

## THE WEEK IN REVIEW

This week central banks around the world continued to embrace stimulus in reaction to slowing global economic activity and heightened trade tensions. In Asia, Chinese authorities introduced a new loan prime rate to reduce borrowing costs. In Europe, German Finance Minister Olaf Scholz discussed a fiscal response if the country falls into recession, and the European Central Bank expressed plans to deliver additional quantitative easing in September. The United States is one of 30 countries that has reduced interest rates so far this year citing a decelerating global economy, increased trade tensions and subdued inflation.

Federal Reserve Chairman Jerome Powell said the central bank was prepared to provide additional stimulus if a global economic slowdown were to weaken the U.S. economy. He warned about market turbulence stemming from trade-policy uncertainty and the limits monetary stimulus faces in addressing business confidence woes. Powell remarked at the Federal Reserve's Economic Symposium in Jackson Hole, "In principle, anything that affects the outlook for employment and inflation could also affect the appropriate stance of monetary policy, and that could include uncertainty about trade policy." He continued, "There are, however, no recent precedents to guide any policy response to the current situation. Moreover, while monetary policy is a powerful tool that works to support consumer spending, business investment and public confidence, it cannot provide a settled rulebook for international trade."

On Friday China announced it will impose tariffs on \$75 billion worth of U.S. products to retaliate against U.S. tariffs on an additional \$300 billion of Chinese goods. China said it will levy tariffs of 5% and 10% on roughly all remaining U.S. imports on which it has yet to impose punitive taxes. The new Chinese tariffs on U.S. goods will be enacted in two batches starting September 1 and December 15, the same dates the U.S. tariffs go into effect.

In the U.S., sales of previously owned homes picked up in July by 2.5% from the previous month to a seasonally adjusted annual rate of 5.42 million, according to the National Association of Realtors. However, sales of new homes fell a steep 12.8% last month as higher prices and limited inventory sidelined would-be buyers. The Commerce Department reported new homes sold at a seasonally adjusted annual rate of 635,000 units.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Existing Home Sales (Millions Annualized)	5.42	5.21	▲
Initial Jobless Claims (Thousands)	209	212	▼
New Home Sales (Thousands Annualized)	635	656	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	25628.90	-0.99%	9.87%	-0.11%
NASDAQ	7751.77	-1.83%	16.83%	-1.61%
S&P 500	2847.11	-1.44%	13.57%	-0.35%
MSCI EAFE	1829.29	0.96%	6.36%	-6.06%
Bbg Barclays Aggregate US	2219.02	-0.32%	8.42%	9.33%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.96%	2.04%	2.07%
10-Year Treasury	1.54%	2.08%	2.83%

REPORTS DUE NEXT WEEK	LATEST
Durable Goods Orders	1.9%
Conf. Board Consumer Confidence	135.7
Personal Income (YoY)	4.9%

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.