

June 6, 2018

Good Afternoon,

Markets were mixed last week as Friday's May employment report came in better than expected and markets rallied to offset most losses from earlier in the week. The underlying data in the report was solid as well, with the unemployment rate falling to 3.8% and average hourly earnings increasing 2.7% on a year-over-year basis. Many economists believe wage growth will be the key to keeping the economic expansion intact. Can we have strong wage growth without inflation? The Fed is charged with solving that problem.

Investors and corporate leaders remain skeptical of recent trade tariffs announced by the White House. Clearly, President Trump is intent on replacing NAFTA as he announced 25% tariffs on imports from both Canada and Mexico. One of his targeted imports is Canadian maple syrup. Really, maple syrup? I hope someone tells him that French toast doesn't actually come from France.

On a personal note, our youngest son recently graduated from the University of Vermont with a degree in Environmental Engineering. The whole family was together to celebrate his achievement. While there are mixed emotions, Joscelyne and I are thrilled that all three sons have their college degrees. And as my good friend said, "you're done buying a new car every year and driving it straight off a cliff."

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Have a great week,

Wade

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