

April 23, 2018

# Economic update

## Economy



- Housing starts rose 1.9% in March, according to the Census Bureau and the Department of Housing and Urban Development.
- Business inventories grew 0.6% in February, the Census Bureau reported.
- The Conference Board's Leading Economic Index increased in March.

## Employment



- Initial jobless claims fell by 1,000 to 232,000 in the week ended April 14, 2018, according to the Labor Department.

## Profits



- According to FactSet analysis as of April 13, 2018, the S&P 500 Index is likely to report earnings growth of about 20% for the first quarter.

## Emotion



- The Bloomberg Consumer Comfort Index rose to 58.1 in the week ended April 15, 2018, from 58.0 in the prior week.

## Europe



- Annual inflation rose to 1.3% in the euro area in March from 1.1% in February, Eurostat reported.
- Germany's Federal Statistical Office found that wholesale prices climbed 1.2% in March.
- The ZEW Indicator of Economic Sentiment for Germany fell in April.

## Rates



- The yield on the 10-year U.S. Treasury note rose.
- The Federal Reserve noted "modest to moderate growth" in its Beige Book report.

## Risks



- China's nominal GDP growth could begin to decline
- There is a mismatch between low-volatility market environment and policy uncertainty
- Fed tightening measures could potentially contribute to inverting the yield curve in 2018

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).