

# November 16, 2018



**Unemployment:** Initial claims rose to 216K from 214K. The continued low level of initial claims and the strength in non-farm payrolls give the FRB confidence to continue raising rates.



**Consumer Goods & Materials:** September factory orders increased .7%, more than expected. Retail sales expanded by a better than expected .8% for October.



**Non-Defense Capital Goods:** Core durable goods orders (long lasting manufactured goods stripping out transportation) increased by 0.1% (Sept), less than the 0.5% expected.



**Building Permits & Housing Starts:** House prices rose 6.1% year over year (Aug) and new home sales were down 5.5% (Sept). These were likely in response to higher mortgage rates.



**Yield Curve:** 2's & 10's were little changed last week. 2-year yields fell to 2.81% from 2.93% & 10-year yields fell to 3.08% from 3.19%. Prices and rates move in opposite directions.



**M2 Money Supply:** The money supply as measured including time deposits, grew by appx \$23B to \$14.293T in October. Even with market turmoil this is logical as short term rates have rose.



**Manufacturing & Services:** October manufacturing fell to 57.7 from 59.8. Services PMI rose to 54.8 from 54.7 in October. 50 marks the line between contraction and expansion.



**S&P 500:** The S&P 500 fell for the week, 44.74 points, ending at 2,736.27 and up 2.34% year to date. VIX, a measure of volatility, rose to 20.8 from 18.06 the prior week.



**U. of Michigan Consumer Sentiment:** Michigan Consumer Sentiment fell to 98.3 for October from 98.6. Sentiment is still at a historically elevated level.

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