

Greetings:

The holiday-shortened week took a volatile turn as the S&P 500 dropped nearly 2.5% on Thursday and investors reacted to several negative headlines, including Apple's announcement that its quarterly revenue would fall short of expectations. Stocks came screaming back on Friday (January 4th), as a stronger-than-expected jobs report and positive news about US-China trade talks sent the S&P 500 to a gain of 3.4% for the day. The Dow finished the week up 1.6%, the S&P 500 gained 1.9%, and the Nasdaq added 2.3%.

The US economy generated 312,000 new jobs in December, beating economists' expectations of an 180,000 increase. In addition, wage growth picked up, and the government revised the job figures for October and November upward by a total of 58,000. Additionally, the unemployment rate remains near all-time lows at 3.9%. (Source: Bureau of Labor Statistics)

The US and China raised hopes of further progress in resolving their trade dispute, announcing plans for a new round of negotiations starting today in Beijing. The talks will be the first formal negotiations since the countries announced the 90 day trade moratorium in early December. (www.wsj.com)

A speech on Friday by Federal Reserve Chairman Jerome Powell helped to ease concerns about the outlook for further interest-rate increases. Powell noted that inflation has remained muted, and in response to recent market volatility, is prepared to be more flexible. (www.investors.com)

US markets started 2019 in the right direction, marking its second consecutive week of gains. The first week of the year ended with several pieces of positive news, setting a good tone for the beginning of the year. In addition to this news, the market is looking to the upcoming Q4 earnings season, with the first companies reporting later this week.

Regards,
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