

Weekly Economic Update

Citizens Savings & Loan Assoc., FSB

10/9/2018

www.citizensfsb.com

10-YEAR TREASURY- The new week is starting out much like the last, and it's barely started! Early traders are hitting bids and have pushed the closely watched Ten-Year Treasury yield up near the 3.25%-ish level. Equity prices, which aren't really real anyway, have similarly slipped around the world. And according to a report just out this morning from the International Monetary Fund (IMF), the prospects for global prosperity have slipped a bit, too. Citing concerns over trade disputes and rising interest rates, the IMF downgraded its 3.9% worldwide growth forecast for this year and next, to 3.7%; the first such downgrade since 2016. For the United States, the Fund's earlier forecast of 2.7% growth in 2019 has been ratcheted down to 2.5%; which, by the way, happens to be the same as the Fed's median projection.

LESS HIRING IN SEPTEMBER-A look at the Department of Labor's latest jobs report reveals good news and bad news. The good news? Unemployment declined further to 3.7%, annualized wage growth improved to 3.4% in the third quarter, and monthly net hiring averaged 190,000 in Q3. The bad news? Payrolls expanded with just 134,000 net new jobs last month, as underemployment ticked up 0.1% to 7.5% and year-over-year wage growth slowed to 2.8%. Some economists feel that Hurricane Florence significantly impacted the September data.

THIS WEEK - While the U.S. bond market were closed Monday in observance of Columbus Day, U.S. stock exchanges were open for business; no major economic or earnings releases are scheduled. | Nothing major is slated for today, either. | Wednesday, investors consider the September Producer Price Index and earnings from Fastenal. | On Thursday, the September Consumer Price Index appears, along with the latest initial jobless claims report and earnings news from Delta Air Lines and Walgreens Boots Alliance. | The fall earnings season begins Friday, with announcements from Citigroup, JPMorgan Chase, PNC Financial Services Group, and Wells Fargo; in addition, the University of Michigan's preliminary October consumer sentiment index arrives.



WEEKLY QUOTE

"Success is the maximum utilization of the ability that you have." ~Zig Ziglar

WEEKLY TIP

Yes, clipping coupons can save you money at the grocery store – but keep in mind, coupon deals may lead you to buy unneeded items. The cost of the extra purchases could cancel out any coupon savings.

WEEKLY RIDDLE

They can pass through state after state, all while never moving. What are they?

Last week's answer: A promise

Sources: Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov and Marketing Pro

Please feel free to forward this newsletter to friends, family and colleagues.

Member
FDIC

