

THE WEEK IN REVIEW

U.S. equity markets ended the week mostly higher, boosted by better-than-expected earnings reports from some prominent companies. Gains were pared on Friday by global growth fears after China released third-quarter GDP showing its slowest pace of growth since the early 1990s. The "phase 1" trade agreement announced last week between American and Chinese negotiators has brought some optimism about a potential rebound in both Chinese and global growth. The recent bill passed by the U.S. House of Representatives, and pending Senate approval, in support of Hong Kong protestors presents another area of tension between the two governments. China reportedly wants the U.S. to remove the planned December tariff hike before a written deal is finalized for both presidents to sign at the Asia-Pacific Economic Cooperation summit in November.

In other news, General Motors and the United Auto Workers reached a tentative deal that would end the month-long labor strike. The U.S. was given approval from the World Trade Organization to impose tariffs on \$7.5 billion of European Union (EU) products related to Airbus subsidies. Across the Atlantic, British Prime Minister Boris Johnson secured a Brexit deal with the EU. The final step for Johnson is to get British Parliament to back the deal, an accomplishment which his predecessor, Theresa May, could not achieve.

In September, U.S. retail sales fell for the first time in seven months, suggesting that manufacturing-led weakness could be spreading to the broader economy and potentially keeping the door open for the Fed to cut interest rates again later this month. According to the Commerce Department, retail sales decreased a seasonally adjusted 0.3% in September from a month earlier, the first monthly decline since February. September's decrease was driven in part by a 0.9% decline in spending on vehicles, reflecting a pullback from a strong 1.9% gain in August. Lower fuel prices weighed on sales at gasoline stations, which fell 0.7%. Excluding vehicles and gasoline, September retail sales were flat.

Home building in the U.S. fell last month, a sign that rising labor and material costs continue to hinder home construction. Housing starts fell 9.4% in September from the prior month to a seasonally adjusted annual rate of 1.256 million, according to the Commerce Department. Home building data for August was revised upward from the previously reported rate of 1.364 million units to 1.386 million units, which was the highest level since June 2007.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Retail Sales (Less Autos YoY)	3.7%	3.2%	▲
Housing Starts (Millions Annualized)	1.256	1.233	▲
Building Permits (Millions Annualized)	1.387	1.232	▲
Leading Economic Indicators (YoY)	0.4%	1.9%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	26770.20	-0.17%	14.76%	5.48%
NASDAQ	8089.54	0.40%	21.92%	8.07%
S&P 500	2986.20	0.54%	19.12%	7.85%
MSCI EAFE	1922.29	1.35%	11.77%	3.78%
Bbg Barclays Aggregate US	2216.12	0.05%	8.28%	10.83%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.66%	1.93%	2.30%
10-Year Treasury	1.75%	1.80%	3.18%

REPORTS DUE NEXT WEEK	LATEST
Durable Goods Orders	0.2%
Existing Home Sales (Millions Annualized)	5.490
New Home Sales (Thousands Annualized)	713
U. of Mich. Consumer Sentiment	96

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.