



Don Akridge Presents

In this week's recap: swift service sector expansion, sustained consumer optimism, a surge in wholesale inflation, and gains for equities.

Weekly Economic Update

November 12, 2018

SERVICE SECTOR KEEPS BOOMING

At a lofty October mark of 60.3, the Institute for Supply Management's non-manufacturing purchasing manager index was a bit lower than the record 61.6 reading seen in September, but it also beat the 59.3 consensus forecast from Refinitiv. Across the 12 months ending in October, the mean reading for the index was a strong 58.5.^{1,2}

IS THIS THE BEST YEAR FOR CONSUMER SENTIMENT SINCE 2000?

It could turn out that way, if the University of Michigan's influential index maintains its current level. Its preliminary November edition came in at 98.3, slightly below the final October mark of 98.6 and slightly above the 98.0 reading projected in a Bloomberg analyst poll. The gauge has averaged a reading of 98.4 in 2018, a level unseen in the past 18 years.³

WHOLESALE INFLATION JUMPS 0.6% IN A MONTH

Higher costs for fuel and industrial supplies were significant factors, according to the Bureau of Labor Statistics. The PPI rose 2.9% across the 12 months ending in October.⁴

A NEW MONTH, A NEW DIRECTION FOR STOCKS

In November, the market is doing its best to erase the memory of October. All three major indices advanced again last week, with the Dow Industrials adding 2.84%; the S&P 500, 2.13%; the Nasdaq Composite, 0.68%. At Friday's close, their settlements were: Dow, 25,989.30; S&P, 2,781.01; Nasdaq, 7,406.90.⁵

TIP OF THE WEEK



*If the **terms on one of your credit cards change unfavorably**, you may consider dropping the card. Think twice about doing so. If you have had the account for years and the payment history is good, closing it out could possibly hurt your FICO score. Instead, **use that card for minor purchases only**.*

THIS WEEK

Monday marks the observance of Veterans Day; the bond market will be closed, but stocks, currencies, and commodities will be actively traded, with no major earnings news scheduled. | Tuesday, earnings roll in from Advance Auto Parts, Aramark Holdings, Bayer, Beazer Homes, Cumulus Media, Home Depot, and Tyson Foods. | On Wednesday, the latest Consumer Price Index surfaces, and investors also consider earnings news from Cisco, Griffon, Macy's, NetApp, NetEase, and Smart & Final. | October retail sales figures appear Thursday, along with a new initial jobless claims report and earnings from America's Car-Mart, Applied Materials, Energizer Holdings, JCPenney, Nordstrom, Nvidia, Shoe Carnival, Sonos, and Walmart. | Friday, Viacom announces Q4 results.

QUOTE OF THE WEEK



*“The **best and most beautiful things** in the world cannot be seen or even touched – they **must be felt with the heart.**”*

HELEN KELLER

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	5.14	10.77	12.98	19.30
NASDAQ	7.29	9.73	17.80	35.81
S&P 500	4.02	7.60	11.41	20.25

REAL YIELD	11/9 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	1.15	0.46	0.59	2.84

Sources: wsj.com, bigcharts.com, treasury.gov - 11/9/18^{5,6,7,8}

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.
10-year TIPS real yield = projected return at maturity given expected inflation.

THE WEEKLY RIDDLE



A young man *runs away from home*. Cheered on by onlookers, he makes *three lefts*, then finds *two masked men* ahead of him, but he runs toward them. Can you explain why?

LAST WEEK'S RIDDLE: It floats when born, lies down when alive, and runs as it dies. What is it?

ANSWER: Snow.

To unsubscribe from future preferred client communication emails from Citadel - CPA, Financial Planning, & Investments, please click on this link [UNSUBSCRIBE](#)

Don B. Okridge

MBA, CFP®, CPA/PFS

Registered Representatives of Cambridge Investment Research, Inc.

U.S. Marine Corps Veteran

Emory University & Florida Atlantic University

Comprehensive CPA & Wealth Management

Investment & Securities Licenses - 7 & 66

Insurance & Annuity Licenses - Variable, Life & Health

Ravine One • 245 Town Park Drive | Suite 440 | Kennesaw, GA 30144

Telephone: 770-952-6707 | Fax: 678-391-9355

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA / SIPC. Advisory services through Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Cambridge and Citadel / Citadel Professional Services are not affiliated.

CONFIDENTIALITY NOTICE: The information contained in this email and any attachments are confidential and may also be privileged and is intended for the use of the person(s) named above. If you are not the intended recipient, you are hereby notified that any dissemination or duplication of the email, or taking action in reliance upon this communication is strictly prohibited. Moreover, any such disclosure shall not compromise or waive the accountant-client, attorney-client, or any other privileges as to this communication or otherwise. If you have received this communication in error, please notify the sender immediately and delete the original message

PLEASE NOTE: We cannot accept trade orders through email. Important letters, email, or fax messages should be confirmed by calling 770-952-6707. This email service may not be monitored every day, or after normal business hours

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not

intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

CITATIONS:

- 1 - cnbc.com/2018/11/05/october-ism-non-manufacturing-index.html [11/5/18]
- 2 - instituteofsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1 [11/5/18]
- 3 - 247wallst.com/economy/2018/11/09/november-consumer-sentiment-slips-election-impact-negligible/ [11/9/18]
- 4 - marketwatch.com/story/wholesale-inflation-surges-in-october-to-6-year-high-ppi-shows-2018-11-09 [11/9/18]
- 5 - markets.wsj.com/us [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=11%2F9%2F17&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=11%2F9%2F17&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=11%2F9%2F17&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=11%2F8%2F13&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=11%2F8%2F13&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=11%2F8%2F13&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=11%2F10%2F08&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=11%2F10%2F08&x=0&y=0 [11/9/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=11%2F10%2F08&x=0&y=0 [11/9/18]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [11/9/18]
- 8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [11/9/18]