

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.

All economic and performance information is historical and does not guarantee future results. The views and opinions expressed are those of Putnam Investments, are subject to change with market conditions, and are not meant as investment advice.

The information provided relates to Putnam Investments and its affiliates, which include The Putnam Advisory Company, LLC and Putnam Investments Limited®.

Issued in the United Kingdom by Putnam Investments Limited® Putnam Investments Limited is authorized and regulated by the Financial Conduct Authority (FCA).