

September 17, 2018

Economic update

Economy



- The CPI rose 0.2% and core CPI increased 0.1% in August, the Bureau of Labor Statistics reported.
- The Producer Price Index declined 0.1% in August, the Bureau of Labor Statistics noted.
- Wholesale sales remained unchanged in July, the Census Bureau noted.

Employment



- Initial jobless claims decreased by 1,000 to 204,000 in the week ended September 8, 2018, according to the Labor Department.

Profits



- As of September 6, 2018, of the 499 S&P 500 Index companies reporting second-quarter earnings, 398 — or 79.7% — beat analysts' estimates, according to S&P Dow Jones Indices.

Emotion



- The University of Michigan's preliminary index of consumer sentiment rose to 100.8 in September from 96.2 in August.
- The NFIB Small Business Optimism Index jumped to a new record in August.

Europe



- Eurostat reported that industrial production fell 0.8% in July in the euro area.
- The ZEW Indicator of Economic Sentiment for Germany increased in September.
- In Germany, the CPI rose 2.0% year over year in August, the Federal Statistical Office reported.

Rates



- The yield on the 10-year U.S. Treasury note increased.
- Three of the Federal Reserve's 12 districts reported weaker growth in August, according to the Beige Book report.
- The Bank of England held rates steady.
- The European Central Bank maintained the current bank rate.

Risks



- The strengthening U.S. dollar, widening credit spreads, and higher oil prices are putting pressure on select emerging-market countries.
- Worries of dwindling global spare capacity in oil production may cause prices to spike, risking an inflation scare.
- The Fed appears to be on course to invert the yield curve.

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