

## Weekly Bond Commentary:

Views as of November 26, 2018



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### Markets, consumers seem to have different take on economy

Markets found little to be thankful for last week.

In spite of still-solid economic data, markets tended to focus more on the potential downside of the inevitable slowing of the U.S. economy. While still strong, the litany of “just a little weaker” data continued University of Michigan consumer confidence survey, weekly jobless claims, durable goods orders and the index of leading economic indicators. Partly offsetting these factors were higher housing starts, higher-than-expected building permits and higher existing home sales.

Global issues also garnered attention. As the Brexit negotiations near conclusion, conservative British politicians tried to mutiny against their leader, Prime Minister Theresa May, calling into question whether the deal would ever be completed. Italy’s ongoing fiscal battle against the eurozone keeps simmering and U.S.-China trade tensions continue to cause uncertainty in global markets.

In spite of these negatives, consumers appeared bent on taking advantage of Black Friday sales. Retailers offered special deals to drive both mall and internet sales activity.

Treasury yields fell slightly last week, as the 2-year yield was unchanged, at 2.80%, the 3-year yield fell from 2.84% to 2.82% and the 5-year yield fell from 2.88% to 2.86%.