Good morning!

Investors vacillated between the “hope” early in the week that a US/China “trade truce” existed, to the “fear” by week’s end that there really is a “trade war” going on. But even if the US is able to leverage its global clout into convincing China to back off on its trade retaliation, that might not be enough to drive down our trade deficit in the near term, i.e., foreign imports purchased in excess of domestic exports sold. American consumers, showing no signs of an impending recession, bought $267 billion of foreign imports in October 2018, the largest monthly total of foreign purchases made since October 2008 (source: Department of Commerce).

The optics are pretty straight forward: cut the production of a desirable commodity and the price of that product should go up. That’s what the 15 OPEC countries and Russia believe will happen as a result of their plan to cut 1.2 million barrels a day of crude oil. Their logic could fall flat if the global economy softens (lessening the demand for crude) or if US shale oil production ramps up and fills in the production shortfall created by the action of OPEC and Russia (source: BTN Research).

After 49 of 52 trading weeks in 2018, we’re back to zero. The S&P 500 continued its extreme volatility, stumbling into the weekend with a +0.3% gain YTD (total return). Investors sold stocks and bought bonds, driving the yield on the 10-year Treasury note down to 2.85%, its lowest level in 3 ½ months. The rout might have been worse if not for a report that the Fed is considering a rate-hike pause (source: Federal Reserve).

Notable Numbers for the Week:

1. ***FIND A WAY TO START*** - A November 2018 survey of 1,161 employed adults determined that the **average age** at which this group **began saving** for retirement was **31 years old**. The **most common reason** given for not starting sooner was “**not making enough money**” (source: Nationwide Retirement Institute).

2. ***IS THE END NEAR?*** - 65% of **500 global money managers** surveyed in October and November 2018 predict that the **US bull market will end in 2019**. The current bull run is 3 months short of **10 years in length** as of today. The survey included investors in **28 countries worldwide** (source: Natixis).

3. ***STRONG*** - Through 3 quarters of 2018, the US economy has grown +2.4% YTD, a pace that is equal to **+3.2% annual growth**. That would be the best expansion for our economy **in 13 years** (source: Commerce Department).

4. ***OPEC’S WORST NIGHTMARE*** - The US field production of crude oil reached **11.5 million barrels a day** in September 2018, an **all-time monthly record volume** (based upon records maintained **since January 1920**) and a **+21% increase** in production in just the last 12 months (source: Department of Energy).

12-10-2018

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