

June 29, 2019

In this strategy briefing...

Equity valuation support is strong and the U.S. market looks inexpensive. US PMI should rebound in 2020, a change predicted by the US Treasury 30 year-10 year yield spread curve steepening, which began in earnest 16 months ago. – *Strategy* – [Page 3](#)

Take a closer look at the greenback (USD): a major trend shift appears to be developing. The USD is reversing its 2018-2019 uptrend over the past few weeks, another important tailwind developing for equities. – *Technical* – [Page 8](#)

All eyes will be on the meeting between President Donald Trump and China's Xi Jinping at the upcoming G-20 meeting in Japan. – *Policy* – [Page 10](#)

FS Insight Investment Views

Near Term View:	Choppy but not topy. U.S. stocks remain the safe haven
YE Target:	3,125 (YE P/E 17x · 2020E EPS \$184)
Style:	Cyclical
25 Focus Stock ideas:	AAPL, GOOG, AMGN, BKNG, FB, BIIB, DIS, EBAY, MNST, NKE, PM, TSLA, XLNX, ADP, BWA, D, GILD, LMT, MA, MSFT, ORCL, PG, PSX, TPR, V
Additions:	D, PG
Deletions:	AMZN, GRMN

The Wall Street Debrief



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financial markets

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After a Robust 1H19 for Equities, More Could Be in Store

Well, we might as well have kept the stock market closed this week. Traders had their hands in their pockets, as investors were keyed up about the upcoming talks at the G-20 meeting in Japan. Not much happened amid low trading volumes.

Last week, stocks were down slightly, as the Standard & Poor's 500 index gave up 0.3% to 2942. Obviously, Monday's market open could be significantly impacted by the weekend US/China talks—or lack thereof. If there's some sort of deal, any deal, it will be interesting to see if stocks react well in the short term, or if such a denouement is already discounted. A poor showing by the trade negotiators will likely lead to a deterioration in sentiment and lower stock prices. But as I've said before, in the longer term I find it difficult to believe that we won't have a deal at some point before the presidential election in November 2020.

Set that aside, and investors have to celebrate at the half year mark. So far, the Standard & Poor's 500 index is up 17% this year and 25% since the ugly day of Dec. 24, 2018. For the month, stocks are up 7%, which would be the best June since 1955, and 4% for the second quarter. What's not to like?

Nevertheless, for all this good news, when you step back from the market we aren't too far above the highs of September 2018. Things feel better, but only in comparison to December's swoon. In reality, the new highs of June were just a tad over the old high of September, so we've been running in place for all intents and purposes.

I don't see any traditional euphoria in the stock market, which is the typical precursor to a bear. Still, there are plenty of high spirits in pockets of the market: crypto currencies, marijuana stocks and certain IPOs, like Beyond Meat (BYND). Still, I think we could have a breakout in the second half. For more on this see Tom Lee's article on [page 3](#).

Past performance doesn't guarantee future returns, but looking at history often supplies some useful context. According to Bespoke Investment Research, since 1945, when the S&P 500 Index has been up in the first half of the year, as it is now, the index has averaged a gain of 1.3% in Q3. When the S&P has been down in the first half of the year, the index has averaged a decline of 1.3% in Q3. After a gain of more than 10% in the first half, stocks tacked on an additional 7.5% on average in the second half, but it was relatively flat when the index fell more than 10% in the first half, according to BIG.

Tom Lee makes a persuasive case for a higher market by the end of the year, but investors still need to keep an eye on things. As we come to the end of the first half of 2019, what should we be watching in the second half of the year?

Well, at 120 months, the U.S. economy just completed year 10 of this economic expansion, now officially tied for the longest business cycle expansion in the post-war period, according to FactSet in a recent report. While most economists will tell you that expansions don't die of old age, the odds of fatal missteps increase the older they get, says FactSet.

Keep an eye on the yield curve, where the spread between the 3-months bill and 10-year note has turned negative at minus 12 basis points recently from 100 bps positive last October. I've said the latter isn't a particularly good signal but watch the 30 year-10 year spread, which is important and has widened.

FactSet also said that in reaction to the increase in global trade tensions, there's a slowdown in global manufacturing activity, as evidenced by the dramatic decline in many countries' manufacturing purchase manager index readings over the last 18 months. Within the G7, only the U.S. and France are currently showing expanding manufacturing sectors. And gold prices, which are at six-year highs, deserve your attention. Expectations of lower long-term interest rates and the resulting weaker dollar are both contributing to gold's strength.

Separately, U.S. economic growth was 3.1% annual rate in the first three months of the year, the Commerce Department said Thursday, stronger than the 2.2% rate in the fourth quarter of last year. Personal-consumption expenditures, a measure of household spending on everything from carpet cleaning to computers, rose a seasonally adjusted 0.4% in May from April, the department said Friday. Spending growth also was stronger in April than previously thought. The department lifted its estimate to 0.6% from an originally reported 0.3%

Bottom Line: Continued choppy action through Q3.

Quote of the Week: From WSJ: Ahead of a meeting on Monday, some OPEC member nations are expected to argue for deeper curbs than previously agreed, OPEC officials say. But Saudi Arabia, OPEC's de facto leader, is unlikely to back those proposals. "This is not going to happen," said a Persian Gulf delegate. "Everyone should strictly comply with the [existing] cuts."

Questions? Contact Vito J. Racanelli at vito.racanelli@fsinsight.com or 212 293 7137. Or go to <http://www.fsinsight.com/>.



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[@Fundstrat](#)

Equity Valuation Support Strong; US Looks Inexpensive

If you don't mind a little instability, U.S. equity investors really can't complain about the first half of 2019. Sure, it was a little volatile and who likes that? But with a roughly 17% return, the year is on track to be one of the strongest years since 2009.

So far, it's been a tale of two markets, with two abrupt operating modes: risk-on when stocks rose, and risk-off when stocks fell and bonds rose. Now, as I have noted previously, recent incoming economic data is softening. However, it's important to note, US purchasing manager indexes should rebound in 2020 after eventually dipping below 50 by 3Q19. This movement is predicted by the US Treasury 30 year-10 year yield spread curve steepening, which began in earnest 16 months ago.

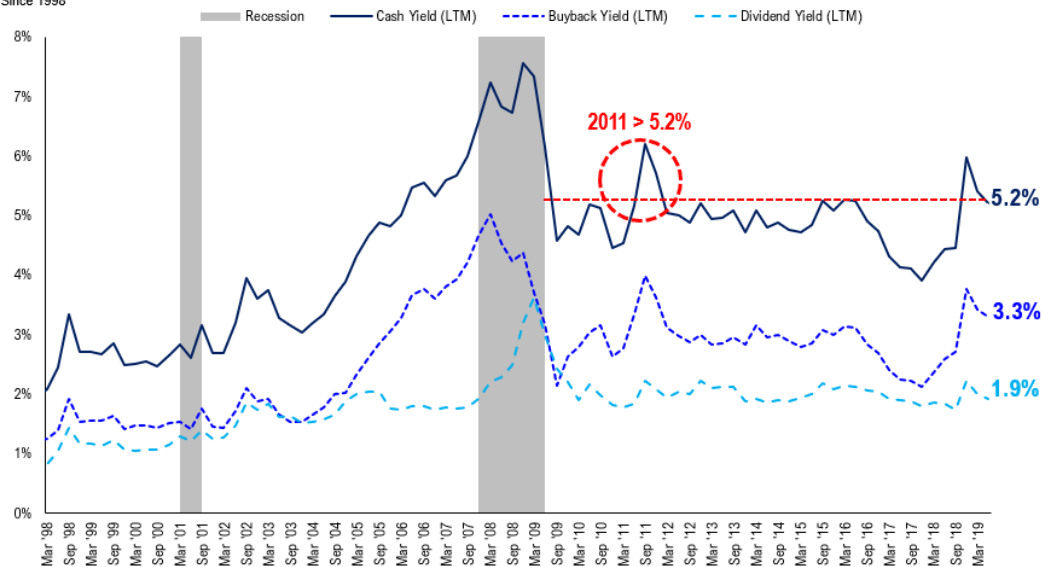
Ironically, the weaker data is, on balance, a positive, as the combined headwinds of trade wars, last year's U.S. federal government shutdown, and Brexit fears are also motivating the Federal Reserve Board to shift towards a rate cut from its previous tightening stance. And since 1971, the first Fed rate cut—in instances when the US economy wasn't in recession—has led to a stock rally 100% of the time, three, six, nine and 12 months later, with a median nine-month gain of about 17%. (See table on the right.) This potentially implies some 500-600 added points to the S&P 500 by spring 2020. Talk about a nonconsensus view. Few expect that.

Since 1971, as of 6/27/19			Forward Return (months from cut)			
First rate cut of year	Recession period	Rate change	3M	6M	9M	12M
1 1/13/1971	No	(50bp)	11.3%	8.9%	7.3%	11.8%
2 7/6/1974	Yes	(375bp)	(25.5%)	(16.1%)	(1.5%)	13.4%
3 4/22/1980	Yes	(850bp)	18.4%	27.2%	30.3%	30.2%
4 6/17/1981	Yes	(450bp)	(10.2%)	(7.9%)	(18.5%)	(16.6%)
5 10/2/1984	No	(175bp)	2.2%	10.4%	17.3%	10.8%
6 10/19/1987	No	(37bp)	12.1%	15.5%	21.0%	22.4%
7 7/6/1989	No	(38bp)	11.0%	11.9%	5.3%	11.3%
8 7/6/1995	No	(25bp)	5.0%	12.0%	18.0%	21.1%
9 9/29/1998	No	(25bp)	16.8%	22.3%	25.4%	21.8%
10 1/31/2001	Yes	(50bp)	(7.3%)	(11.8%)	(19.1%)	(17.0%)
11 9/18/2007	Yes	(50bp)	(4.9%)	(15.2%)	(10.5%)	(17.6%)
All Periods						
Average		(193bp)	2.6%	5.2%	6.8%	8.3%
Median		(50bp)	5.0%	10.4%	7.3%	11.8%
Win Ratio			63.6%	63.6%	63.6%	72.7%
Expansionary Periods						
Average		(58bp)	9.7%	13.5%	15.7%	16.5%
Median		(38bp)	11.1%	12.0%	17.6%	16.4%
Win Ratio			100.0%	100.0%	100.0%	100.0%
Recessionary Periods						
Average		(355bp)	(5.9%)	(4.8%)	(3.9%)	(1.5%)
Median		(375bp)	(7.3%)	(11.8%)	(10.5%)	(16.6%)
Win Ratio			20.0%	20.0%	20.0%	40.0%

Source: FS Insight, Bloomberg, Factset

Moreover, the cash return yield—defined as the combination of the dividend yield and the buyback yield—is 5.2%, a strong valuation support for stocks. It's up considerably since 2017.

Figure: S&P 500 cash yield (dividend + buyback)
Since 1998



Source: FS Insight, Bloomberg, Factset

The S&P 500 buybacks yield has risen to 3.3%, and coupled with an elevated dividend yield of 1.9% make stocks on a “cash return basis” the cheapest since 2011. The chart above highlights how the relative valuation of the market has improved, as cash return yields have risen considerably.

To add fuel to the fire, more valuation support for U.S. stocks comes from the fact that the divergence of the equity cash return yield to the investment grade bond yield, 3.5%, has increased since the end of 2017, suggesting stocks are also cheap vs. bonds.

Finally, compared to the rest of the world, the U.S. cash return is superior. For instance, Europe’s cash return yield is 4.5% and Japan’s is 4.3% while the Emerging Markets’s (EM) is 2.8%. These figures are adjusted by sector weights to mimic the composition of the S&P 500, which tends to have much more in tech stocks, for example. While dividend yields in these other regions are higher, their corresponding stock buyback rate is considerably lower—hence, on bond proxy basis, US equities are the cheapest.

Thus, is it any surprise S&P 500 is the beneficiary of the global TINA (There Is No Alternative) trade? Not only are U.S. yields higher than the rest of the world, but the stocks are also cheaper.

Consequently, I expect upside to the equity market coming from on Fed rate cuts and the S&P 500 reaching about 3,100 by year-end.

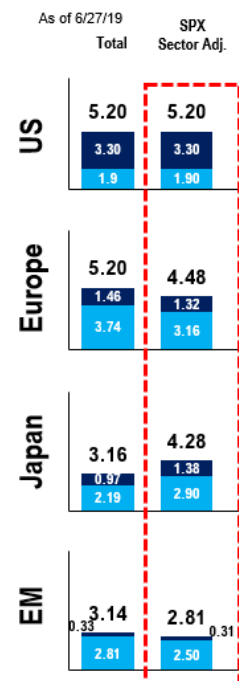
What could go wrong? U.S. election politics and the ongoing trade and tariff dispute between the U.S. and China is worrisome and are unpredictable. And if the Democrats make a strong showing, investors could see a Trump loss in 2020.

Bottom line: I remain bullish on equities, even as we may go through some choppy times in the third quarter. I expect the S&P 500 index to post new highs before year end and my target hasn’t changed: 3125. While equity markets are taking a necessary breather given the strong move since late May, we still see a pathway to strong gains into yearend.

Technology and Financials lead cash return and cyclicals broadly. I’ve identified 22 cyclical stocks with a cash return yield higher than the S&P 500, and which are also ranked in the first quartile of the Doctor Quant Model.

The tickers are RL, F, HD, BKNG, EBAY, CAT, CMI, ROK, MMM, NSC, CSCO, IBM, LRCX, QCOM, AAPL, LYB, EMN, BLK, NTRS, COF, WFC and PRU.

Figure: Cash Yield by Sector and Region (%)



Source: FS Insight, Bloomberg, Factset



Thomas Lee, Co-Founder & Head of Research

Figure: Comparative matrix of risk/reward drivers in 2019
Per FS insight

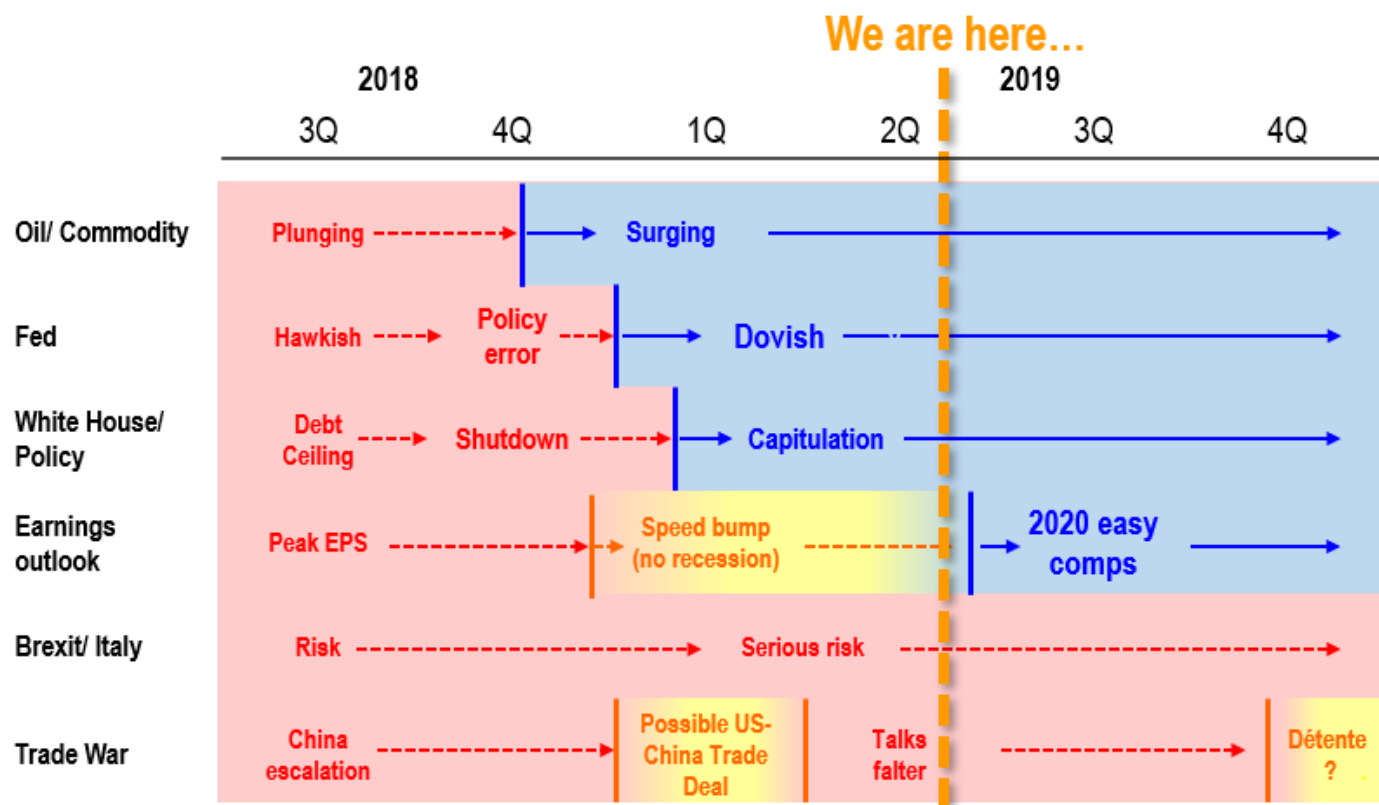


Figure: FS Insight Portfolio Strategy Summary - Relative to S&P 500

** Performance is calculated since strategy introduction, 1/10/2019

Themes	Execution of Strategy	Date added	Last 4 Months				1Q19* (since 1/10)	2Q19	3Q19	4Q19	2019** Portfolio Rel. Return
			Mar	Apr	May	Jun					
S&P 500	S&P 500 Price Index		1.8%	3.9%	(6.6%)	6.3%	9.2%	3.2%			12.6%
Performance relative to S&P 500...											
Granny Shot	Intersect of below investment strategy	1/10/19	0.3%	1.7%	(4.2%)	1.8%	4.2%	(1.3%)			2.9%
Tactical — 6-12M											
1 Value / Growth Tilt	Market re-discovered valuation risk. • Quality - Defensive • Growth - Quality	1/10/19	(1.5%)	(0.9%)	(1.0%)	(0.4%)	1.3%	(2.4%)			(1.3%)
2 Seasons the <u>NEW</u> Seasonality	Overweight groups with good seasons. CURRENT: Online & Electronics Retail, Healthcare Tech, Tech Hardware, Home Ent, Tobacco, Semis, Biotech	1/10/19	(2.8%)	0.6%	(4.8%)	1.7%	0.5%	(3.2%)			(2.9%)
3 FANG in odd years	FANG works in "odd" years. • FANG-plus.	1/10/19	2.7%	(0.2%)	(5.9%)	3.4%	1.0%	(3.6%)			(3.0%)
Thematic — 3-5 years											
4 Millennials prime years	Millennials driving >50% GDP growth. • Millennial transformation. • Millennial accelerates growth.	1/10/19	(1.0%)	(0.2%)	(0.1%)	(0.2%)	1.9%	(0.6%)			1.4%
5 Labor shortage— AI/ automation	World is short 78 million workers. • Automation/ AI suppliers. • Beneficiaries of Automation/ AI	1/10/19	(0.4%)	0.4%	(4.3%)	2.5%	1.6%	(2.0%)			(0.6%)
6 Higher inflation— Assets vs OpEx	Inflation trending higher long term. • Assets over OpEx.	1/10/19	(1.1%)	(1.6%)	0.5%	0.4%	2.8%	(0.7%)			2.1%

Source: FS Insight, Bloomberg



 [@federalreserve](https://twitter.com/federalreserve)

Trump: How Good is Mario Draghi's English?

Our headline is facetious but President Donald Trump ratcheted up the war of rhetoric with Federal Reserve Board chairman Jerome Powell. The president has never shied away from criticizing the Fed's policy, and lately he has demanded the Fed cut rates by one percentage point. Trump has claimed he could remove Powell, though the legality of this is suspect.

Last week, the president compared him unfavorably with European Central Bank President Mario Draghi, and reiterated his view that the Fed is hurting the U.S. economy by allowing the dollar to get too strong. "We should have Draghi instead of our Fed person," Mr. Trump said in an interview Wednesday with Fox Business Network. "Mr. Powell 'is not doing a good job....He has to lower interest rates for us to compete with China.'"

My view is that the uncertainty that this creates isn't particularly good for stocks. The Fed was created to be independent. Perhaps the president should have selected his nomination for chairman more carefully.

In a speech Tuesday, Powell pushed back, sort of, citing the central bank's decades long independence. But then he noted the Fed might nevertheless cut interest rates soon. Well, OK. Powell's in the uncomfortable position of possibly having to cut rates for economic reasons and not in response to Trump's calls. But in the end, it might look to some as if he's caving.

Just as importantly, the Fed chairman did say that the amount of tariffs in place against China and other countries "is not large enough to represent, itself, a major threat to the economy." The Fed is watching, Powell said for signs of "a loss of confidence or financial market reaction."

Separately, U.S. economic growth was clocked at a 3.1% annual rate in the first three months of the year, the Commerce Department said Thursday, stronger than the 2.2% rate in the fourth quarter of last year. Sectors of the economy tied to trade, manufacturing and housing appear to be struggling with uncertainties related in part to overseas trade tensions. Slowing global growth and weak inflation are also clouding the outlook for the rest of the year.

The CME Fed futures market, a pretty accurate indicator of where rates are going, continues to place a 100% probability of a cut at the next FOMC meeting July 31 and another in September. A Fed cut during the summer would be relatively unusual, but that's what investors see.

The world economy is slowing down but inflation isn't threatening and hasn't yet sustainably approached the Fed's 2% target.

The yield on the U.S. Treasury 10-year bond fell to 2.01% from 2.06% one week ago.

Upcoming: 7/30-31 - FOMC meeting.

Focus Insight Stock List



Below we've highlighted the FocusS stocks that we recommend across at least two of our investment strategies for 2019.

Figure: Focus Insight Stock List

As of 06/28/19, source: FS Insight, Factset

Ticker	Company	DQM Rank	Mkt Cap (\$M)	YTD perf (relative to S&P 500)	P/E ('19E)	Value / Growth Tilt	Seasonality	FANG in odd years	Millennials	AI / Automation	Inflation	QuTe	Strategy Count
1	AAPL	Apple Inc	55	\$910,645	8.1%	17.3x	•	•	•	•	•	•	5
2	GOOG	Alphabet Inc	103	751,025	(13.0%)	23.3x	•	•	•	•	•	•	5
3	AMGN	Amgen Inc	48	112,399	(22.7%)	13.1x	•	•	•	•	•	•	4
4	BKNG	Booking Holdings Inc	1	81,159	(8.5%)	18.5x	•	•	•	•	•	•	4
5	FB	Facebook Inc	30	550,957	29.9%	26.4x	•	•	•	•	•	•	4
6	BIIB	Biogen Inc	97	45,346	(39.6%)	7.9x	•	•	•	•	•	•	3
7	DIS	Walt Disney Co/The	104	251,310	10.0%	21.8x	•	•	•	•	•	•	3
8	EBAY	Ebay Inc	31	34,425	23.4%	14.7x	•	•	•	•	•	•	3
9	MNST	Monster Beverage Corp	224	34,696	12.3%	30.7x	•	•	•	•	•	•	3
10	NKE	Nike Inc	11	131,948	(4.1%)	28.9x	•	•	•	•	•	•	3
11	PM	Philip Morris International In	209	122,177	0.3%	15.3x	•	•	•	•	•	•	3
12	TSLA	Tesla Inc	2243	39,802	(50.2%)	N/A	•	•	•	•	•	•	3
13	XLNX	Xilinx Inc	50	29,599	21.1%	30.4x	•	•	•	•	•	•	3
14	ADP	Automatic Data Processing Ir	33	71,956	8.7%	30.4x	•	•	•	•	•	•	2
15	BWA	Borgwarner Inc	84	8,701	3.5%	10.0x	•	•	•	•	•	•	2
16	D	Dominion Energy Inc	246	62,039	(9.1%)	18.4x	•	•	•	•	•	•	2
17	GILD	Gilead Sciences Inc	293	85,906	(9.3%)	9.8x	•	•	•	•	•	•	2
18	LMT	Lockheed Martin Corp	5	102,714	21.5%	17.7x	•	•	•	•	•	•	2
19	MA	Mastercard Inc	101	270,196	22.9%	34.7x	•	•	•	•	•	•	2
20	MSFT	Microsoft Corp	2	1,026,511	14.5%	29.2x	•	•	•	•	•	•	2
21	ORCL	Philip Morris International	160	190,042	8.8%	14.7x	•	•	•	•	•	•	2
22	PG	Procter & Gamble Co/The	299	275,038	1.9%	24.5x	•	•	•	•	•	•	2
23	PSX	Phillips 66	186	42,425	(8.8%)	12.8x	•	•	•	•	•	•	2
24	TPR	Tapestry Inc	15	9,206	(23.3%)	12.3x	•	•	•	•	•	•	2
25	V	Visa Inc	116	346,417	14.2%	32.3x	•	•	•	•	•	•	2
Average (relative to S&P 500)		190	\$223,466	0.5%	20.6x								
Median (relative to S&P 500)		97	\$102,714	3.5%	18.5x								

Additions: D, PG

Deletions: AMZN, GRMN

Focus Portfolio Performance

(Since Introduction on 1/10/19, Relative to S&P 500)

The Focus Portfolio outperformed the S&P 500 by 50 bps since its inception.



Robert Sluymers, CFA
Head of Technical Analysis Strategy
 Former Managing Director leading RBC's U.S. Technical Research team with over 26 years of expertise in investment research and technical analysis.

[@rsluymers](#)

Is a Softer Greenback in the Future?

If you haven't been paying attention to currencies lately, I would encourage you to take a closer look at the greenback (USD) chart below: a major trend shift appears to be developing. The USD is reversing its 2018-2019 uptrend over the past few weeks, which I view as another important tailwind developing for equities, notably cyclicals, in 2H19.

The USD rise in early 2018 coincided with a global shift in investors risk appetite, with assets like emerging markets and cyclicals generally peaking and heading lower through that year. My expectation at the beginning of 2019 was that that USD was likely peaking and would head lower, but the dollar managed to claw out marginal, albeit temporary, new highs in May.

However, an important technical event developed in June with the USD Dollar Index (DXY) moving lower to break its 2018-2019 uptrend. Then, in an almost textbook pattern, it rallied back to the underside of its 18-month uptrend and failed again, this time breaking the widely watched 200-day moving average. Currently, the DXY Index is challenging its next support band between 95.74 and 95.98.

While a short-term bounce could easily develop here, I'm looking for further weakness through 2H, another tailwind. I remain bullish on equities for H2 2019 well into 2020 given our longer-term cycle analysis and expect cyclicals will incrementally improve into year-end.

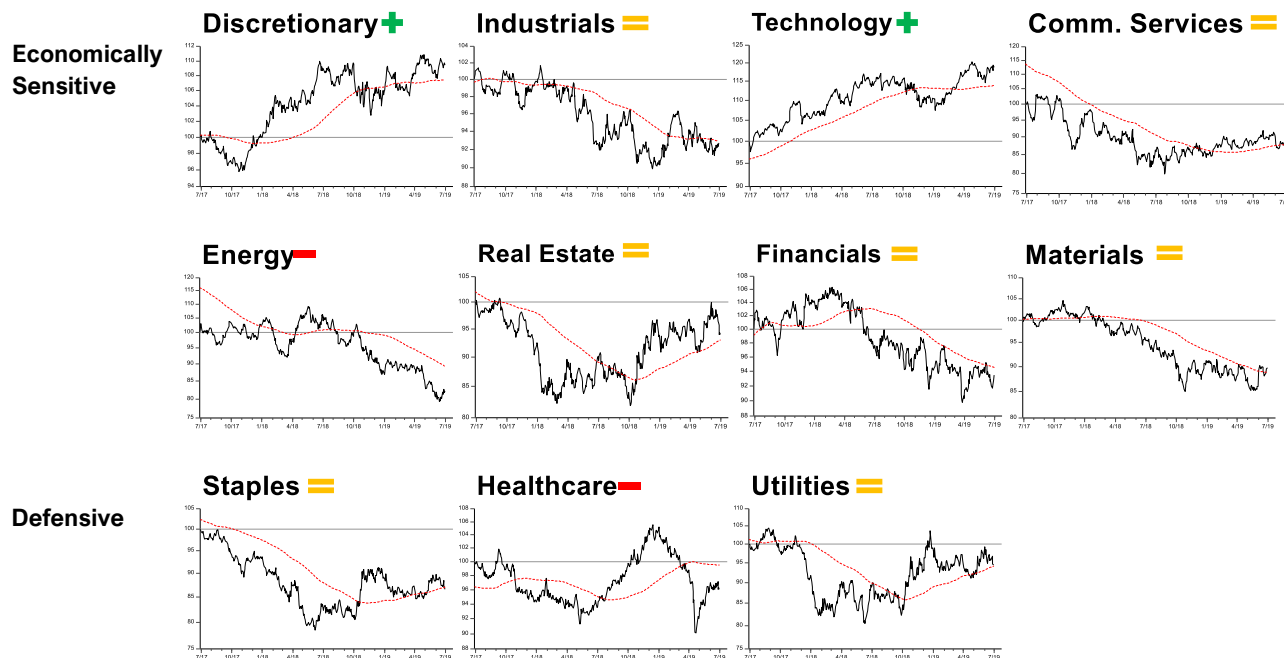
Dollar Index Spot — DXY



Source: FS Insight, Bloomberg

Figure: Rob's Weekly Sector Review

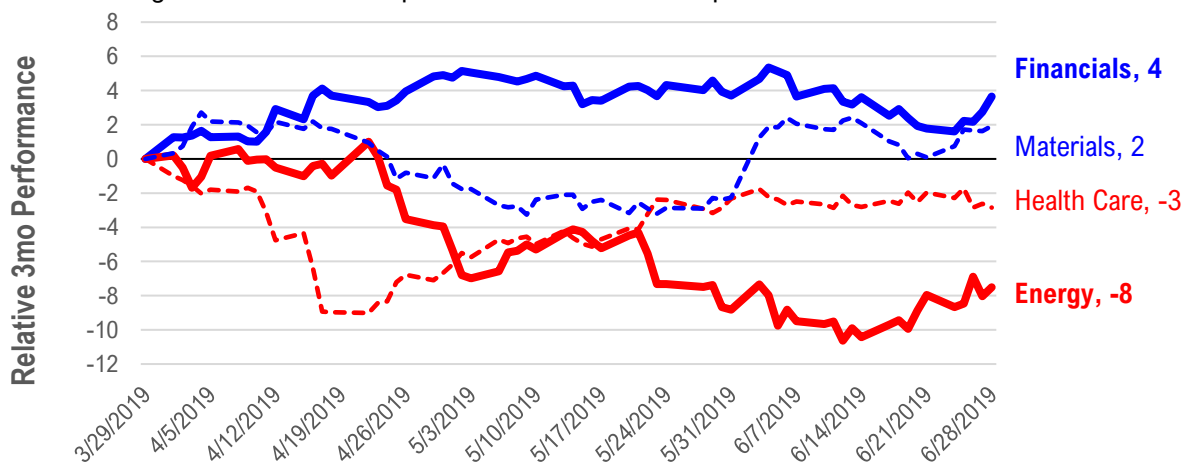
Source: FS Insight, Factset



Among sectors, technology and consumer discretionary remain in relative uptrends but it is the incremental erosion in defensive sectors, such as utilities and consumer staples, that is noteworthy given both are developing lower relative performance highs versus the highs in December. It's still too early to delineate a decisive downside reversal is in place, I am expecting both sectors to continue underperforming in the 2H19.

In contrast, financials and industrials, which have been weak since their early 2018 peak, are showing very early signs of bottoming. It wouldn't take much of a rally for both sectors to reverse 18-month relative downtrends. Again, as with utilities and staples, it's too early to tell, but I expect both will outperform in the 2H19.

Figure: Best and worst performance sectors over past 3 months



Source: FS Insight, Bloomberg

Rob Sluymer

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 [@TomBlock_FS](https://twitter.com/TomBlock_FS)

Trump-Xi Meeting: Deal or No Deal?

Policy-wise, all eyes will be on the meeting between President Donald Trump and China's Xi Jinping at the G-20 meeting in Japan. While earlier last week Treasury Secretary Steven Mnuchin said the proposed agreement was 90% complete, similar reports have come out previously that were then followed by President Trump walking away and threatening higher tariffs. So let's not get too excited, folks.

Trump continues to believe that his unpredictability is a great negotiating tool, but there appears to be a consensus that the two leaders will announce a standstill on the escalating trade war similar to the agreement they reached at the G20 a year ago in Argentina.

The path to a Trump electoral victory next year goes through farm country, and farmers in key states such as Wisconsin and Pennsylvania were central to his close win in both states. They have been hard hit by Trump's tariffs, so any agreement with China would be a positive for American agriculture.

On the other hand, China has been hurt with the tough sanctions the Trump Administration has imposed on Huawei Technologies. A partial agreement on the tech giant could become a stumbling block as President Xi may have a hard time selling any agreement with the US to hardliners back in Beijing if nothing happens with respect to Huawei. Obviously, Monday's open could be significantly impacted by the US/China talks over the weekend.

This week saw the first debate between 20 of the 24 announced Democratic Presidential candidates. We are still 220 days until the first votes are cast in the Iowa caucus on February 3, 2020 and arguably there really is no distinction between front runner and also ran until the people start to vote.

However, the early reaction appears definitely to have created a two-tier ranking of the candidates. At the top, I believe there is a race within the race between Senators Bernie Sanders and Elizabeth Warren for the candidate who will carry the party's progressive wing mantle. While Sanders is clearly the symbol for the movement, Warren is relatively younger and shows a higher level of energy, and she appears to be gaining some momentum in this two-way competition.

Speaking of age, former Vice President Biden appeared to show his Thursday during the debate. Senator Kamela Harris gained points by confronting him on his position against school busing in the 1970s. It is interesting to note that he was the only person on the stage who was involved in national politics when busing was debated. The moment not only was dramatic, but I believe it also points out how long Senator Biden has been active in Washington, D.C., having been elected to the Senate in 1972.

The next two nights of Democratic debates will be held on July 30 and 31. It is hard for any of these candidates to walk away from the limelight of the debates before any votes are cast. Perhaps some of the more marginal candidates with less than 1% in the polls will fail to get financial support and consider dropping out.

One can only hope. Of course, never get between a candidate and a TV camera.

L. Thomas Block, Washington and Policy Strategist

Figure: Top Trump Tweets



Donald J. Trump
The 45th President of United States
of America

 [@realDonaldTrump](https://twitter.com/realDonaldTrump)



Donald J. Trump  @realDonaldTrump · 24h

Seems totally ridiculous that our government, and indeed Country, cannot ask a basic question of Citizenship in a very expensive, detailed and important Census, in this case for 2020. I have asked the lawyers if they can delay the Census, no matter how long, until the.....



Donald J. Trump  @realDonaldTrump · 24h

.....United States Supreme Court is given additional information from which it can make a final and decisive decision on this very critical matter. Can anyone really believe that as a great Country, we are not able the ask whether or not someone is a Citizen. Only in America!



Donald J. Trump  @realDonaldTrump · Jun 26

I look forward to speaking with Prime Minister Modi about the fact that India, for years having put very high Tariffs against the United States, just recently increased the Tariffs even further. This is unacceptable and the Tariffs must be withdrawn!

Economic Calendar

From 07/01/19 – 07/05/2019

NEXT WEEK'S MAJOR U.S. ECONOMIC REPORTS & FED SPEAKERS

TIME (ET)	REPORT	PERIOD	ACTUAL	FORECAST	PREVIOUS
MONDAY, JULY 1					
9:45 AM	MARKIT MANUFACTURING PMI	JUNE		--	50.1
10 AM	ISM MANUFACTURING INDEX	JUNE		51.5%	52.1%
10 AM	CONSTRUCTION SPENDING	MAY		0.2%	0.0%
TUESDAY, JULY 2					
6:35 AM	JOHN WILLIAMS SPEAKS				
VARIES	MOTOR VEHICLE SALES	JUNE		17.0MLN	17.4MLN
WEDNESDAY, JULY 3					
8:15 AM	ADP EMPLOYMENT	JUNE		--	27,000
8:30 AM	WEEKLY JOBLESS CLAIMS	6/29		220,000	227,000
8:30 AM	TRADE DEFICIT	MAY		-\$54.3B	-\$50.8B
9:45 AM	MARKIT SERVICES PMI	JUNE		--	50.7
10 AM	ISM NONMANUFACTURING INDEX	JUNE		55.8%	56.9%
10 AM	FACTORY ORDERS	MAY		-0.9%	-0.8%
THURSDAY, JULY 4					
	NONE SCHEDULED INDEPENDENCE DAY HOLIDAY				
FRIDAY, JULY 5					
8:30 AM	NONFARM PAYROLLS	JUNE		156,000	75,000
8:30 AM	UNEMPLOYMENT RATE	JUNE		3.6	3.6%
8:30 AM	AVERAGE HOURLY EARNINGS	JUNE		0.3%	0.2%

Source: MarketWatch

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