assets investing that way will now pay a gross \$1,500 annually for advice...			
Market Swings Sting Brokerages <i>Asset-management fees are hit as trade-war fears, rising rates take toll on portfolios</i>	Income from advisory fees at their asset-management businesses – typically 1% of the value of client assets – surged as balances ballooned during the stock market's nine-year rally. But rising interest rates and the specter of a trade war has punished markets over the past two months, pulling the S&P 500 down 7.5% from its latest closing high in late January.	The Wall Street Journal	04/12/2018	Lisa Belfuss and Michael Wursthorn
What's News	◆ Oil Prices surged to their highest level since 2014 on Mideast tensions. U.S. crude futures jumped \$1.31 to \$66.82 a barrel.	The Wall Street Journal	04/12/2018	
What's News	◆ Fed Officials expressed greater confidence at their March meeting that inflation would rise to a 2% target.	The Wall Street Journal	04/12/2018	
What's News	◆ U.S. stocks fell on global tensions and the latest inflation gauge. The Dow shed 218.55 points to 24189.45.	The Wall Street Journal	04/12/2018	
Markets Flash Caution for Stocks <i>Stability in other assets suggests there is more than trade unease rattling shares</i>	U.S. stocks have been on a roller coaster since trade tensions between Washington and Beijing began to escalate in early March. But plenty of other markets have been placid, suggesting there is more to the recent stock volatility than worries over tariffs alone. Currencies of high-export countries, stock markets of developing nations that rely on trade, and government bonds have barely moved in the past few weeks. That's unexpected if a global trade war really was widely anticipated by investors, some observers say. An alternative explanation for the stock market's weakness could be crowded positioning, elevated valuations and fears that growth may be losing momentum, they say. The S&P 500 has fallen roughly 3% since President Donald Trump signed steel and aluminum tariffs on March 8... Recent excitement over a period of synchronized global growth helped to buoy markets late in 2017 and early this year, but that perception has dimmed. Disappointing economic data in Japan and the eurozone more recently has sent Citigroup developed markets economic surprise index into negative territory...	The Wall Street Journal	04/14-15/2018	Riva Gold and Mike Bird
Big Gains at Banks <i>Fail to Impress</i>	JP Morgan Chase & Co. led the charge, reporting net income of \$8.7 billion – up 35% from a year earlier and a record for the largest U.S. bank by assets. While the	The Wall Street Journal	04/14-15/2018	Peter Rudegeair and Telis Demos

	performance benefited from a quarter-billion dollars in savings from a lower tax rate, Chief Executive James Dimon said the results also reflected a brightening economic and business environment. "the global economy continues to do well, and we remain optimistic about the positive impact of tax reform in the U.S. as business sentiment remains upbeat, and consumers benefit from job and wage growth," he said in the earnings release.			
What's News	◆ U.S. stocks fell Friday but notched gains for the week. The Dow Industrials ended the day 122.91 points lower at 24360.14.	The Wall Street Journal	04/14-15/2018	
Higher Rates Keep a Lid on Gold's Rally	Bullion has stayed between \$1,303 and \$1,362 a troy ounce this year... Gold has tended to rally during previous U.S. stock-market corrections – a decline of at least 10% from a recent high. Most notably, it climbed 16% in early 2016, when a selloff in Chinese stocks rippled across markets world-wide. The yellow metal is considered to be a haven that holds its value when stocks and other assets wobble. Yet this year, investors haven't sought shelter gold even amid trade tensions between the U.S. and china and fears of a clash between American and Russian military forces in Syria. The lackluster start for gold this year has come even as cryptocurrencies that were partially blamed for weak investor interest in gold last year have fallen sharply. Bitcoin is down more than 40% this year. Some analysts say gold has been influenced by muted moves in the dollar. A wild card for gold investors could be an unexpected pickup in inflation.	The Wall Street Journal	04/16/2018	Amrith Ramkumar
What's News	◆ The Dow climbed 213.59 points to 24786.63 on strong earnings, returning to positive territory for 2018.	The Wall Street Journal	04/18/2018	
Don't Fear The Yield Curve – Just Yet	James Bullard, president of the St. Louis Fed, sounded the alarm this week. "I'm getting concerned about the flattening yield curve," he told CNN. "If the committee pushes ahead with rate increases and longer rates (Treasury yields) don't cooperate, we could have an inverted yield curve within six months." An inverted yield curve, when short-dated Treasuries offer a higher yield than locking up money in longer-dated bonds, is often taken as a signal that a recession is around the corner. The gap between two-year and 10-year Treasury yields hit a 10-year low of 0.41 percentage point on Tuesday, before rising a little. If the 10-year yield remains stuck below 3%, three more rate increases by the Fed this year could easily push the two-year yield up from 2.433% Thursday to be higher than the 10-year yield. With zero extra reward for holding long-term bonds, known as a term premium, they are in effect forecasting that they will cause an inverted yield curve.	The Wall Street Journal	04/20/2018	James Mackintosh
Oil prices Flirt With \$70	Oil prices are headed toward \$70 a barrel, a weight on the U.S. economy that is bearable for now but could pose trouble if prices keep climbing.	The Wall Street Journal	04/23/2018	Stephanie Yang and Alison Sider

<i>Current range could benefit global economy, but further rise threatens growth</i>	The last time U.S. oil prices were at \$70, in 2014, they were in the middle of a steep collapse. Yet even with the economy chugging along, rising oil prices dredge up fresh concerns. If crude continues to move higher, it could begin to stifle economic growth. Higher consumer prices for gasoline and other energy products act like a tax, while pushing inflation higher and increasing pressure on the Federal Reserve to raise interest rates more aggressively.			
	Last Week: DJIA 24462.94 ▲102.80 0.4% NASDAQ 7146.13 ▲0.6% STOXX600 381.84 ▲0.7% 10-YR. TREASURY ▼ 1 1/32, Yield 2.949% OIL \$68.38 ▲\$0.99	The Wall Street Journal	04/23/2018	
What's News	◆ Facebook posted soaring profit and revenue in its first earnings report after touching off widespread data-privacy concerns.	The Wall Street Journal	04/26/2018	
What's News	◆ The Dow edged up 59.70 points to 24083.83 as a surge in Boeing shares helped end a five-day losing streak.	The Wall Street Journal	04/26/2018	
What's News	◆ The Nasdaq broke a five-day losing streak, boosted by tech shares. The Dow rose 238.51 points to 24322.34.	The Wall Street Journal	04/27/2018	
Firms Feel Impact of Oil Rise	The highest oil prices in years are increasing expenses for companies that had grown used to low energy costs... In response, some companies are looking to pass on the costs to their customers, which would push inflation higher. That, in turn, could slow growth and weigh on an already vulnerable stock market. The increased energy costs hurt in the first quarter because West Texas Intermediate crude prices have remained above \$60 for much of the year, something not seen since late 2014.	The Wall Street Journal	04/27/2018	Doug Cameron and Bradley Olson
Funds Log Big Drop in Fees, Largest since 2000	It has never been cheaper to invest in stock and bond funds. The asset-weighted average fee for U.S. mutual and exchange-traded funds fell 8% to 0.52% in 2017, Morningstar Inc. said Thursday. Despite a steady decline in fund fees for more than a decade, this past year's decline is the largest year-over-year fall since at least 2000.	The Wall Street Journal	04/27/2018	Sarah Krouse
What's News	◆ U.S. stocks stalled, sending indexes to weekly losses. The Dow eased 11.15 points Friday to 24311.19.	The Wall Street Journal	04/28-29/2018	
Consumers Cool U.S. Growth, but Business Thrives	The U.S. economy lost some momentum in the first quarter as consumers hunkered down after several months of robust demand, but businesses powered ahead with stronger profits, revenue and investment.	The Wall Street Journal	04/28-29/2018	Harriet Torry and Theo Francis

	Gross domestic product – the value of all goods and services produced in the U.S., adjusted for inflation – expanded at an annual rate of 2.3% for the months January through March... That was slower than the 3% growth rate registered during the final nine months of 2017. Consumer spending - which drives nearly 70% of U.S. economic output-rose at the slowest pace in nearly five years in the first quarter. The business sector, on the other hand, showed signs of thriving.			
Tech and Interest Rates Take Center Stage	Major U.S. stock indexes snapped a two-week winning streak amid worries about a peak in corporate earnings, rising interest rates and an uptick in inflation tied to the rally in oil prices. Big technology companies dominated the earnings calendar over the past week. With quarterly results in for more than half of the companies in the S&P 500, profits on average have risen 23% and about 80% of the firms have topped expectations.	The Wall Street Journal	04/28-29/2018	

Creating, or mining, a single unit of the digital currency Bitcoin requires at least as much electricity as an average American home consumes in two years. – *The New York Times*, January 21, 2018.

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