

March 25, 2019

# Economic update

## Economy



- Existing home sales surged 11.8% in February, according to the National Association of Realtors.
- The Conference Board Leading Economic Index increased in February.
- Factory orders increased 0.1% in January, the Census Bureau stated.
- Durable goods orders rose 0.3% in January, the Census Bureau found.

## Employment



- Initial jobless claims fell by 9,000 to 221,000 in the week ended March 16, according to the Labor Department.

## Profits



- As of March 14, 2019, of the 500 S&P 500 Index companies reporting fourth-quarter earnings, 340 — or 68.0% — beat analysts' expectations, according to S&P Dow Jones Indices.

## Emotion



- The ZEW Indicator of Economic Sentiment in Germany increased markedly in March.

## Europe



- Eurostat reported that the euro area posted a trade surplus in January.
- Construction output declined 1.4% in January in the euro area, according to Eurostat.
- The Markit Flash Eurozone PMI Composite Output Index fell to 51.3 in March from 51.9 in February.
- The Markit Flash Germany PMI Composite Output Index declined to 51.5 in March from 52.8 in February.

## Rates



- The yield on the 10-year U.S. Treasury note declined.
- The Federal Reserve held rates steady.
- The Bank of England decided to maintain the current bank rate.

## Risks



- No resolution to China trade war, or opening a new front with Europe on autos, risks more equity market turmoil.
- Brexit, Italian debt dynamics, and the re-emergence of populism risk tipping Europe back into recession.
- Weak stimulus in China thus far is showing little sign of slowing the pace of deceleration.

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