

Time EST	Indicator	For		Actual*	Estimate**	Consensus***	Previous Period****
08:30 AM	Advance Goods Trade Balance	Jul	↑	-\$72.2b	-\$70.0b	-\$69.0b	-\$67.9b R↓
08:30 AM	Wholesale Inventories MoM	Jul P	↑	0.7%	0.2%	0.2%	0.1%
08:30 AM	Retail Inventories MoM	Jul		0.4%	NA	NA	0.0%
09:00 AM	S&P CoreLogic CS 20-City MoM SA	Jun	↓	0.11%	0.10%	0.20%	0.21% R↑
09:00 AM	S&P CoreLogic CS 20-City NSA Index	Jun		213.07	NA	NA	212.0 R↑
10:00 AM	Richmond Fed Manufacturing Index	Aug	↑	24.0	17.0	17.0	20.0
10:00 AM	Conf. Board Consumer Confidence	Aug	↑	133.4	126.6	126.6	127.9 R↑

\* ↑ 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 Soars To New Expansion High – Home Price Gains Moderate

Consumers' moods have not yet been dampened by the ongoing trade war. Consumer confidence unexpectedly soared to a new 17-Year high in August to 133.4, well above the consensus estimate of 126.6 and up from 127.9 in July. This is the highest level in consumer confidence since October 2000. The gain was widespread with the present situation component rising to 172.2 from 166.1 (highest level since December 2000) and the expectations component increasing 5.2 points to 107.6 (a six month high). Those stating business conditions are good increased to 40.3% from 38.1%. More consumers are also expecting their income to increase over the next six months – 25.5% up from 20.4% in July. Higher percentages of consumers expect to buy new cars, homes, appliances, and take vacations over the next six months, suggesting consumer spending will continue to grow at a healthy pace over the near-term

We also received more evidence that U.S. home price growth is slowing down on deteriorating affordability. The Case Shiller 20-City Home Price Index advanced 0.11% month-over-month in June, below the consensus estimate of 0.2%, but in line with our forecast as we maintain our number one forecast ranking on Bloomberg on this measure. Prices rose the most in June in Las Vegas (+1.04%), Tampa (+0.58%) and Miami (+0.53%), while New York City saw the biggest decline (-0.68%). On a year-ago basis, prices increased 6.2%, down from 6.4% in May. Year-over-year home price gains are strongest in the West with Las Vegas (+13.0%), Seattle (+12.8%) and San Francisco (+10.7%) leading the way. Even as home prices continue to climb, there are signs that the housing market is cooling with sales of new and existing homes basically flat over the last six months.

The advance goods trade balance deteriorated by \$4.3B in July to -\$72.2, more than the consensus expected, putting some downside risk on Q3 GDP estimates. Goods exports plunged 1.7%, while imports increased 0.9%. U.S. retailers have been pushing-forward imports to beat future tariffs on Chinese consumer goods that have been threatened by the Trump administration. Partially offsetting the negative impact on GDP was bigger than expected increases in wholesale and retail inventories. Business inventory building is expected to add to GDP growth in Q3.

U.S. stocks are rising slightly across the board this morning as trade fears ease further with the S&P breaking above 2,900 for the first time ever. The Dow and the S&P 500 are up 0.21% and 0.05% respectively, while the

The discussions and information contained in this document are the opinions of BOTW chief economist Dr. Scott Anderson and should not be construed or used as a specific recommendation for the investment of assets, and is not intended as an offer, or a solicitation of an offer, to purchase or sell any security or financial instrument. Nor does the information constitute advice or an expression of the Bank's view as to whether a particular security or financial instrument is appropriate for you or meets your financial objectives. Economic and market observations and forecasts, such as those offered by Dr. Anderson reflect subjective judgments and assumptions, and unexpected events may occur. There can be no assurance that developments will transpire as forecasted. Nothing in this document should be interpreted to state or imply that past results are an indication of future performance.



NASDAQ is up 0.17%. Advances in the S&P 500 today are being led by energy, information technology and financial stocks.

Treasury yields are rising across the board with the biggest increases at the long end of the curve. The 10-Year Treasury yield is currently trading at 2.873 – up 2.7 basis points from yesterday's close. The 2-10 Treasury spread is at a 21.8 basis points – up 1.1 basis points from Monday's close. The futures market probability of another Fed funds rate hike in September is 94.6% this morning, down from 95.8% yesterday.

The U.S. dollar is falling slightly against the major currencies today. The Bloomberg dollar spot index is down 0.11% from Monday's close. The U.S. dollar is losing the most against the euro, Canadian dollar and Swiss franc today.