



Time EST	Indicator	For		Actual*	Estimate**	Consensus***	Previous Period****
10:00 AM	NAHB Housing Market Index	Jun	↓	68.0	70.0	70.0	70.0

* ↑ 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

Trade War Concerns Weigh On Stocks, NAHB Housing Market Index Slips

Today, the National Association of Homebuilders Housing Market Index for June unexpectedly dropped two points to 68; the reading is below the six month average of 70 and matches the lowest level for the year. Residential construction costs are rising on soaring lumber prices and housing affordability is under attack from both rising home prices and rising mortgage rates.

All components including current and future single family sales and prospective buyer traffic indexes fell one point from May. The future sales outlook was the lowest since last November. Regionally, the housing market indexes for the Midwest and South fell 3 points and 2 points, respectively. In contrast, the Northeast and West saw increases in their regional Housing Market Index in June.

U.S stocks extended their selloff this morning on China trade war escalation concerns. The Dow and the S&P 500 are down 0.68% and 0.38%, while the NASDAQ is down 0.20%. Losses in the S&P 500 today are led by telecommunications, consumer staples, and health care stocks.

Treasury yields are mixed. The 10-Year Treasury yield is at 2.928, up 0.7 basis points from yesterday. The 2-10 Treasury spread widened to 37.6 up 0.1 basis points from yesterday. The futures market probability of another Fed funds rate hike in September is 73.2% this morning down from 75.5% on Friday's close.

The U.S. dollar is up slightly against the major currencies today. The Bloomberg dollar spot index is up 0.07% from Friday. The U.S. dollar is increasing the most against the Canadian dollar, British pound, and Australian dollar today.