



# GARDNER BROWN ASSOCIATES, INC.



# BIO

Louis A. Gardner, President of Gardner Brown Associates Inc., has been in the Financial Services industry for over 30 years. Over the span of his career he has served as an Executive with three major insurance carriers.

Gardner Brown & Associates, Inc was started in 2008 with the objective to allow our firm to work directly with individual and corporate clients in the vast area of financial advisement.

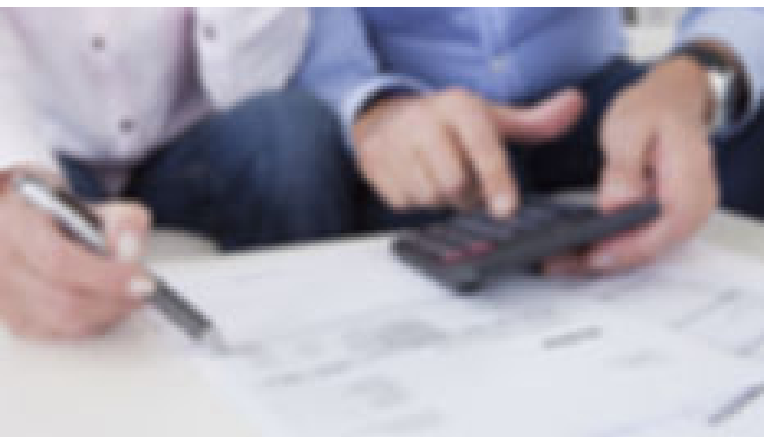
Louis has been named one of the nation's Best Advisors by Medical Economics due to his vast knowledge and expertise in the area of financial advisement. Gardner Brown Associates is able to assist corporate clients in devising executive, core and voluntary benefits and individual clients in all areas of financial matters.

From tackling personal decisions to reaching important milestones, Gardner Brown Associates, Inc. guides you on the path to financial success. As a professional financial planning firm, Gardner Brown Associates, Inc. guarantees optimal results based on your specific needs. We are fueled by our commitment to excellence and go the extra mile to make sure our clients are fully satisfied with the services provided. Get in touch with us today for a free financial advisement consultation.

Securities offered through Lion Street Financial, LLC, member FINRA, SIPC. Investment advisory products and services offered through Lion Street Advisors, LLC, an investment advisor registered with the SEC. Lion Street Financial, LLC and Lion Street Advisors, LLC are affiliated companies but neither is affiliated with Gardner Brown and Associates. Neither of these companies provide tax or legal advice. Representatives may transact business, which includes offering products and services and/or responding to inquiries, only in state(s) in which they are properly registered and/or licensed.



WHAT GARDNER  
BROWN  
ASSOCIATES, INC.  
OFFERS



## FINANCIAL STATUS EVALUATION

Our clients are our number one priority, and we go the extra mile to make sure they're completely satisfied with our service. Whether individual or corporate clients, we will review current insurance and investment holdings and provide explanations of current holdings in a manner which is understandable.



## FINANCIAL ADVISEMENT RECOMMENDATIONS

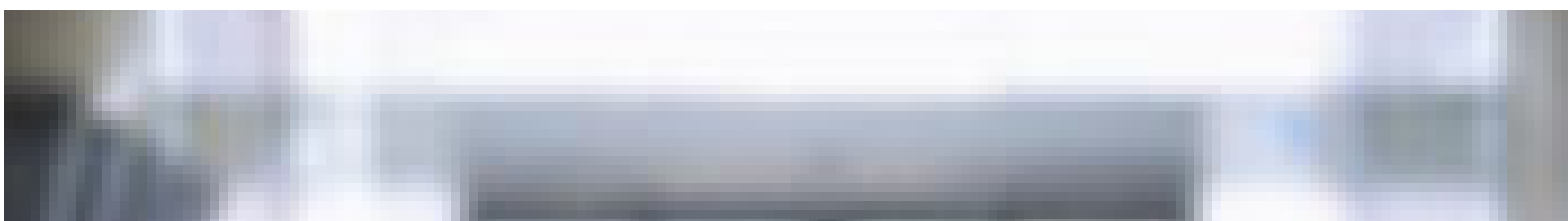
Gardner Brown Associates, Inc. aims to collect, analyze, and solve your financial advisement needs. After we collect your current holdings data and analyze your information we are able to present customized solutions to assist you in reaching your financial goals.



## ASSIST IN FINANCIAL GOAL SETTING

Many clients know what they want to achieve in 5, 10 or 20 years financially but they are not sure how to get there. At Gardner Brown Associates, Inc. we listen to your financial wants and needs and help develop a specific plan on how to achieve those goals.

# CONTACT ME

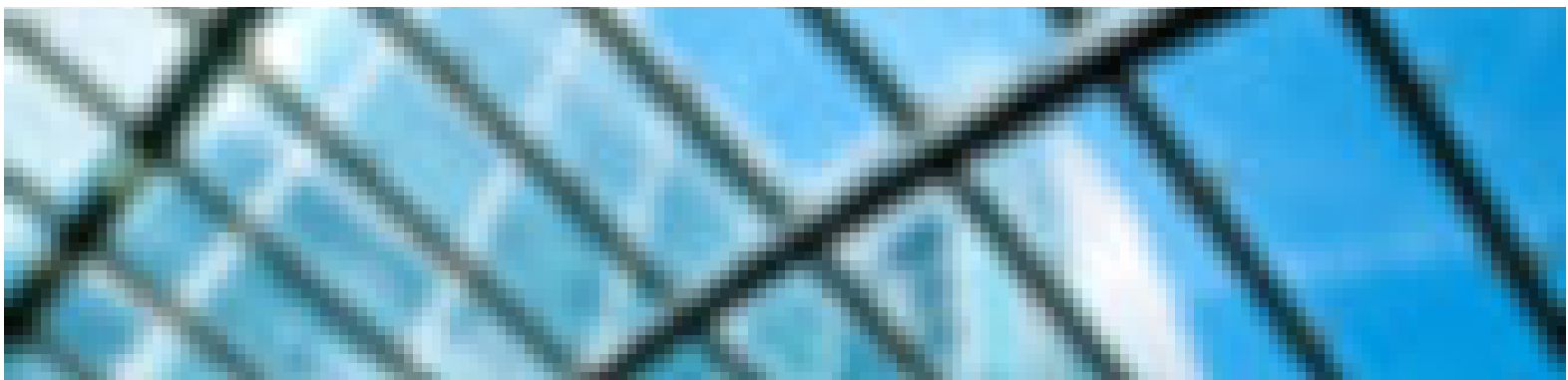




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## **BUSINESS HOURS**

Mon - Fri: 7am - 6pm (PST)  
Saturday & Sunday: By appointment only

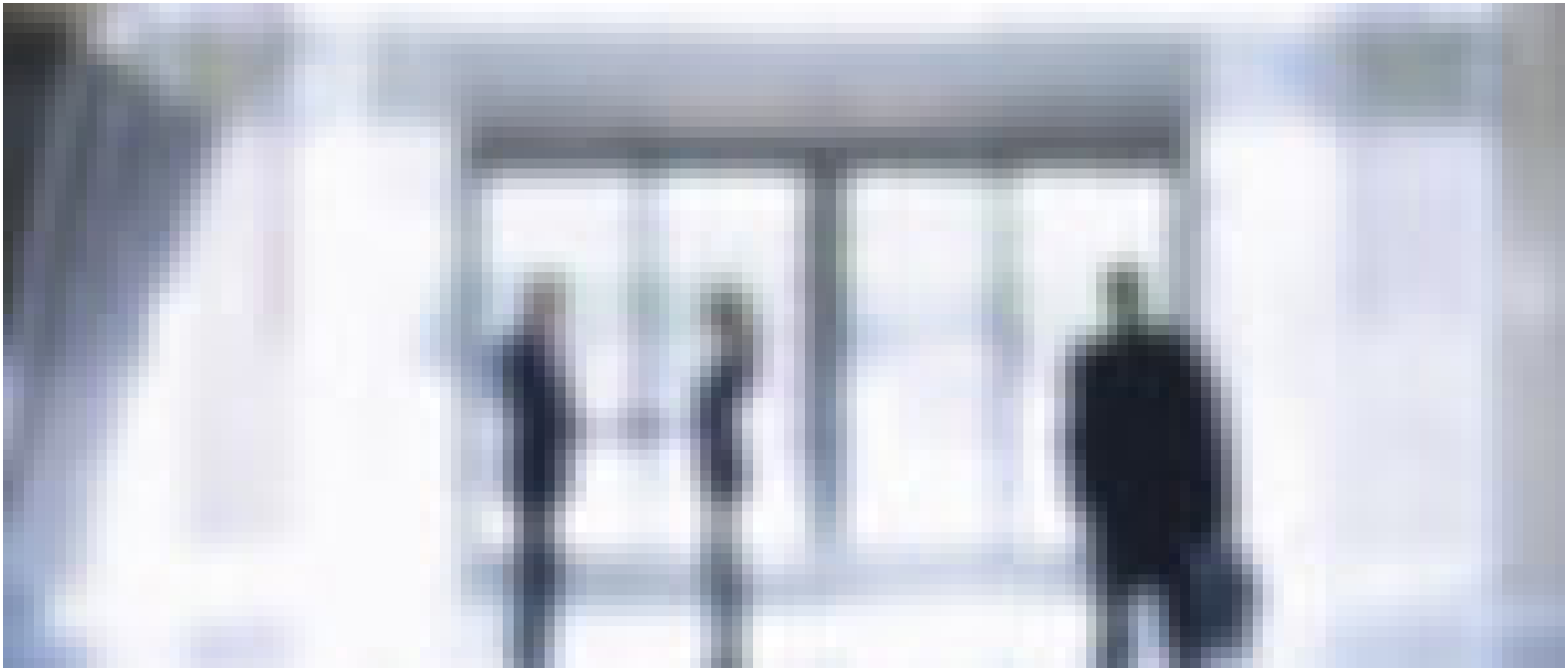
# MONTHLY ECONOMIC UPDATE

JUNE 2019



## THE MONTH IN BRIEF

Hopes for a quick resolution to the U.S.-China trade dispute faded in May as discussions broke down and rhetoric from both sides turned tough again. The disappointment lingered on Wall Street: the month saw losses for stocks. On Main Street, consumer confidence was strong and inflation tame. Mortgage rates reached year-to-date lows, but the latest data on home sales showed weak spring buying. The price of crude oil fell significantly, and so did the yield on the 10-year Treasury. 1



### DOMESTIC ECONOMIC HEALTH

Last month, trade was the story, and tariffs were on the minds of market participants. On May 5, President Trump announced that U.S. import taxes levied on \$200 billion of Chinese products would soon rise from 10% to 25% and that virtually all other goods arriving from China would “shortly” face a 25% tariff. China retaliated, declaring that it would hike tariffs already imposed on \$60 billion worth of American products, effective June 1. More tariff developments followed. On May 17, President Trump opted to delay levies planned for imported autos until later in 2019, and he removed tariffs on metals arriving from Canada and Mexico. 2,3

Late May brought more attention-getting headlines. On May 29, China’s state media suggested that its government might consider banning rare-earth mineral exports to America. (China mines or produces about 80% of the world’s rare earths.) On May 30, President Trump announced that all of Mexico’s exports to the U.S. would face 5% tariffs starting on June 10; these taxes could rise to as high as 25% by October. 4,5

Households, meanwhile, felt good about the economy and their financial prospects in May. The Conference Board’s monthly consumer confidence index rose nearly five points to 134.1; that was its best reading since November. (Confidence about the present economic situation reached its highest level since December 2000.) The University of Michigan’s consumer sentiment index jumped to a 15-year peak of 102.4 at mid-month, and it ended May at 100.0. 6,7

Consumer spending rose another 0.3% in April, by the calculation of the Department of Commerce. Overall retail sales declined 0.2% in April, but core retail sales (minus auto and gas purchases) improved 0.1%. 6

Inflation advanced at a mild 2.0% in the year ending in April, according to the latest Consumer Price Index. The CPI rose 0.3% in the fourth month of the year. 6

The Department of Labor released its April employment report at the start of May, and the latest news on hiring was certainly impressive. April saw a net gain of 263,000 jobs, trouncing a Bloomberg consensus forecast of 190,000. The jobless rate fell 0.2% to 3.6%, nearly a 50-year low. The U-6 rate, which counts the

unemployed, the underemployed, and those who have stopped looking for work, stayed at 7.3% for the third straight month. Wages were growing at a 3.2% annualized pace. 8

On May 1, the Federal Reserve left interest rates unchanged. While the Fed was not expected to make a move, some investors wondered if it was considering the possibility of a rate cut at some point before the end of the year. In fact, at the end of May, the market expectation was for the Fed to make two rate cuts by next January, with the first coming in September. At the central bank's May 1 press conference, Fed chair Jerome Powell did not refer to any kind of reconsideration of monetary policy, simply telling reporters that "we don't see a strong reason for moving in one direction or the other."<sup>9,10</sup>

There was another yield curve inversion in the bond market: in the second half of May, the yield on the 3-month U.S. Treasury note exceeded the yield on the 10-year U.S. Treasury note. On May 29, the 3-month yield topped the 10-year yield by the greatest margin since the financial crisis. Economists pay close attention to these yield curve inversions; some believe they presage recessions. Yields on Treasuries decline when their prices rise, and vice versa; demand for Treasuries increased during May, as stocks retreated here and overseas. 11

As for other economic indicators arriving during May, the April Institute for Supply Management manufacturing index (based on a monthly survey of purchasing managers at large firms) fell 2.5 points to a decent 52.8 reading; ISM's April service-sector PMI lost 0.6 points, descending to 55.5. Industrial output fell 0.5% in April; durable goods orders, 2.1%. 6,12



## GLOBAL ECONOMIC HEALTH

U.S. tariffs did seem to be affecting China's factory sector, and by extension, its economy. China's official manufacturing purchasing managers index displayed a May reading of 49.4, indicating contraction instead of expansion. 5

India was no longer home to the world's fastest-growing economy. Last month, its government stated first-quarter gross domestic product of 5.8%, below that of China (which reported an official Q1 GDP of 6.4%). A June interest rate cut by India's central bank is widely expected. 13

A change in leadership was ahead for the United Kingdom. Prime Minister Theresa May announced she would presently resign; her successor will likely take office in July. Boris Johnson, a fellow conservative, is widely considered to be the favorite in the forthcoming parliamentary elections. Johnson has stated that the U.K. must make its Brexit from the European Union by the current October 31 deadline, deal in place or not. Some analysts now see a stronger possibility of a no-deal Brexit. 14



## WORLD MARKETS

Aside from a few outliers, most foreign stock markets went the way of our stock market in May. Five notable benchmarks recorded monthly gains: Argentina's often-volatile Merval rose 15.79%, Russia's Micex added 4.14%, India's Sensex and Nifty 50 respectively rose 1.75% and 1.49%, and Australia's All Ordinaries improved 1.14%. 15

May losses were widespread. The MSCI World index fell 6.08%; the MSCI Emerging Markets index, 7.53%. China's Shanghai Composite declined 5.84%; Japan's Nikkei 225, 7.45%; Hong Kong's Hang Seng, 9.42%. Mexico's Bolsa lost 4.14% for the month; Canada's TSX Composite, 3.28%. Germany's DAX slipped 5.00%; France's CAC 40, 6.78%. The regional FTSEurofirst 300 lost 5.50%. 15,16



## MONTHLY TIP



If your teen or young adult children perform “odd jobs” to make extra cash, they are self-employed , and the money they earn from this work is taxable . Your children may be responsible for paying income taxes on such earnings, possibly through estimated tax payments.

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## GARDNER BROWN ASSOCIATES, INC

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