

September 18, 2017

Economic update

Economy



The BLS reported that the CPI rose 0.4% and core CPI increased 0.2% in August. The Producer Price Index advanced 0.2% in August. The Commerce Dept. noted retail sales fell 0.2% in August. China's National Bureau of Statistics noted producer prices rose 6.3% and consumer prices increased 1.8% from a year earlier in August. Japan's METI stated industrial production slipped in July.

Employment



Initial jobless claims fell by 14,000 to 284,000 in the week ended September 9, 2017, according to the Labor Department. The four-week moving average was 263,250.

Profits



As of September 7, 2017, of the 503 S&P 500 Index companies, 353 — or 70.2% — beat analysts' estimates, according to S&P Dow Jones Indices.

Emotion



The University of Michigan index of consumer sentiment fell to 95.3 in September from 96.8 in August. The Bloomberg Consumer Comfort Index fell to 51.9 in the week ended September 10, 2017, from 52.6 in the prior week.

Europe



Eurostat reported industrial production was up by 0.1% and the euro area posted a trade surplus in July. Germany's Federal Statistical Office found wholesale prices jumped 3.2% and consumer prices increased 1.8% in August. The U.K.'s Office for National Statistics stated that the CPI rose to 2.7% in August up from 2.6% in July. The U.K.'s unemployment rate slipped to 4.3% in the second quarter, down from 4.9% a year earlier.

Rates



The yield on the 10-year U.S. Treasury note increased. The Bank of England held rates steady but indicated a rate hike may be likely in the coming months.

Risks



- Uncertain timeline on key U.S. pro-growth measures
- Leading indicators of Chinese nominal growth rolling over
- Mismatch between low volatility market environment and policy uncertainty

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