

# Weekly Economic Update

Citizens FSB

11/26/2018

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**TRADE ISSUES-**Americans may be relieved to have gotten through Thanksgiving dinner and college football's rivalry week-end more or less unscathed, but that doesn't mean that all disputes have been resolved. China and America are still fussing over trade issues, lots of folks are fussing with each other at the nation's southern border, and Theresa May's fuss with the European Union will now become her fuss with Parliament. And the Saudi's? Well, despite facing worldwide criticism for taking a few liberties with one of their party guests, our oil is still underneath their sand, and that will probably limit the size of the fuss.

**SUDDENLY, MORE HOMES SELL** - Existing home sales improved in October for the first time in seven months. The National Association of Realtors announced a 1.4% monthly increase, while also noting that the annualized sales pace was 5.1% slower than it had been 12 months earlier. Across the year ending in October, the median sales price for an existing home rose 3.8%. There were 4.3 months of housing inventory listed last month, corresponding to the definition of a "tight" market among real estate professionals

**AT THANKSGIVING, CONSUMERS SENTIMENT WEAKENS-** In its final November edition, the University of Michigan's consumer sentiment index fell to a mark of 97.5, 1.1 points under its final October level. Analysts polled by Refinitiv anticipated a reading of 98.3. In March, the gauge reached a 14-year peak of 101.4; it has trended downward since.

**FMOC-** The 3.5% third-quarter gain in GDP will likely stay where it is when the BEA publishes its second estimate of the nation's quarterly output. On the same day, we'll also get quarterly reports for consumption and price levels. Neither are expected to contain anything that would contain the prospects for a possible Powell Pause. This morning, implied probabilities from the futures markets indicate less than a 10% chance of three Fed rate hikes next year. Just last Friday, that probability was over 30%. That's a change that might give anyone pause.

**WILL OIL RECOVER-** Next week? Next month? Last week, the commodity lost value again, slumping 7.7% on Friday alone (albeit in thin, post-Thanksgiving trading) to a NYMEX settlement of \$50.42. That left light sweet crude 34% below its close on October 3. Oil industry analysts widely believe that OPEC will announce supply cuts at its December 6 meeting.



## WEEKLY QUOTE

"Sometimes the questions are complicated, and the answers are simple."

Theodore Seuss Geisel

## WEEKLY TIP

If your college student has a chance to enter a work-study program, you may worry that the part-time job and the course load will prove too much to handle. Most work-study programs set reasonable limits on the hours students work, however, and the job experience can help build your student's resume.

## WEEKLY RIDDLE

What two things will you never eat for dinner?

**Last week's answer:**  
Snow

Sources: Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

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