

Time EST	Indicator	For		Actual*	Estimate**	Consensus***	Previous Period****
09:45 AM	Markit US Manufacturing PMI	May P	↑	56.6	57.1	56.5	56.5
09:45 AM	Markit US Services PMI	May P	↑	55.7	54.2	54.8	54.6
09:45 AM	Markit US Composite PMI	May P		55.7	NA	NA	54.9
10:00 AM	New Home Sales	Apr	↓	662k	680k	678k	672k R↓
10:00 AM	New Home Sales MoM	Apr		-1.5%	NA	-2.1%	2.0% R↓
02:00 PM	FOMC Meeting Minutes	02-May					

\* ↑ indicates stronger than Consensus estimated, ↓ indicates weaker than Consensus estimated, = indicates in-line with Consensus Estimated

\*\* Estimate from Bank of the West Economics

\*\*\* Consensus from Bloomberg

\*\*\*\* ↑ means prior reading revised up, ↓ means prior reading revised down

## Global Stocks Fall as EM Risks Mount, Markit Purchasing Managers Indexes Solid, New Home Sales Drop

Global stocks tumbled as the Turkish Lira crumbled by another 5.5% and fresh Eurozone PMI data for May cast doubts on economic growth prospects for the region. Emerging markets have been under increasing financial pressure as the dollar has strengthened on global markets. The Stoxx Europe 600 Index sank by the most in two months alongside U.S. equity futures as optimism over U.S.-China trade talks faded along with prospects for President Trump's summit with North Korea's leader. Possibly adding to the market volatility, the Federal Reserve releases minutes of its latest FOMC meeting later today.

U.S. stock indexes are declining. The Dow and S&P500 are down 0.47% and 0.34% respectively, while the NASDAQ is down 0.20%. Losses in the S&P 500 today are led by financials, materials, and energy stocks.

Moderate economic growth appears to be continuing in May. The Markit Flash U.S. Manufacturing PMI came in at 56.6 in May, slightly above the expected consensus reading of 56.5 and up from 56.5 in April. May data revealed gains in both manufacturing production and incoming new business, which survey respondents attributed to improving economic conditions and a continued recovery in domestic sales.

Meanwhile, service sector business activity growth continued to gain momentum in May with the Markit Flash U.S. Services PMI coming in well above consensus at 55.7, pointing to the fastest rate of services expansion in three months. May data revealed a slight slowdown in new business growth from the three-year peak recorded in April, but the reading was faster than the average since the survey began in late-2009. Service providers reported that the rate of input price inflation was the steepest in three months, which firms linked to higher oil-related costs and rising commodity prices.

However, new home sales appear to be plateauing, after hitting a new expansion high last November. New home sales fell in April to 662,000, below the consensus estimate of 678,000 and lower than the downwardly revised reading of 672,000 for March. Sales increased last month in the Northeast and the South, while they were flat in the Midwest and declined 7.9% in the West. The months' supply of new homes increased slightly in April to 5.4 from 5.3. This is indicative of a fairly balanced new home market. Finally, the median new home price softened to +0.4% year-over-year in April, down from +4.3% in March.



Treasury yields are lower across the board this morning as investors hunt for a safe haven from global financial instability. The 10-Year Treasury yield is 3.010, down 5.0 basis points from yesterday. The 2-10 Treasury spread is 45.0, down 4.4 basis points from yesterday. The futures market probability of another Fed funds rate hike in June is at 92.1%, down sharply from 96.7% yesterday.

The U.S. dollar is rallying against the major currencies today in a flight to safety. The Bloomberg dollar spot index is up 0.26% from yesterday. The U.S. dollar is increasing the most against the euro, British pound, and Canadian dollar today.