

October 14, 2019

Economic update

Economy



- The CPI remained stable in September while core CPI increased 0.1%, the Bureau of Labor Statistics found.
- The Producer Price Index for final demand decreased 0.3% in September, the Bureau of Labor Statistics reported.
- The Federal Reserve noted that consumer credit increased at an annual rate of 5.25% in August.

Employment



- Initial jobless claims decreased by 10,000 to 210,000 in the week ended October 5, 2019, according to the Labor Department.

Profits



- As of October 2, 2019, of the 22 S&P 500 Index companies reporting third-quarter earnings, 18 beat analysts' estimates, according to S&P Dow Jones Indices.

Emotion



- The NFIB Small Business Optimism Index dipped in September.
- The University of Michigan's index of consumer sentiment rose to 96.0 in October from 93.2 in September.

Europe



- Germany's Federal Statistical Office noted that industrial production increased 0.3% in August.
- Factory orders slipped 0.6% in August, according to Germany's Federal Statistical Office.
- The United Kingdom's Office for National Statistics noted that GDP grew 0.3% in the three months to August.

Rates



- The yield on the 10-year U.S. Treasury note rose.
- For future rate adjustments, Federal Reserve policy makers in September agreed that they would assess "realized and expected economic conditions" relative to its employment and inflation objectives.

Risks



- The cumulative effect of tariffs and low corporate confidence will increase pressure on global manufacturing
- Brexit, Italian debt dynamics, and a fragile European banking system 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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