



Good morning!

They may not be household names, but when they speak, Wall Street listens. Three regional Federal Reserve presidents – Esther George of Kansas City, Patrick Harker of Philadelphia and Eric Rosengren of Boston – all see the US economy as healthy and stable, characteristics that may stop the Fed from implementing any additional cuts to short-term rates in the coming months. George says “it’s not time yet” for further Fed rate cuts. Harker believes “interest rates are at the right level for the foreseeable future.” Rosengren isn’t convinced a slowing global economy will “drag the US economy down” (source: Federal Reserve).

Those comments, along with another tariff threat from the White House, drove stocks lower at the end of the trading week. August, the worst performing month for the S&P 500 stock index over the last 25 years, suffers the indignity of posting the 3 worst stock days for the S&P 500 this year - a 3.0% drop on 8/05/19, a 2.9% loss on 8/14/19 and a 2.6% tumble last Friday 8/23/19. In spite of the late week drop, the S&P 500 is still up +15.1% YTD (total return), well in excess of the index’s trailing 50-year historical average annual return of +9.8% (source: BTN Research).

Nearly 2 out of every 5 jobs created in the USA in the last year happened in just 3 states. 38% of the 2.25 million new jobs produced in the year ending 7/31/19 were in Texas (323,300), California (311,800) and Florida (227,200) (source: Department of Labor).

Notable Numbers for the Week:

1. **MOST EVER** - Mortgage debt in the United States peaked at **\$9.29 trillion** as of 9/30/08, fell 16% to **\$7.84 trillion** by 6/30/13, and now has climbed all the way back to a new record level of **\$9.41 trillion** as of 6/30/19 (source: Federal Reserve Bank of New York).
2. **MAINTAINING THEIR MARKET SHARE** - The Chinese renminbi has fallen from 15.38 (US) cents on 12/31/17 to 14.09 (US) cents as of last Friday 8/23/19, a drop of **8.4%**. Thus, an **export coming out of China** (i.e., an import coming into the United States) that is **renminbi-priced** has become **cheaper in dollars**, partially offsetting the **impact of US-levied tariffs** against China (source: BTN Research).
3. **STILL NEED HELP** - In 2018, the United States **consumed on average 20.5 million barrels** of crude oil per day. For the week ending Friday 8/16/19, the United States **produced 12.3 million barrels** of crude oil per day (source: Energy Information Administration).
4. **REAL ESTATE** - Builders began construction on **876,000 single-family homes** in the United States in 2018, the **7th consecutive year** of increasing housing starts, i.e., 2012-2018. The peak in housing starts (**1.716 million**) took place in 2005 (source: Joint Center for Housing Studies of Harvard University).

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