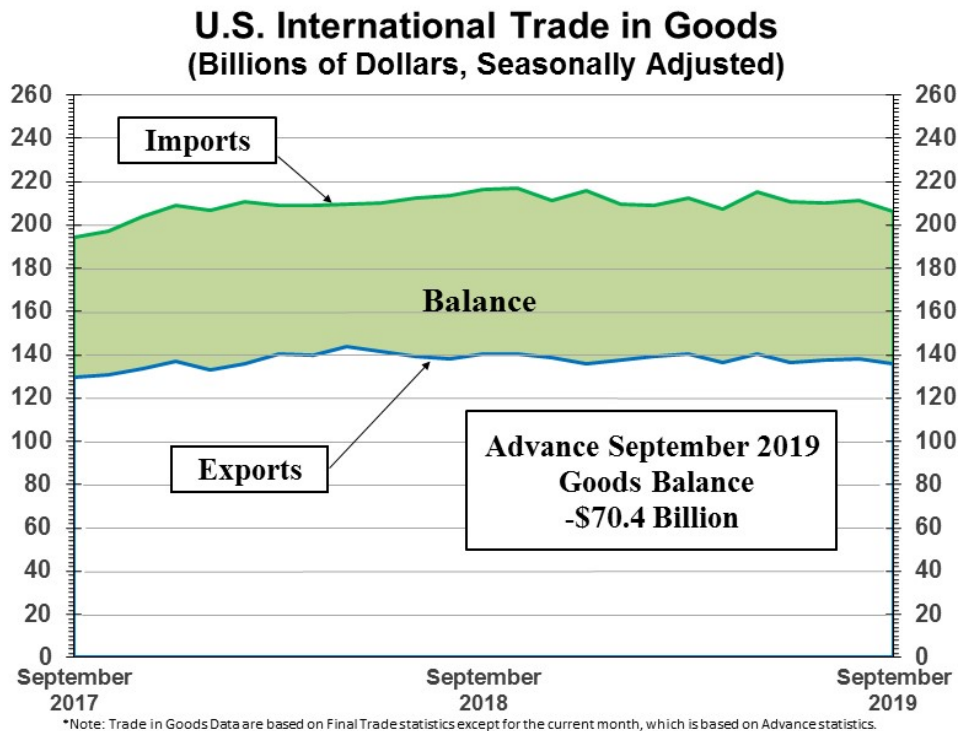


Summary: The jobs report was positive, with employers adding 128,000 jobs in October, more than was expected. The unemployment rate stayed near a 50-year low of 3.6 percent. Wages and salaries increased slightly. Rental rates and home-ownership rates remained steady. Consumer sentiment didn't change much from last week. U.S. economic growth in the second quarter of 2019 was mainly driven by increases in the professional, scientific, and technical services; real estate and rental and leasing; and mining sectors. The trade deficit decreased but only because trade in general decreased. The Federal Reserve lowered interest rates for the third time this year, [but it has signaled it won't do so again unless the economy slows sharply](#).

Census

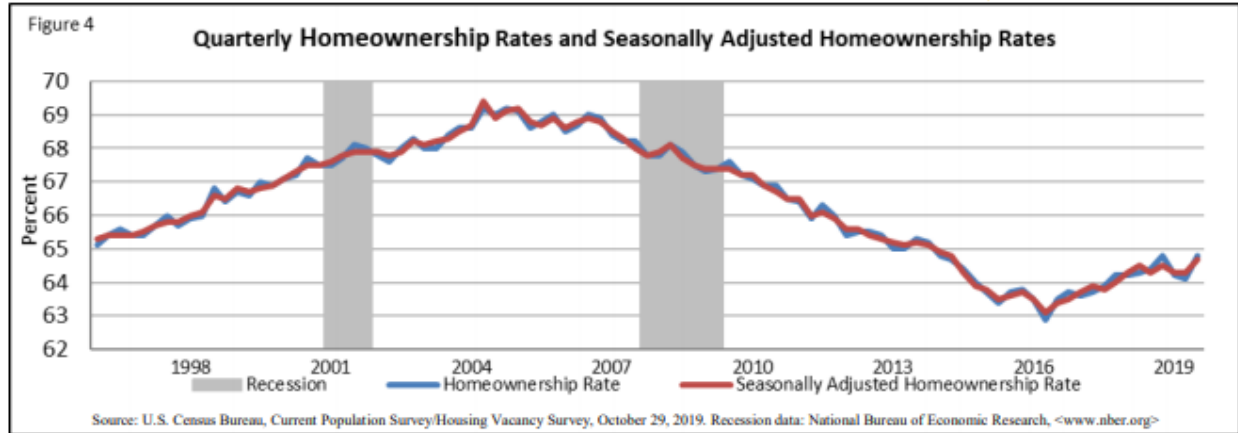
Monday, [Advanced Wholesale and Retail Inventories](#): "Wholesale inventories for September . . . were estimated at an end-of-month level of \$677.4 billion, down 0.3 percent from August 2019, and were up 5.0 percent from September 2018. . . . Retail inventories for September . . . were estimated at an end-of-month level of \$667.1 billion, up 0.3 percent from August 2019, and were up 3.9 percent from September 2018."

Monday, [International Trade](#): "The international trade deficit was \$70.4 billion in September, down \$2.7 billion from \$73.1 billion in August. Exports of goods for September were \$135.9 billion, \$2.2 billion less than August exports. Imports of goods for September were \$206.3 billion, \$4.9 billion less than August imports."



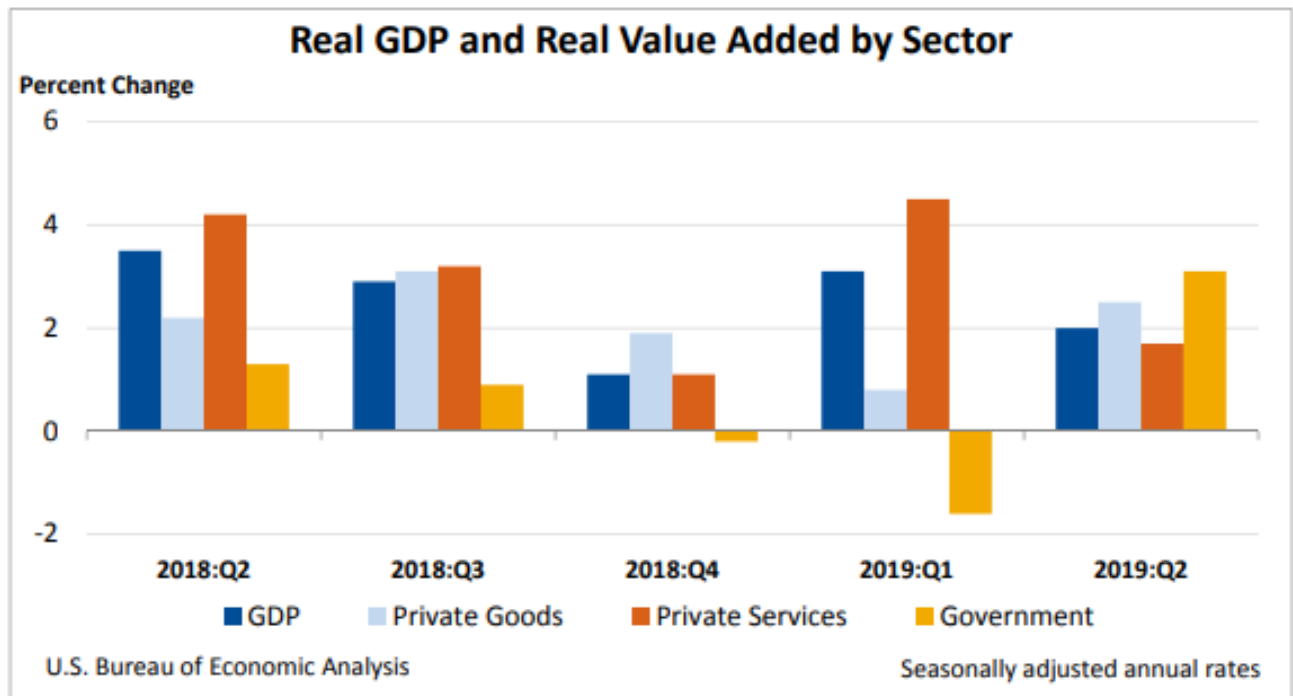
Tuesday, [Residential Vacancies and Homeownership](#): "National vacancy rates in the third quarter 2019 were 6.8 percent for rental housing and 1.4 percent for homeowner housing. The rental vacancy rate of 6.8 percent was not statistically different from the rate in the third quarter 2018 (7.1 percent) and virtually unchanged from the rate in the second quarter 2019. The homeowner vacancy

rate of 1.4 percent was 0.2 percentage points lower than the rate in the third quarter 2018 (1.6 percent) and was 0.1 percentage points higher than the rate in the second quarter 2019 (1.3 percent). The homeownership rate of 64.8 percent was not statistically different from the rate in the third quarter 2018 (64.4 percent), but was 0.7 percentage points higher than the rate in the second quarter 2019 (64.1 percent).”



Bureau of Economic Analysis

Tuesday, [Gross Domestic Product by Industry](#): “Professional, scientific, and technical services; real estate and rental and leasing; and mining were the leading contributors to the increase in U.S. economic growth in the second quarter of 2019. . . . The private goods-and services-producing industries, as well as the government sector, contributed to the increase. Overall, 14 of 22 industry groups contributed to the 2.0 percent increase in real GDP in the second quarter.”



Thursday, [Personal Income and Outlays](#): “Personal income increased \$50.2 billion (0.3 percent) in September. . . . Disposable personal income (DPI) increased \$55.7 billion (0.3 percent) and personal

consumption expenditures (PCE) increased \$24.3 billion (0.2 percent). Real DPI increased 0.3 percent in September and Real PCE increased 0.2 percent. The PCE price index decreased less than 0.1 percent. Excluding food and energy, the PCE price index increased less than 0.1 percent.”

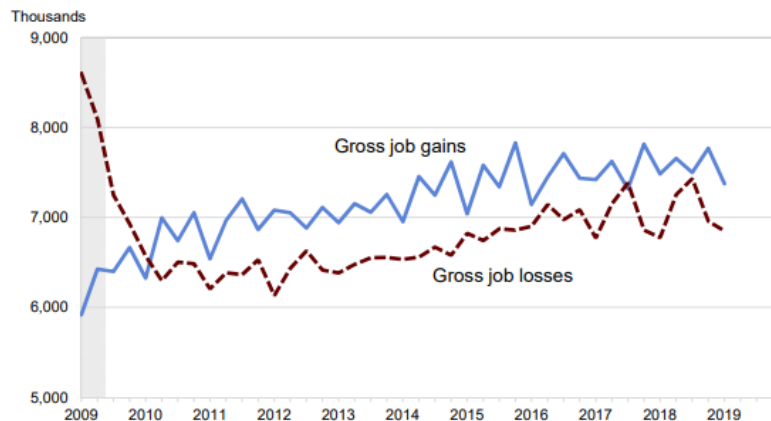
Bureau of Labor Statistics

Wednesday, [Metropolitan Area Employment and Unemployment](#): “Unemployment rates were lower in September than a year earlier in 254 of the 389 metropolitan areas, higher in 104 areas, and unchanged in 31 areas. . . . A total of 142 areas had jobless rates of less than 3.0 percent and 2 areas had rates of at least 10.0 percent. Nonfarm payroll employment increased over the year in 56 metropolitan areas and was essentially unchanged in the remaining 333 areas. The national unemployment rate in September was 3.3 percent, not seasonally adjusted, down from 3.6 percent a year earlier.”

Unemployment rates were down in September from a year earlier in all Tennessee metropolitan areas except Memphis, which went up to 4.1 percent from 4.0 percent in September 2018.

Wednesday, [Business Employment Dynamics](#): “From December 2018 to March 2019, gross job gains from opening and expanding private-sector establishments were 7.4 million, a decrease of 393,000 jobs from the previous quarter. . . . Over this period, gross job losses from closing and contracting private-sector establishments were 6.9 million, a decrease of 107,000 jobs from the previous quarter. The difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 525,000 jobs in the private sector during the first quarter of 2019.”

Chart 1. Total private sector gross job gains and gross job losses, seasonally adjusted
March 2009 - March 2019



NOTE: Shaded area represents National Bureau of Economic Research (NBER) defined recession period.

Thursday, [Employment Cost Index](#): “Compensation costs for civilian workers increased 0.7 percent . . . for the 3-month period ending in September 2019. . . . Wages and salaries increased 0.9 percent and benefit costs increased 0.6 percent from June 2019.”

Chart 1. Three-month percent change, seasonally adjusted, civilian workers, total compensation

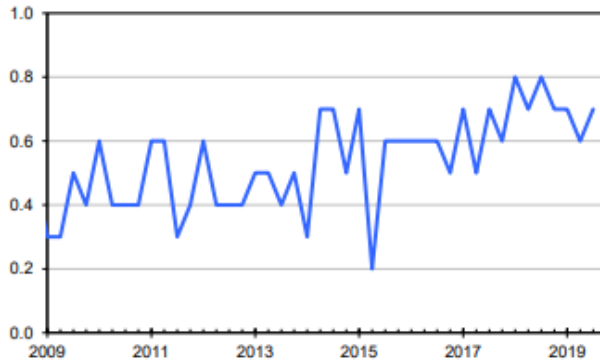
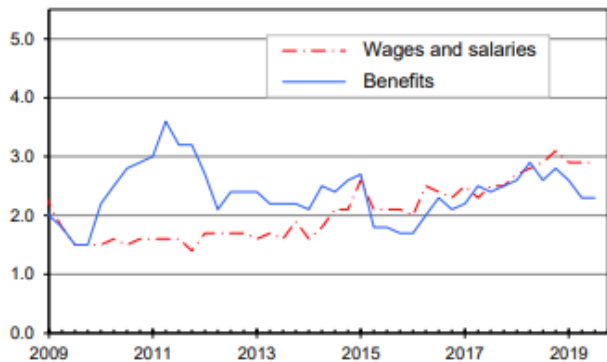


Chart 2. Twelve-month percent change, not seasonally adjusted, civilian workers



Friday, [The Employment Situation](#): “Total nonfarm payroll employment rose by 128,000 in October, and the unemployment rate was little changed at 3.6 percent. . . . Notable job gains occurred in food services and drinking places, social assistance, and financial activities. Within manufacturing, employment in motor vehicles and parts decreased due to strike activity. Federal government employment was down, reflecting a drop in the number of temporary jobs for the 2020 Census.”

Chart 1. Unemployment rate, seasonally adjusted, October 2017 – October 2019

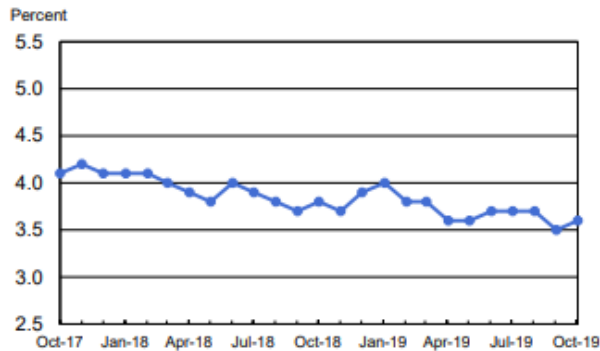
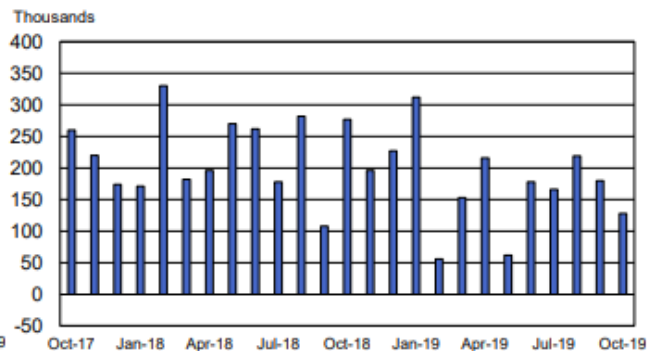


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, October 2017 – October 2019



ISM

Friday, [Purchase Managers Index](#): “Economic activity in the manufacturing sector contracted in October, and the overall economy grew for the 126th consecutive month.” The index “registered 48.3 percent, an increase of 0.5 percentage point from the September reading of 47.8 percent.” (Values greater than 50 indicate the economy is expanding).

Department of Labor

Thursday, [Initial Claims](#): “In the week ending October 26, the advance figure for seasonally adjusted initial claims was 218,000, an increase of 5,000 from the previous week’s revised level. . . . The 4-week moving average was 214,750, a decrease of 500 from the previous week’s revised average.”

Federal Reserve

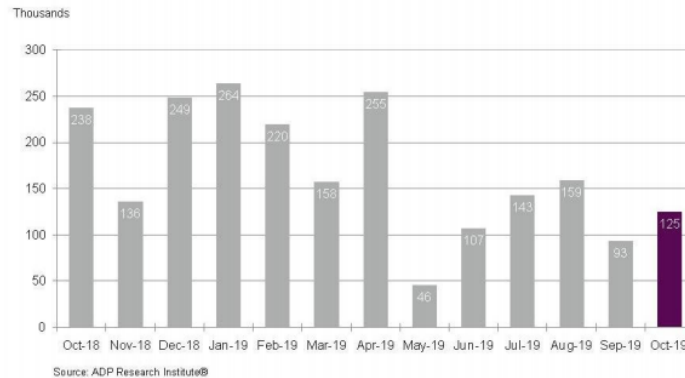
Wednesday, [Federal Open Market Committee \(FOMC\)](#): The FOMC lowered the target range for the federal funds rate to between 1.5 percent and 1.75 percent. In its statement, the FOMC said, “Information received since the Federal Open Market Committee met in September indicates that the labor market remains strong and that economic activity has been rising at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Although

household spending has been rising at a strong pace, business fixed investment and exports remain weak.”

ADP

Wednesday, [National Employment Report](#): “Private sector employment increased by 125,000 jobs from September to October. . . . Mark Zandi, chief economist of Moody’s Analytics, said, ‘Job growth has throttled way back over the past year. The job slowdown is most pronounced at manufacturers and small companies. If hiring weakens any further, unemployment will begin to rise.’”

Chart 1. Change in Total Nonfarm Private Employment



Challenger Gray

Thursday, [Job Cut Report](#): “Job cuts announced by U.S.-based employers jumped to 50,275 in October, 20.97% higher than the 41,557 announced in September. . . . Last month’s total is 33.5% lower than the 75,644 cuts announced in the same month last year. October was the second consecutive month during which cuts were lower in 2019 than in the corresponding month one year earlier. Employers have announced plans to cut 515,441 jobs from their payrolls, 16.6% higher than the 441,702 cuts announced through October last year. It is the highest January-October total since 2015, when 543,935 cuts were announced.”

**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB CUT ANNOUNCEMENT REPORT**

Table 2: JOB CUTS BY INDUSTRY

	18-Oct	19-Sep	19-Oct	YTD 2018	YTD 2019	YoY Percentage Change
Aerospace/Defense	765	1,350	774	5,715	6,727	↑17.7%
Apparel	82	300	217	1,106	1,823	↑56.8%
Automotive	526	4,912	1,965	14,489	43,025	↑196.9%
Chemical	70	57	104	889	1,067	↑16.7%
Construction	176	270	385	1,791	3,710	↑107.1%
Consumer Products	717	625	1,373	29,206	15,145	-48.1%
Education	418	180	248	9,134	14,876	↑62.9%
Electronics	1,589	94		12,064	1,795	See Technology
Energy	155	2,972	1,011	6,722	23,778	↑253.7%
Entertainment/Leisure	1,311	1,150	1,447	9,910	12,308	↑24.2%
Financial	2,101	1,691	1,672	41,036	21,089	-48.6%
FinTech				0	1,501	
Food	1,274	1,255	1,136	11,363	21,172	↑86.3%
Government	386	482	77	2,502	12,444	↑397.4%
Health Care/Products	2,146	2,857	5,400	35,143	37,196	↑5.8%
Industrial Goods	1,747	5,067	2,562	22,446	63,505	↑182.9%
Insurance	1,160		50	5,133	2,930	-42.9%
Legal				124	0	-100.0%
Media	2,806	380	720	11,286	9,198	-18.6%
Mining	129	687	1,317	524	5,829	↑1,012.4%
Non-Profit		626	237	1,999	2,990	↑49.6%
Pharmaceutical	2,497	760	2,243	10,135	10,631	↑4.9%
Real Estate		156		357	2,046	↑473.1
Retail	7,350	8,132	6,127	92,735	71,485	-22.9%
Services	392	3,285	1,761	26,847	21,530	-19.8%
Technology	149	1,621	15,898	9,634	56,155	-17.5%
Telecommunications	46,616	177	177	59,518	14,908	See Technology
Transportation	1,082	1,441	1,307	16,702	25,341	↑51.7%
Utility			400	2,309	1,563	-32.3%
Warehousing		1,030	1,667	883	9,377	↑961.9%
TOTAL	75,644	41,557	50,275	441,702	515,144	↑16.6%

*Percentage increase includes industry totals for Electronics, Technology, and Telecommunications year over year.

S&P CoreLogic

Tuesday, [Case-Shiller Home Price Indices](#): The U.S. National index increased to 212.06 in August, 2019, an increase of 0.2 percent from July 2019 and a 3.2 percent increase from a year ago.

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 0.6 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$484,350 or less) increased to 4.05 percent from 4.02 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 3.40 percent from 3.39 percent.”

The Conference Board

Tuesday, [Consumer Confidence](#): The index “decreased marginally in October, following a decline in September. The Index now stands at 125.9 (1985=100), down from 126.3 in September. The Present Situation Index – based on consumers’ assessment of current business and labor market conditions – increased from 170.6 to 172.3. The Expectations Index – based on consumers’ short-term outlook for income, business and labor market conditions – declined from 96.8 last month to 94.9 this month.”

University of Michigan

Friday, [Consumer Sentiment](#): The final index reading for October 2019 was 95.5. “Sentiment was insignificantly below the mid-month level, with the small loss spread over most components of the Index. The overall level of consumer confidence has remained quite favorable and largely unchanged during the past few years. The October level was nearly identical to the 2019 average (95.6) and only a few Index-points below the average since the start of 2017 (97.0). The focus of consumers has been on income and job growth, while largely ignoring other news.”