

Time EST	Indicator	For		Actual*	Estimate**	Consensus***	Previous Period****
08:30 AM	Durable Goods Orders	Oct P	↓	-4.4%	-3.0%	-2.6%	-0.1% R↓
08:30 AM	Durables Ex Transportation	Oct P	↓	0.1%	0.3%	0.4%	-0.6% R↓
08:30 AM	Cap Goods Orders Nondef Ex Air	Oct P	↓	0.0%	NA	0.2%	-0.5% R↓
08:30 AM	Cap Goods Ship Nondef Ex Air	Oct P	=	0.3%	NA	0.3%	-0.2% R↓
08:30 AM	Initial Jobless Claims	17-Nov	↑	224k	218k	215k	221k R↑
08:30 AM	Continuing Claims	10-Nov	↑	1668k	NA	1653k	1670k R↓
10:00 AM	Leading Index	Oct	=	0.1%	0.0%	0.1%	0.6% R↑
10:00 AM	Existing Home Sales	Oct	↑	5.22m	5.17m	5.20m	5.15m
10:00 AM	Existing Home Sales MoM	Oct	↑	1.4%	NA	1.0%	-3.4%
10:00 AM	U. of Mich. Sentiment	Nov F	↓	97.5	98.1	98.3	98.3

* ↑ 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

U.S. Economic Data Generally Missed Consensus Forecasts Today

U.S. economic data generally missed consensus forecasts today, raising downside risks to our Q4 forecast of 2.4% GDP growth. Durable goods orders declined 4.4% in October, well below the expected drop of 2.6% and down from -0.1% in September. This was the third decline in the last four months and largest decline in 15 months. The decline was led by the transportation category (-12.2%) with the volatile nondefense aircraft category plunging by 21.4%. Durable goods orders excluding transportation rose a meager 0.1% from a downwardly revised 0.6% drop in September. Finally, capital goods orders nondefense excluding aircraft, a closely watched proxy for future business investment spending, was unchanged in October after falling over the two previous months. On a year-ago basis, this category is still up 4.8%.

On a more positive note, U.S. existing home sales increased 1.4% in October, up from -3.4% in September and above consensus expectations for a gain of 1.0%. The increase was broad-based with sales of single-family homes rising 0.9% and condos increasing 5.3%. Existing home sales increased in the West (+2.8%), South (1.9%) and the Northeast (1.5%) but fell in the Midwest (-0.8%). Existing home sales are now down 5.1% from a year ago. The median home price rose 3.8% from October 2017, though median condo/Co-op prices are down 0.2% from a year ago. Total housing inventory fell to 1.85 million existing homes for sales, down from 1.88 million in September but up from 1.80 million a year ago. Unsold inventory is now at a 4.3 month supply at the current sales pace, down from 4.4 last month but up from 3.9 months a year ago.

The U.S. Leading Economic Index slowed to a 0.1% gain in October from an upwardly revised 0.6% reading in September. The deterioration was led by stock prices (-0.16% from +0.06%), consumer goods orders (0.00% from 0.18%) and jobless claims (-0.11% from 0.05%). According to the Conference Board, the index still points to healthy economic growth into early 2019, but the rapid pace of growth may have already peaked.



U.S. stocks are higher this morning after yesterday's steep declines on light pre-Thanksgiving holiday volume. The Dow and the S&P 500 are up 0.55% and 0.71% respectively, while the NASDAQ is up 1.42% as tech shares rebound. Gains in the S&P 500 today are led by consumer discretionary, communications and energy stocks.

Treasury yields are up across the curve this morning. The 10-Year Treasury yield is currently at 3.077 – up 1.5 basis points from Tuesday's close. The 2-10 Treasury spread is 25.9 basis points – down 0.2 basis points from yesterday's close. The futures market probability of another Fed funds rate hike in December is 74.5% this morning, up from 73.5% on Tuesday.

The U.S. dollar is losing ground against the major currencies today. The Bloomberg dollar spot index is down 0.16% from yesterday's close but is up 0.44% over the last month. The U.S. dollar is declining the most today against the Mexican peso, euro, and Australian dollar.

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