

### Top Headline: U.N. Weighing Sanctions Against North Korea

Following the latest round of ballistic missile tests, the U.N. is weighing possible economic sanctions against North Korea. A proposal submitted by the U.S. and backed by France and the U.K. would cap shipments of refined oil products to North Korea at two million barrels a year, while also limiting crude oil exports by the country to their current levels. In addition, the proposal would sustain the current ban on textile imports and drop a proposal to freeze the assets of President Kim Jung-Un.

A vote on the proposal is expected to take place on Monday, however there is no guarantee the proposal will pass the Security Council. Both Russia and China have expressed concerns over the possible sanctions as unduly provocative.

### Past Week's Releases

Date	Indicator	Period	Prev.	Exp.	Act.	Comment
W 9/6/17	Trade Deficit	Jul	\$43.5B r↓	\$44.6B	\$43.7B	Exports decline by 0.3%, imports by 0.2%
W 9/6/17	ISM Non-Manufacturing Index	Aug	53.9	55.8	55.3	ISM posts solid expansion, new orders up to 57.1
Th 9/7/17	Initial Jobless Claims♦	Sep 2	236K	241K	298K	Jump in claims linked to after effects of Hurricane Harvey.
Th 9/7/17	Nonfarm Productivity	Q2 2 <sup>nd</sup>	0.9%	1.3%	1.5%	Productivity estimate revised up on the back of increased production
Th 9/7/17	Unit Labor Costs	Q2 2 <sup>nd</sup>	0.6%	0.3%	0.2%	
F 9/8/17	Consumer Credit	Jul	\$11.8B r↓	\$16.0B	\$18.5B	Non-revolving credit increases by nearly \$16 billion

Actual < Expected

Actual > Expected

♦ Leading Indicator

### Market Activity

Indicator	Open	Close	ΔWeek	Δ3M
DJIA	21988	21798	-0.86%	2.90%
S&P 500	2476.6	2461.4	-0.61%	1.14%
USD*	92.81	91.35	-1.58%	-5.74%
10-Year Treasury*	2.17%	2.05%	-0.12%	-0.14%

\*ICE U.S. Dollar Index Spot Price

\*Absolute change in yield over specified time period

### Other News

Hurricane Irma made landfall in Florida this past weekend, leaving a trail of destruction in its path. Early reports suggest that Florida did not experience the same level of devastation as the Caribbean islands, however it still left 62% of the state without power as of Monday morning. Early estimates of private-sector insured losses are in the \$20 to \$40 billion range, roughly half of what was generally expected. Furthermore, no deaths in Florida have been directly linked to the storm, however as it passed through the Caribbean, the storm claimed at least 22 lives.

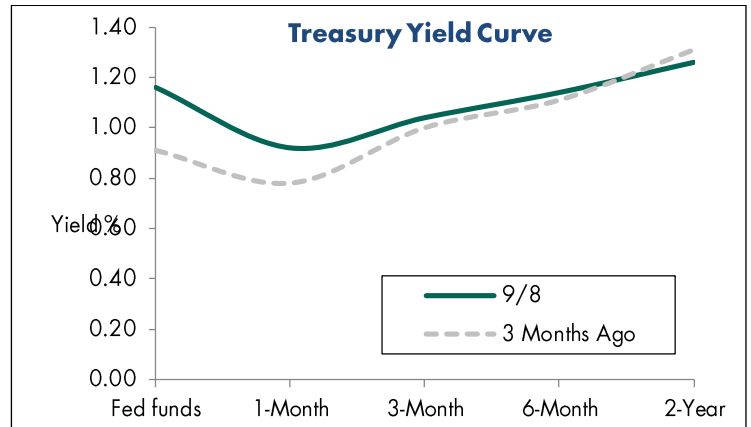
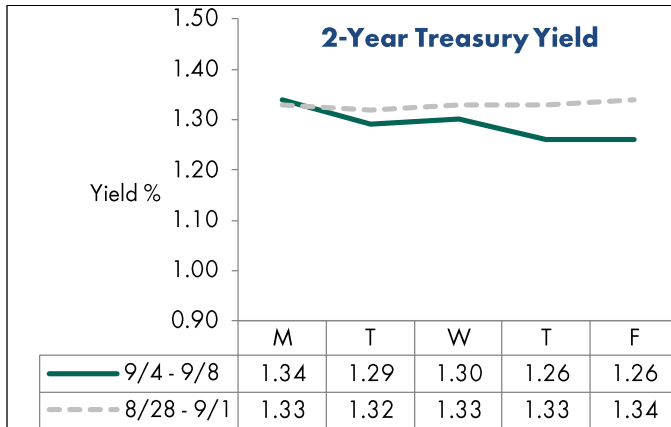
### On Tap This Week

This week is highlighted by retail sales and industrial production data for August.

### Upcoming Releases

Date	Indicator	Period	Prev.	Exp.
W 9/13/17	PPI	Aug	-0.1%	0.3%
W 9/13/17	Core PPI	Aug	-0.1%	0.2%
Th 9/14/17	CPI	Aug	0.1%	0.3%
Th 9/14/17	Core CPI	Aug	0.1%	0.2%
Th 9/14/17	Initial Jobless Claims♦	Sep 9	298K	300K
F 9/15/17	Advance Retail Sales	Aug	0.6%	0.1%
F 9/15/17	Sales Less Autos	Aug	0.5%	0.5%
F 9/15/17	Industrial Production	Aug	0.2%	0.1%
F 9/15/17	Capacity Utilization	Aug	-0.1%	0.1%

## Yield Curve Highlights



## Detailed Economic Releases

9/6/2017	Prev.	Exp.	Act.
Trade Deficit	\$43.5B r↓	\$44.6B	\$43.7B

The U.S. trade deficit widened slightly in July, rising from a downwardly revised \$43.5B to \$43.7B. Exports fell by 0.3% during the month, with exports of automobiles and consumer goods each declining by more than \$0.5B. Imports were also down 0.2%, reflecting declines in volume and price of oil imports as well as drops in autos and industrial supplies. Overall, the goods trade deficit stood unchanged at \$65.3B, while the trade surplus for services fell 0.8% to \$21.6B.

**Summary: Slight change in trade deficit holds little implication for third quarter growth.**

9/6/2017	Prev.	Exp.	Act.
ISM Non-Manufacturing Index	53.9	55.8	55.3

The ISM's non-manufacturing report for August showed a solid expansion in the service sector, with the reading up 1.4 points from the previous month to 55.3. New orders came in above the headline index number at 57.1, and backlog orders were positive at 53.5. Business activity was also up to 57.5 and employment posted a strong reading of 56.2. Overall, the report bodes well for third quarter growth.

**Summary: The ISM's non-manufacturing index posted solid results for August, boding well for economic growth.**

9/7/2017	Prev.	Exp.	Act.
Initial Jobless Claims	236K	241K	298K

First time claims for jobless benefits increased by 62,000 to 236,000 in the week ended September 2<sup>nd</sup>. The jump was linked to the effects of Hurricane Harvey, after which claims in Texas increased by more than fivefold. The four-week average of initial claims, which smoothes volatility inherent in the weekly number, rose to 250,250 from 236,750. Continuing claims for unemployment benefits fell to 1.94 million in the week ended August 26<sup>th</sup>. The insured unemployment rate, which tends to track the overall jobless rate, was unchanged at 1.4%.

**Summary: Hurricane Harvey leads to a spike in initial jobless claims in Texas.**

9/7/2017	Prev.	Exp.	Act.
Nonfarm Productivity	0.9%	1.3%	1.5%
Unit Labor Costs	0.6%	0.3%	0.2%

The revised estimate of Q2 nonfarm productivity improved from 0.9% to 1.5%. The positive revision mainly reflects an improvement in output which rose 0.6% from the first estimate to 4.0%. Hours worked were unchanged and compensation was revised up 0.2% to 1.8%. The uptick in production in turn put downward pressure on unit labor costs, which fell from an initial estimate of 0.6% to 0.2%.

**Summary: Productivity data has been volatile of late, nevertheless the upwards revision to the second quarter estimate is a positive signal for the domestic economy.**

9/8/2017	Prev.	Exp.	Act.
Consumer Credit	\$11.8B r↓	\$16.0B	\$18.5B

Consumer credit totaled \$18.5 billion in July, coming in higher than the expected \$16.0 billion. However, the component for revolving credit decreased from \$4.8 billion in June to \$2.6 billion, raising questions about whether financial firms are lending to less creditworthy borrowers. Non-revolving credit made up the bulk of the gains for the month, rising by nearly \$16 billion.

**Summary: Consumer credit grew more than expected, though the component for revolving credit posted relatively weak results.**

## About Us

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