

Weekly Market Commentary

September 16, 2019

The Markets

Where's inflation?

If you enjoy searching for Waldo, the visual nemesis in a red-striped sweater and cap, you may appreciate the quandary of central bankers in many wealthy nations. For almost a decade, they've been trying to find inflation.

Last week, there were reports of a sighting in the United States.

The core U.S. Consumer Price Index (CPI) measures changes in the prices Americans pay for goods. The Index rose 0.3 percent from July to August. It was up 2.4 percent year-to-year, reflecting the fastest annual growth rate since July 2018, reported *The Wall Street Journal*.

Rising healthcare costs were one reason for inflation gains, reported *CNBC*. In addition, *Axios* reported:

“The costs of the U.S. tariffs on Chinese imports clearly made an impact on the [inflation] reading, but wages also picked up notably last month as seen in the government's jobs report. The reading may indicate that inflation is making a sustained comeback.”

Central banks don't want inflation to be too high, as it has been in Argentina (22.4 percent year-to-date). They also don't want it to be too low, because low inflation can be a sign of economic weakness.

The Federal Reserve (Fed), which is our central bank, considers 2 percent inflation to be consistent with a healthy economy, reported *The Wall Street Journal*.

If you were reading carefully, you may have noted the CPI was above 2 percent. While the CPI measures inflation, it's not the Fed's favorite inflation gauge. Fed officials prefer the Personal Consumption and Expenditures Price Index (PCE), which estimated inflation at 1.4 percent in July. The PCE was up 0.2 percent for the month.

U.S. stocks moved higher again last week on solid retail sales and positive trade news.

Data as of 9/13/19	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	1.0%	20.0%	3.6%	12.2%	8.7%	11.1%
Dow Jones Global ex-U.S.	0.4	10.8	-0.3	4.8	0.4	2.5
10-year Treasury Note (Yield Only)	1.9	NA	2.9	1.7	2.6	3.4
Gold (per ounce)	-1.4	17.3	24.2	4.3	4.0	4.2
Bloomberg Commodity Index	1.0	2.6	-4.9	-1.8	-8.3	-4.5

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

WHAT WOULD YOU CHOOSE? Americans spend a lot of time at work. The *Bureau of Labor Statistics' 2018 American Time Use Survey* reported people employed full-time worked 8-1/2 hours on weekdays, on average, and almost 5-1/2 hours on weekend days (when they worked on weekends).

If you estimate 8 hours of sleep a night and two weeks of vacation, at least one-third of awake-time is spent at work. That may explain why some people have strong opinions about dress codes and workspaces. How would you answer these questions?

If your employer gave you the choice, would you prefer to wear casual clothes to the office or receive a \$5,000 salary bump?

Dress casual has become the new norm in many workplaces. A significant percentage of employees participating in a recent *Randstad US* survey (33 percent) like it so much, they would sacrifice a \$5,000 salary increase to keep it that way.

Imagine that. One-third of workers would give up \$25,000, assuming they stayed with their employer for five years, to avoid pantyhose and neckties.

In the same survey, one-third of participants said they would turn down a job offer or quit, if the employer insisted on a conservative dress code.

Interestingly, some psychology studies have found more formal clothing may affect: 1) the way others perceive you, 2) how you perceive yourself, and 3) how you make decisions.

If you were given the choice, would you opt for a totally open, a totally private, or a shared workspace?

Four-of-10 American workers get to choose where they work within their offices. Preferences vary significantly. The top choices for 2019, according to a *Western Office* survey were:

- 28 percent: Mostly open space, just a few walls and private space available on-demand.
- 23 percent: Mostly private space, an agglomeration of shared offices and team rooms.
- 20 percent: Somewhat open, a combination of offices and cubicles.

The survey suggested having a workspace that suits employees' preferences can improve efficiency, making companies more productive and profitable.

Weekly Focus – Think About It

“I am awfully greedy; I want everything from life. I want to be a woman and to be a man, to have many friends and to have loneliness, to work much and write good books, to travel and enjoy myself, to be selfish and to be unselfish... You see, it is difficult to get all which I want. And then

when I do not succeed, I get mad with anger.”

--*Simone de Beauvoir, writer and philosopher*

Best regards,

James E. Tyrrell II, CFP® , ChFC

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

Securities offered through Commonwealth Financial Network®, Member FINRA/SIPC.

* These views are those of Carson Coaching, and not the presenting Representative or the Representative's Broker/Dealer, and should not be construed as investment advice.

* This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named broker/dealer.

* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

* All indexes referenced are unmanaged. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.

* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.

* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

* The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.

* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.

* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

- * Past performance does not guarantee future results. Investing involves risk, including loss of principal.
- * You cannot invest directly in an index.
- * Stock investing involves risk including loss of principal.
- * The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
- * There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
- * Asset allocation does not ensure a profit or protect against a loss.
- * Consult your financial professional before making any investment decision.
- * To unsubscribe from the “Market Commentary” please reply to this e-mail with “Unsubscribe” in the subject line, or write us at Beth@hcaWealth.com

Beth Drazak

Assistant to James E. Tyrrell II, CFP®, ChFC*

Heritage Capital Advisors, LLC

200 Glastonbury Boulevard, Suite 101

Glastonbury, CT 06033-4454

860-659-8886 x326 | 800-429-0182 (toll free) | 860-659-8025 (fax)

Sources:

<https://econoFact.org/whats-the-problem-with-low-inflation>

<https://www.wsj.com/articles/u-s-consumer-prices-rose-0-1-in-august-11568292160> (or go to

[https://peakcontent.s3-us-west-2.amazonaws.com/+Peak+Commentary/09-16-19_WSJ-](https://peakcontent.s3-us-west-2.amazonaws.com/+Peak+Commentary/09-16-19_WSJ-Weak_Energy_Prices_Held_Down_Overall_Inflation_in_August-Footnote_2.pdf)

[Weak Energy Prices Held Down Overall Inflation in August-Footnote 2.pdf](https://peakcontent.s3-us-west-2.amazonaws.com/+Peak+Commentary/09-16-19_WSJ-Weak_Energy_Prices_Held_Down_Overall_Inflation_in_August-Footnote_2.pdf))

<https://www.cnbc.com/2019/08/13/consumer-price-index-july-2019.html>

<https://www.axios.com/inflation-cpi-federal-reserve-interest-rates-321171db-ae71-4587-b482-14d90e640a44.html>

<https://www.reuters.com/article/us-argentina-data-inflation/argentina-inflation-cools-for-third-straight-month-in-june-idUSKCN1UB2FL>

<https://www.bea.gov/news/2019/personal-income-and-outlays-july-2019>

<https://www.marketwatch.com/story/dow-and-sp-500-on-the-brink-of-fresh-all-time-highs-ahead-of-retail-sales-other-data-2019-09-13>

<https://www.bls.gov/news.release/pdf/atus.pdf>

https://rlc.randstadusa.com/press-room/press-releases/randstad-us-survey-finds-casual-dress-is-almost-always-in-fashion-in-todays-workplace?hs_ungate_cos_renderer_combine_all_css_disable=true&hs_ungate_cos_renderer_coverage_css_enable=false&hsVerifyCssCombining=false

http://www.columbia.edu/~ms4992/Publications/2015_Slepian-Ferber-Gold-Rutchick_Clothing-Formality_SPPS.pdf

http://www.columbia.edu/~ms4992/Publications/2015_Slepian-Ferber-Gold-Rutchick_Clothing-Formality_SPPS.pdf

[Formality_SPPS.pdf](http://www.columbia.edu/~ms4992/Publications/2015_Slepian-Ferber-Gold-Rutchick_Clothing-Formality_SPPS.pdf)

https://www.westernoffice.com/files/gensler-us-workplace-survey-2019_15776.pdf

<https://www.goodreads.com/quotes/tag/work>