



Time EST	Indicator	For		Actual*	Estimate**	Consensus***	Previous Period****
06:00 AM	NFIB Small Business Optimism	Aug	↑	108.8	108.0	108.1	107.9
10:00 AM	JOLTS Job Openings	Jul	↑	6939	NA	6675	6862 R↑
10:00 AM	Wholesale Trade Sales MoM	Jul	↓	0.0%	NA	0.1%	-0.2% R↓
10:00 AM	Wholesale Inventories MoM	Jul F	↓	0.6%	0.6%	0.7%	0.7%

* ↑ 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 Dispute Back in the Spotlight, Job Openings and Small Business Optimism Hit Record Highs

China appears ready to ask the World Trade Organization to impose sanctions on the U.S. next week for non-compliance related to a ruling regarding U.S. dumping duties. China initiated the dispute in 2013, complaining about U.S. dumping duties related to several industries including machinery and electronics, light industry, metals and minerals. The request comes at a time of escalating trade tensions between the two countries with the Trump Administration saying last week that they were ready to impose tariffs on another \$267 billion in Chinese exports following the planned tariffs on \$200 billion in Chinese goods.

U.S. small business owners remained optimistic in August with the NFIB Small Business Optimism Index hitting a record high of 108.8, topping the previous mark of 108.0 set in July 1983. This was up from 107.9 in July and well above the consensus estimate of 108.1. Records were also set for the percentage of owners with job creation plans (up three points to 26%) and those saying now is a good time to expand (up two points to 34%). Finding qualified workers continues to be a problem with 38% of small business owners reporting job openings they could not fill in the current period, also a survey high.

In other U.S. economic data released today, the number of job openings soared to a new high of 6.94 million in July, exceeding expectations for a reading of 6.67 million. The number of openings in July was 6.86 million. This is further evidence that employers are having a difficult time finding qualified workers to fill open positions. There are now 0.91 unemployed job seekers for each available job as the labor market continues to tighten.

Finally, wholesale inventories rose 0.6% in July, slightly below the consensus view but in line with our estimate. This is down from the 0.7% initially reported last month but up sharply from 0.1% in June. Durable goods inventories rose by 0.8% (down from 0.9% in June) while inventories of nondurable goods increased by 0.3% (up from -1.0% in June). At July's sales pace it would take wholesalers 1.26 months to clear inventory, up from 1.25 in June. This report likely does not alter the view the inventories will make a positive contribution to GDP growth in the third quarter.

U.S. stocks are mostly rising this morning despite the resumption of trade worries. The Dow and NASDAQ are up 0.22% and 0.14% respectively, while the S&P 500 is down 0.04%. Declines in the S&P 500 today are led by technology, materials and industrial stocks.



Treasury yields are sharply higher across the curve today. The 10-Year Treasury yield is currently trading at 2.968 – up 3.7 basis points from Monday’s close. The 2-10 Treasury spread is 23.8 basis points – up 1.6 basis points from yesterday’s close. The futures market probability of another Fed funds rate hike in September is 96.3% this morning, unchanged from Monday.

The U.S. dollar is advancing slightly against the major currencies today. The Bloomberg dollar spot index is up 0.14% from yesterday’s close. The U.S. dollar is increasing the most against the Japanese yen, British pound and Mexican peso today.