

Time EST	Indicator	For		Actual*	Estimate**	Consensus***	Previous Period****
09:00 AM	S&P CoreLogic CS 20-City MoM SA	Apr	↓	0.2%	0.4%	0.4%	0.4% R↓
10:00 AM	Richmond Fed Manufacturing Index	Jun	↑	20.0	14.0	15.0	16.0
10:00 AM	Conf. Board Consumer Confidence	Jun	↓	126.4	127.0	128.0	128.8R↑

\* ↑ 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

## Consumer Confidence Slips and Home Prices Miss, While Richmond Fed Manufacturing Index Picks-Up

Equity investors hit the pause button on risk-off trading this morning, waiting for new information on the evolving trade war between the U.S. and China. The Conference Board's Consumer Confidence index fell 2.4 point to 126.4 in June from an upwardly revised 128.8 in June. Consumers' future expectations plunged 4.0 points to 103.2 in June, pushing the overall index down, while the present situation component was largely unchanged at a solid 161.1.

Fewer consumers saw jobs as plentiful and fewer saw future income as increasing. Trade concerns and increased stock market volatility is probably behind the drop in consumers' future expectations. Fewer consumers also expect to buy a car or major appliance over the next six months. On the bright-side, more consumers reported plans to buy a home over the next 6 months as 30-year mortgage rates stabilized this month.

Home price growth slowed more than expected in April, according to the S&P CoreLogic Case-Shiller 20-City Index. The 20-City index increased 0.2% with the year-on-year increase slowing to 6.6% from 6.7% in March. Lower affordability appears to be constraining home price appreciation in more major U.S. metropolitan areas as home prices actually declined in Washington DC, New York, and San Francisco in April.

In contrast, the Richmond Fed manufacturing index came in stronger than economists estimated. The overall index increased 6 points to a solid 20 in June, while the consensus was looking for 15. New orders, shipments, and employment all increased this month. This survey is based on data coming from the Carolinas, District of Columbia, Maryland, Virginia, and West Virginia, accounting for about 9.1 percent of U.S GDP.

U.S stocks are cautiously rising this morning as investors wait for more clarity on trade war. The Dow and the S&P 500 are up 0.31% and 0.38%, while the NASDAQ is up 0.55%. Gains in the S&P 500 today are led by energy, information technology, and consumer discretionary stocks.

Treasury yields are still declining across the curve this morning. The 10-Year Treasury yield is at 2.875 down 0.5 basis points from yesterday. The 2-10 Treasury spread is flat at a low 35.0 basis points, unchanged from yesterday. The futures market probability of another Fed funds rate hike in September is 65.2% this morning, up from 61.8% on yesterday's close.

The U.S. dollar is up against the major currencies today. The Bloomberg dollar spot index is up 0.20% from Monday. The U.S. dollar is increasing the most against the euro, British pound, and Japanese yen today.