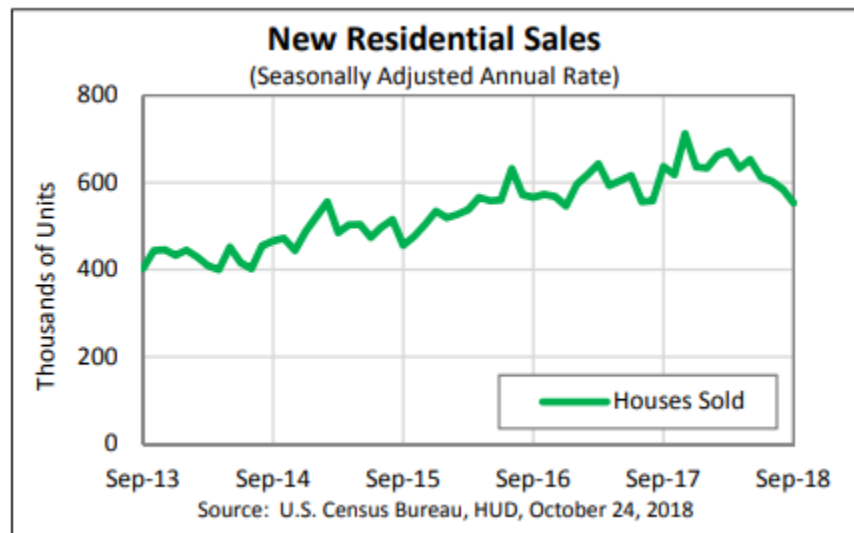


Summary

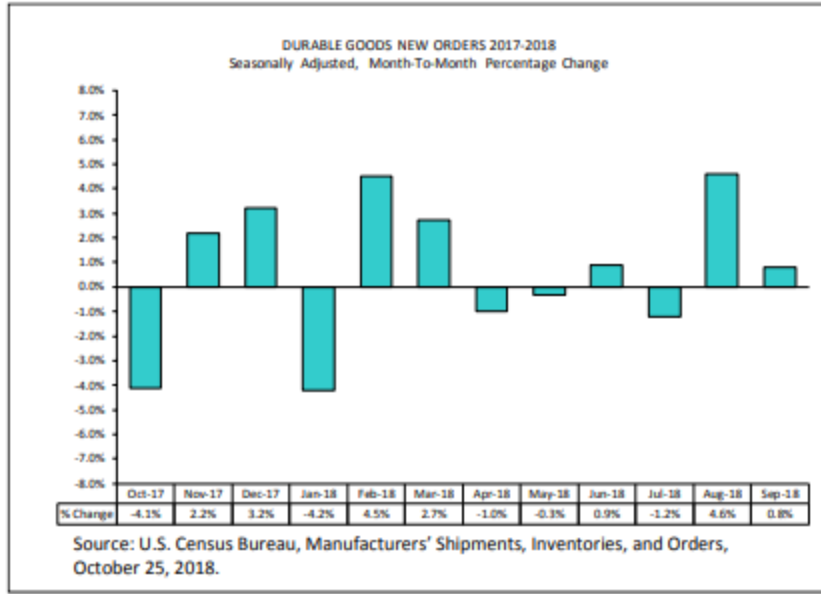
The economy seems to be in cruise control, and most indicators show positive signs. The Gross Domestic Product (GDP) grew 3.5 percent in the third quarter, unemployment claims were relatively flat, and the unemployment rate is still at record lows. Consumer confidence is at its highest level since 2000. International trade with Mexico and Canada continues to increase. The private sector business activity continues to increase, while new orders, shipments, and inventories all showed increases. While pending home sales are down nationally since this time last year, they are up for the south region. Gasoline production and natural gas stocks both decreased, as the U.S. increased the importation of crude oil. Also, there's an interesting article in the [New York Times](#) that explores the differences between 2000 and today regarding unemployment and wage growth.

Census Bureau

Wednesday, [New Residential Sales](#): "Sales of new single-family houses in September 2018 were at a seasonally adjusted annual rate of 553,000. . . . This is 5.5 percent below the revised August rate of 585,000 and is 13.2 percent below the September 2017 estimate of 637,000."



Thursday, [Advance Report on Durable Goods Manufacturers' Shipments, Inventories, and Orders](#): "New orders for manufactured durable goods in September increased \$2.0 billion or 0.8 percent to \$262.1 billion. . . . This increase, up three of the last four months, followed a 4.6 percent August increase. Excluding transportation, new orders increased 0.1 percent. Excluding defense, new orders decreased 0.6 percent. Transportation equipment, also up three of the last four months, led the increase, \$1.8 billion or 1.9 percent to \$97.4 billion. Shipments of manufactured durable goods in September, up four of the last five months, increased \$3.3 billion or 1.3 percent to \$256.8 billion. . . . Transportation equipment, up three of the last four months, led the increase, \$2.9 billion or 3.3 percent to \$89.4 billion. . . . Inventories of manufactured durable goods in September, up twenty of the last twenty-one months, increased \$2.8 billion or 0.7 percent to \$410.7 billion. . . . Transportation equipment, up two of the last three months, led the increase, \$1.2 billion or 0.9 percent to \$130.5 billion."



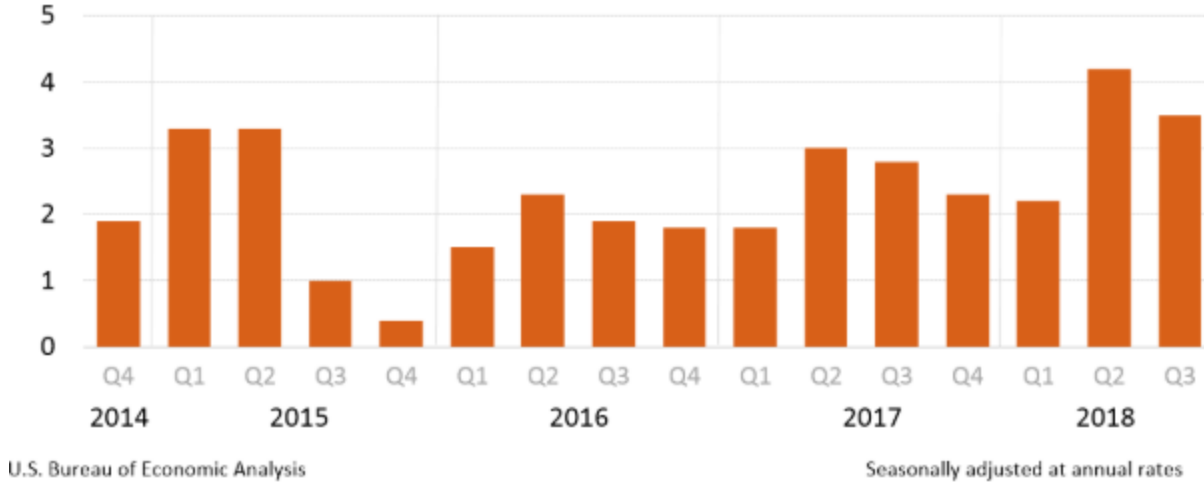
Thursday, [Advance Economic Indicator \(International Trade, Retail and Wholesale\)](#): “The international trade deficit was \$76.0 billion in September, up \$0.6 billion from \$75.5 billion in August. Exports of goods for September were \$141.0 billion, \$2.5 billion more than August exports. Imports of goods for September were \$217.0 billion, \$3.1 billion more than August imports.”

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
SEPTEMBER 2018	\$76.0 Billion +0.8% ^o	\$644.1 Billion +0.3%	\$642.1 Billion +0.1% [*]
AUGUST 2018	\$75.5 Billion	\$642.0 Billion (R)	\$641.7 Billion (R)
Next release: November 28, 2018.			
<small>* The 90 percent confidence interval includes zero. There is insufficient evidence to conclude that the actual change is different from zero. ^o Statistical significance is not applicable or not measurable. Data adjusted for seasonality but not price changes. Source: U.S. Census Bureau; Advance Economic Indicators Report, October 25, 2018.</small>			

Bureau of Economic Analysis

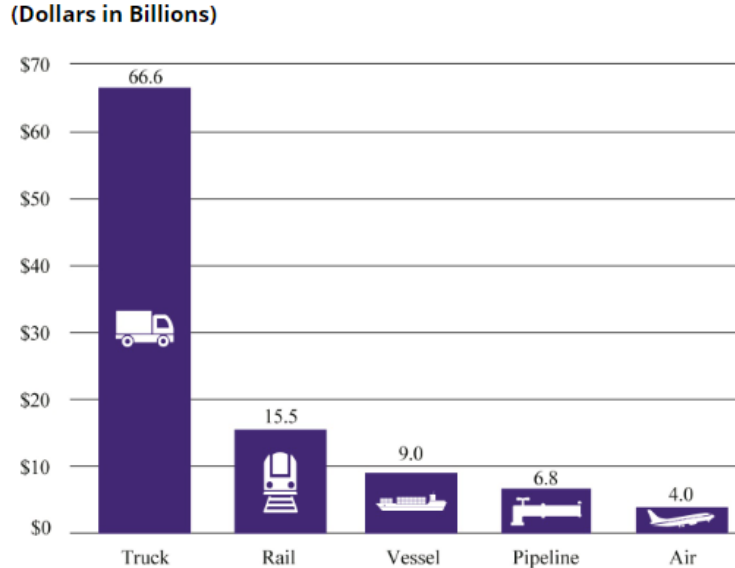
Friday, [Gross Domestic Product](#): “Real gross domestic product (GDP) increased at an annual rate of 3.5 percent in the third quarter of 2018, according to the "advance" estimate. . . . In the second quarter, real GDP increased 4.2 percent.”

Real GDP: Percent change from preceding quarter



Bureau of Transportation Statistics

Wednesday, [North American Freight Data](#): North American trans-border freight between the U.S., Canada, and Mexico totaled \$106.9 billion in August 2018, up 9.7 percent from August 2017. All five major transportation modes carried more freight by value in August 2018 compared to August 2017. Truck freight, the most-used mode, moved \$66.6 billion of freight, up 5.7 percent since August 2017. The second most used mode, rail, moved \$15.5 billion of freight, up 5.5 percent.



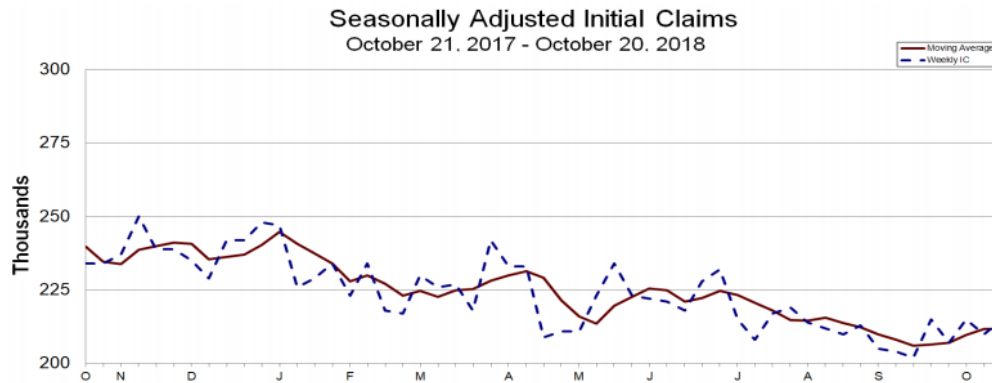
Source: Bureau of Transportation Statistics, TransBorder Freight Data, <https://www.bts.gov/transborder>

Federal Housing Finance Agency (FHFA)

Wednesday, [FHFA House Price Index](#): “U.S. house prices rose in August, up 0.3 percent from the previous month. . . . The previously reported 0.2 percent increase in July was revised upward to 0.4 percent.”

US Department of Labor

Thursday, [Initial Claims](#): “In the week ending October 20, the advance figure for seasonally adjusted initial claims was 215,000, an increase of 5,000 from the previous week’s unrevised level of 210,000. The 4-week moving average was 211,750, unchanged from the previous week’s unrevised average of 211,750.”

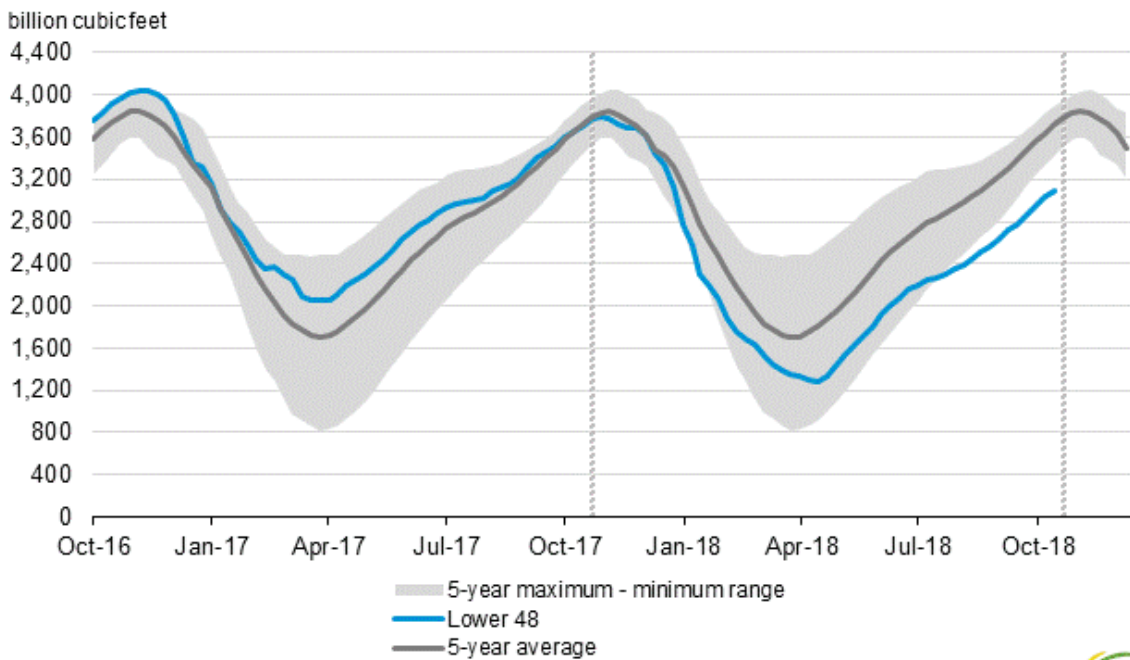


US Energy Information Administration

Wednesday, [Petroleum Status Report](#): “U.S. crude oil refinery inputs averaged 16.3 million barrels per day during the week ending October 19, 2018, which was 48,000 barrels per day less than the previous week’s average. Refineries operated at 89.2% of their operable capacity last week. Gasoline production decreased last week, averaging 10.0 million barrels per day. . . . U.S. crude oil imports averaged 7.7 million barrels per day last week, up by 63,000 barrels per day from the previous week. Over the past four weeks, crude oil imports averaged about 7.7 million barrels per day, 0.7% more than the same four-week period last year.”

Thursday, [Natural Gas Report](#): “Working gas in storage was 3,095 Bcf [billion cubic feet] as of Friday, October 19, 2018. . . . This represents a net increase of 58 Bcf from the previous week. Stocks were 606 Bcf less than last year at this time and 624 Bcf below the five-year average of 3,719 Bcf. At 3,095 Bcf, total working gas is below the five-year historical range.”

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration

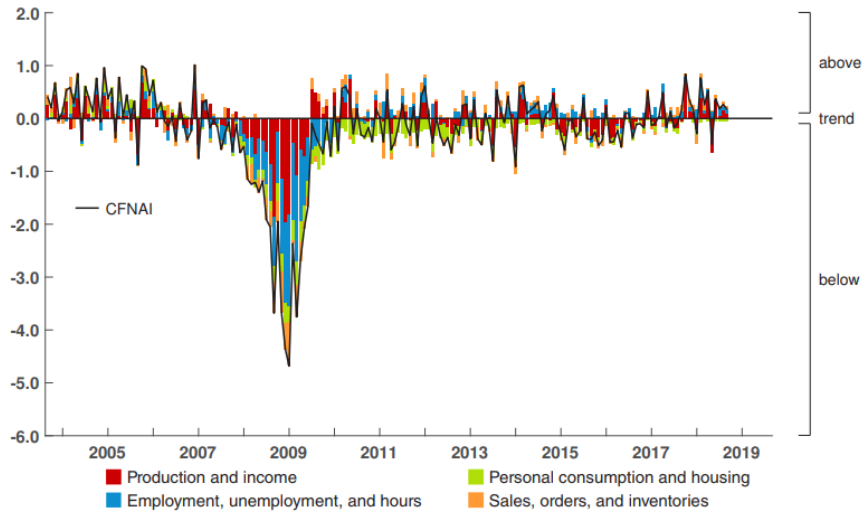


Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2013 through 2017. The dashed vertical lines indicate current and year-ago weekly periods.

Federal Reserve

Monday, [Chicago Fed National Activity Index](#): “The Chicago Fed National Activity Index (CFNAI) decreased to +0.17 in September from +0.27 in August. Two of the four broad categories of indicators that make up the index decreased from August, but three of the four categories made positive contributions to the index in September. The index’s three-month moving average . . . moved down to +0.21 in September from +0.27 in August.” Positive values for the index are associated with above average growth compared with historical trends and negative values with below average growth.

Chicago Fed National Activity Index, by Categories



IHS Markit Economics

Wednesday, [Purchasing Managers' Index \(PMI\) Composite Flash](#): "Private sector business activity increased at a robust and accelerated pace in October. At 54.8, up from 53.9 in September, [the Index] signaled the fastest rate of expansion since July. . . . Stronger overall business activity growth was driven by the service sector in October, which more than offset a slight loss of momentum in manufacturing. Higher levels of business activity were supported by another sharp rise in new work. Survey respondents noted that improving domestic economic conditions were the main factor behind rising client demand."

IHS Markit Composite PMI and U.S. GDP



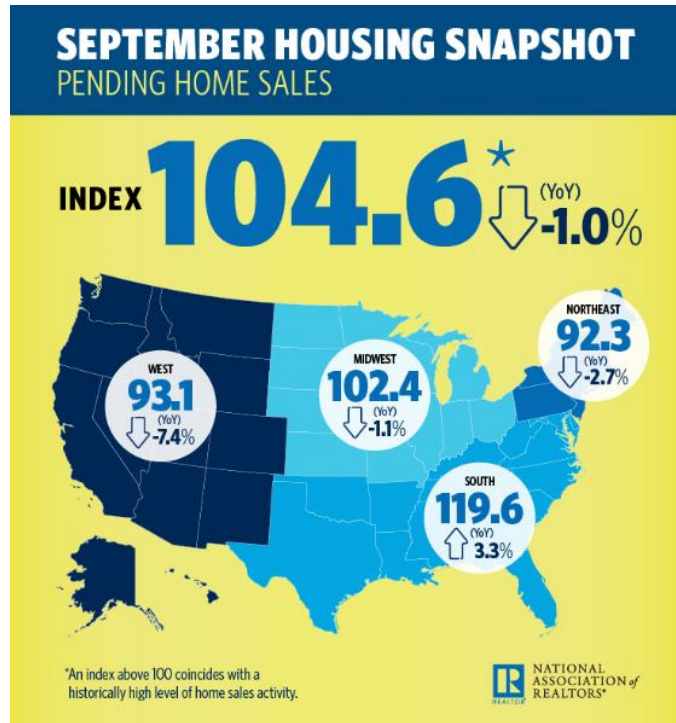
Sources: IHS Markit, U.S. Bureau of Economic Analysis.

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): For the week ending October 19, 2018, "mortgage applications rose 4.9 percent from one week earlier. . . . The previous week's results did not include an adjustment for the Columbus Day holiday."

National Association of Realtors

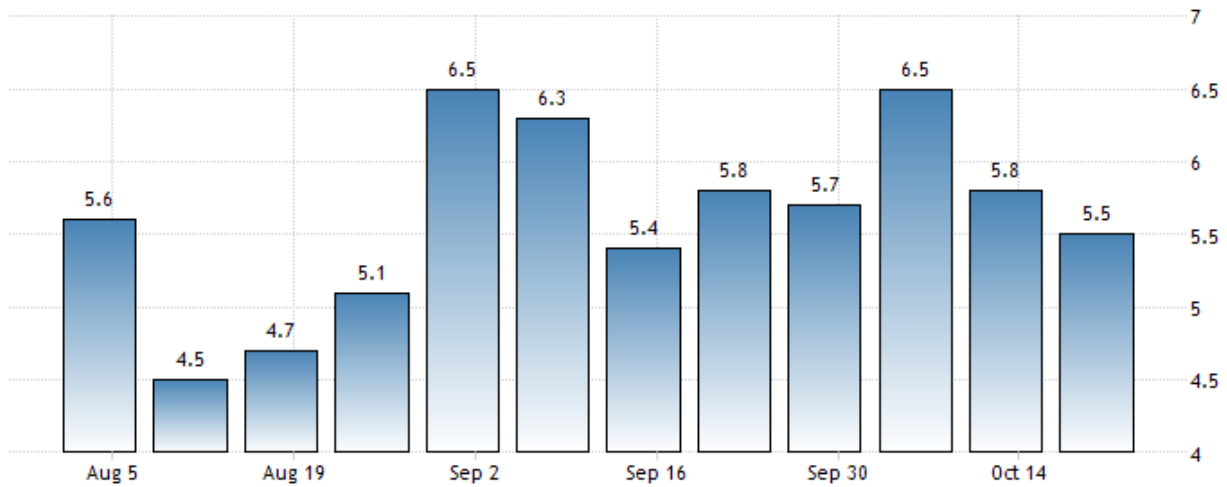
Thursday, [Pending Home Sales Index](#): The index, “a forward-looking indicator based on contract signings, increased 0.5 percent to 104.6 in September from 104.1 in August. However, year-over-year, contract signings dropped 1.0 percent, making this the ninth straight month of annual decreases. Lawrence Yun, NAR chief economist, says that even though we are still seeing year-over-year declines, the latest monthly increase is a good, stabilizing trend. ‘This shows that buyers are out there on the sidelines, waiting to jump in once more inventory becomes available and the price is right,’ he said.” The south was the only region where the index increased year over year for September 2018.



Redbook Research

Tuesday, [Johnson Redbook Index](#): “Redbook Index in the United States increased by 5.50 percent in the week ending October 20 of 2018 over the same week in the previous year. Redbook Index in the United States averaged 2.40 percent from 2005 until 2018, reaching an all-time high of 7.60 percent in March of 2005 and a record low of -5.80 percent in July of 2009.”

US REDBOOK INDEX



SOURCE: TRADINGECONOMICS.COM | REDBOOK RESEARCH INC.

University of Michigan

Friday, [Consumer Sentiment Index](#): “The Consumer Sentiment Index has been higher thus far in 2018 (98.5) than in any prior year since 2000, which was the last year of the longest expansion since the mid-1800s. Importantly, stock price declines, rising inflation and interest rates . . . have not acted to undermine consumer confidence. Needless to say, consumers are not immune to these negative factors. The data only indicate that the tipping point toward escalating pessimism has not been reached. This resilience was primarily due to the prevailing belief that the economy would produce robust job growth during the year ahead, even if overall wage growth remained dismal.”