

April 15, 2019

# Economic update

## Economy



- Both import and export prices rose in March, the Bureau of Labor Statistics stated.
- The CPI increased 0.4% and core CPI rose 0.1% in March, the Bureau of Labor Statistics noted.
- The Census Bureau reported that factory orders fell 0.5% in February

## Employment



- Initial jobless claims fell by 8,000 to 196,000 in the week ended April 6, 2019, according to the Department of Labor.

## Profits



- As of April 5, 2019, the estimated earnings decline for the first quarter for the S&P 500 Index is -4.2%, according to FactSet.

## Emotion



- The University of Michigan's preliminary index of consumer sentiment fell to 96.9 in April from 98.4 in March.
- The NFIB Small Business Optimism Index improved in March.

## Europe



- Eurostat reported that euro area industrial production fell 0.2% in February.
- Germany's Federal Statistical Office noted that wholesale prices jumped 1.8% year over year in March.
- Industrial production increased 0.2% in the United Kingdom in the three months to February, according to the Office for National Statistics.

## Rates



- The yield on the 10-year U.S. Treasury note rose.
- The Federal Open Market Committee decided to hold on rate moves in light of economic and inflation data, minutes of the March meeting showed.
- The European Central Bank held rates steady.

## 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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