

July
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Economic & Market Chartbook



CAPITAL MARKET CONSULTANTS, INC.

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Highlights of the Month

The Labor Department’s jobs report showed nonfarm payrolls surging by 213,000 in June as manufacturers stepped up hiring. Economists had been expecting a job gain of 195,000. The unemployment rate rose to 4.0% from an 18-year low of 3.8% as 601,000 job seekers entered the work force. Further evidence of a tightening labor market was provided by the most recent JOLTS report showing job openings increased to a seasonally adjusted 6.7 million in April, the highest level since the government started tracking the series in December 2000. Following its June FOMC meeting and in a move that was widely expected, the Federal Reserve raised interest rates 25 bps. Policymakers’ projections indicate the potential of two additional hikes by the end of the year. In Europe, the Governing Council of the ECB announced a plan to halt its bond purchasing program by the close of the year. This represents the biggest step yet toward dismantling its crisis-era stimulus a decade after the start of the Eurozone’s economic downturn. A discussion about raising rates isn’t expected until the fall of 2019. In market news, the S&P 500 generated a 0.62% gain during the month of June while the MSCI EAFE index fell 1.22%. Emerging markets struggled. The MSCI EM Index lost 4.15%. China’s Shanghai Composite Index officially slid into bear market territory, having fallen more than 20% from its January 24th high. Fixed income markets were broadly negative as the Barclays U.S. Aggregate Bond Index dropped 0.12% while the Barclays Global Aggregate Ex. USD bond benchmark fell 0.70%.

