

The US economy is still doing well despite decelerating throughout the year. According to the latest Bloomberg survey, GDP is expected to increase by 2.3% Y/Y in 2019 and 1.8% in 2020. The economy remains bifurcated with the consumer driving growth while the manufacturing sector is still in contraction territory (ISM Manufacturing Index under 50.0). The consumer remains strong and is supported by a solid labor market (consumer spending accounts for close to 70% of GDP). The housing market has shown signs of acceleration due to the recent fall in mortgage rates. The manufacturing sector has been weak since tariffs went into effect in mid-2018. We are monitoring to see if the impact of low interest rates and a phase one trade deal with China will begin to boost economic growth from their current estimated levels.

LABOR MARKET

OVERALL

TREND

- **Unemployment Rate (November): 3.5%**
2019 Average: 3.7% 5YR Average: 4.4% 15-Year Average: 6.1%
○ The Bureau of Labor Statistics Unemployment Rate tracks the number of unemployed persons as a percentage of the labor force.
- **Change in Nonfarm Payrolls (November): +266,000**
2019 Average: 184,000 5YR Average: 202,000 15YR Average: 110,000
○ The Bureau of Labor Statistics Nonfarm Payrolls measures the monthly change in the number of employees on business payrolls. ~150k businesses and government agencies representing 700k individual worksites are surveyed each month.
- **Average Hourly Earnings Wage Inflation (November): +3.1% Y/Y**
2019 Average: 3.2% 5YR Average: 2.7% 15YR Average: 2.5%
○ The Bureau of Labor Statistics Average Hourly Earnings tracks total hourly compensation (in cash or in kind) paid to employees in return for work done (or paid leave).

CONSUMER

OVERALL

TREND

- **Retail Sales (November): +3.3% Y/Y**
2019 Average: 3.2% 5YR Average: 3.6% 15YR Average: 3.4%
○ The US Census Bureau Retail Sales data tracks the resale of new and used goods to the general public for personal or household consumption. Data is adjusted for seasonal variation and calculated from a survey of approximately 5,500 retail and food services firms.
- **University of Michigan Consumer Sentiment (September): 99.3**
2019 Average: 96.2 5YR Average: 95.2 15YR Average: 83.2
○ The University of Michigan collects data on consumer attitudes and expectations. The index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. A higher reading signals better sentiment.
- **Personal Spending (August): +3.9% Y/Y**
YTD Average: 3.9% 5YR Average: 4.3% 15YR Average: 3.9%
○ The Bureau of Economic Analysis publishes Personal Income and Spending data. Personal Spending tracks consumer expenditures on goods and services. The data is designed to provide insight into the strength of the economy and consumers' buying trends.

HOUSING

OVERALL

TREND

- **Existing Home Sales (November): 5.35 million**
2019 Average: 5.3 5YR Average: 5.37 15YR Average: 5.14
○ The National Association of Realtors Existing Home Sales tracks total existing home sales including single family homes, townhomes, condominiums, and co-ops. Data is adjusted for seasonal variation.
- **Case-Shiller 20-City Home Price Index (November): 2.2% Y/Y**
2019 Average: 2.6% 5YR Average: 5.0% 15YR Average: 2.3%
○ The S&P Case-Shiller US National Home Price Index tracks the value of single-family housing within the United States. The index is a value-weighted average of 20 metro areas.
- **30-Year Fixed Rate Mortgage: 3.75%**
2019 Average: 3.98% 5YR Average: 3.97% 15YR Average: 4.63%
○ SOURCE: bankrate.com

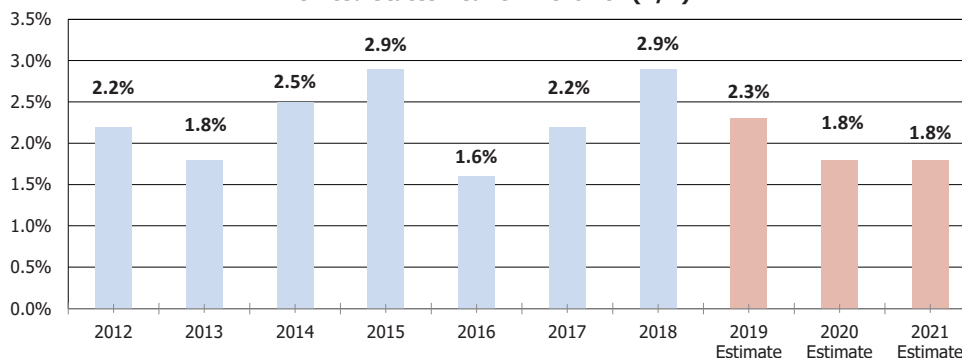
MANUFACTURING

OVERALL

TREND

- **ISM Manufacturing Index (November): 48.1**
2019 Average: 51.8 5YR Average: 54.1 15YR Average: 53.1
○ The ISM Manufacturing Index is based on a survey of more than 300 manufacturing firms - the index monitors employment, production, inventories, new orders, and supplier deliveries. A reading above 50 indicates that the manufacturing economy is generally expanding; below 50 indicates that it is generally contracting.
- **Durable Goods Orders (November): -0.3% Y/Y**
2019 Average: 0.9% 5YR Average: 1.5% 15YR Average: 2.1%
○ The US Census Bureau Durable Goods New Orders Ex Transportation survey is a report that tracks the value of new orders received. Durable goods are manufactured products designed to last three years. The survey is based on ~5,000 reporting units representing ~3,100 companies in the Manufacturing Sector.

United States Real GDP Growth (Y/Y)



(Source: Bloomberg)