

October 22, 2018

# Economic update

## Economy



- In an advance estimate, the Census Bureau reported that retail sales increased 0.1% in September.
- Housing starts fell 5.3% in September, according to the Census Bureau.
- The Federal Reserve stated that industrial production advanced 0.3% in September.

## Employment



- Initial jobless claims fell by 5,000 to 210,000 in the week ended October 13, 2018, according to the Labor Department.

## Profits



- As of October 12, 2018, of the 28 S&P 500 Index companies reporting third-quarter earnings, 25 beat analysts' estimates, according to S&P Dow Jones Indices..

## Emotion



- The ZEW Indicator of Economic Sentiment for Germany fell in October.

## Europe



- Annual inflation rose to 2.1% in September from 2.0% in August, according to Eurostat.
- The euro area posted a trade surplus in August, Eurostat noted.
- Germany's Federal Statistical Office noted that wholesale prices jumped 3.5% year over year in September.

## Rates



- The yield on the 10-year U.S. Treasury note rose.

## 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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