

### Top Headline: Wells Fargo Hit With \$1 Billion Fine

Wells Fargo agreed to a \$1 billion joint settlement with the CFPB and OCC relating to issues with its mortgage and auto-lending businesses. The settlement follows extensive investigations and reporting on the bank's practices, which amongst other things revealed that the bank habitually charged customers for excessive/redundant auto insurance without their knowledge. The fine comes on top of a \$195 million payment to the CFPB following the "fake accounts" scandal, as well as the Federal Reserve's cap on its asset growth. In a statement, Wells Fargo said that the penalties reduced first quarter income by \$800, or \$0.16 per share, to \$4.7 billion.

### Other News

German Prime Minister Angela Merkel and French President Emmanuel Macron visit Washington this week amidst rising tensions between the EU and the U.S. Both Merkel and Macron have expressed frustration with President Donald Trump's bilateral trade moves, which could impact Europe negatively. The two leaders are potential allies with the U.S. in its trade dispute with China, however they have indicated that they will not back the U.S. if it moves forward with announced tariffs on steel and aluminum. These are set to go into effect next week.

### On Tap This Week

This week is highlighted by the first estimate of first quarter GDP growth.

### Past Week's Releases

Date	Indicator	Period	Prev.	Exp.	Act.	Comment
M 4/16/18	Retail Sales	Mar	-0.1%	0.4%	0.6%	
M 4/16/18	Sales Less Autos	Mar	0.2%	0.2%	0.2%	Auto sales rise by 2.0% during the month
T 4/17/18	Housing Starts	Mar	1295K r↑	1264K	1319K	Multi-family starts and permits accelerate during the month
T 4/17/18	Building Permits	Mar	1298K r↑	1321K	1354K	
T 4/17/18	Industrial Production	Mar	1.1% r↑	0.4%	0.5%	Manufacturing production up 0.1% for the month, 3.0% year-over-year
T 4/17/18	Capacity Utilization	Mar	77.7% r↓	78.0%	78.0%	
Th 4/12/18	Initial Jobless Claims♦	Apr 14	233K	230K	242K	Initial claims remain subdued

Actual < Expected     
 Actual > Expected     
 ♦Leading Indicator

### Market Activity

Indicator	Open	Close	ΔWeek	Δ3M
DJIA	24360	24463	0.42%	-6.17%
S&P 500	2656.3	2670.1	0.52%	-4.99%
USD*	89.80	90.32	0.57%	-0.28%
10-Year Treasury*	2.83%	2.96%	0.13%	0.30%

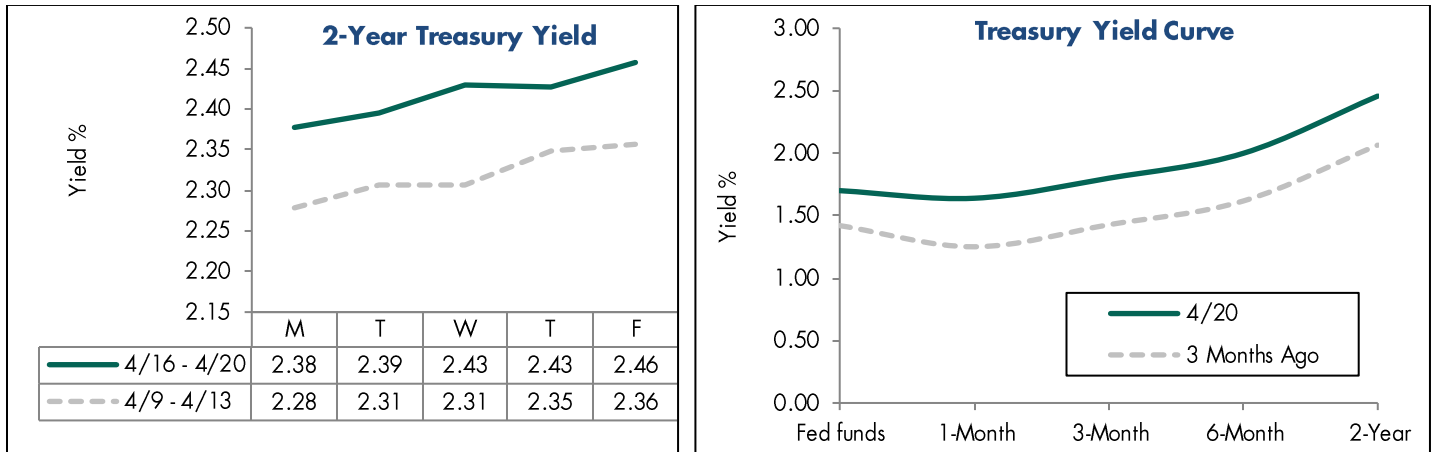
\*ICE U.S. Dollar Index Spot Price

\*Absolute change in yield over specified period

### Upcoming Releases

Date	Indicator	Period	Prev.	Exp.
M 4/23/18	Existing Home Sales	Mar	5.54M	5.55M
T 4/24/18	New Home Sales	Mar	318K	630K
T 4/24/18	Consumer Confidence	Apr	127.7	126.0
Th 4/25/18	Initial Jobless Claims♦	Apr 21	232K	230K
F 4/26/18	GDP	Q1 1 <sup>st</sup>	2.9%	2.0%
F 4/26/18	GDP Deflator	Q1 1 <sup>st</sup>	2.3%	2.2%
F 4/26/18	Consumer Sentiment	Apr	97.8	98.0

## Yield Curve Highlights



## Detailed Economic Releases

4/16/2018	Prev.	Exp.	Act.
Advance Retail Sales	-0.1%	0.4%	0.6%
Sales Less Autos	0.2%	0.2%	0.2%

Retail sales rose by 0.1% in March after an unrevised 0.1% drop in the prior month. Motor vehicle sales were the big story of the month, rising by 2.0% after a long lull since the end of last year. Sales less autos showed slight improvement with 0.2% growth, in line with expectations for the month. Out of the usual areas of strength, most notably online sales expanded by 0.8% in March following a post-holiday seasonal decline, while restaurant sales posted a second straight 0.4% gain.

**Summary: Headline retail sales come in above expectations on back of rebound in auto sales.**

4/17/2018	Prev.	Exp.	Act.
Housing Starts	1295K r↑	1264K	1319K
Building Permits	1321K r↑	1315K	1354K

Housing starts came in well above expectations for the month of March, rising by 1.9%. Single-family starts were above trend and multi-family starts accelerated. Building permits were also higher than expected for the month, coming in at a 1354K annualized pace. Multi-family permits posted one of the best readings of the expansion, offsetting a small decline in single-family permits.

**Summary: High level of starts and permits accelerated in March, offsetting an uneven first two months.**

4/17/2018	Prev.	Exp.	Act.
Industrial Production	1.0% r↓	0.4%	0.5%
Capacity Utilization	77.7% r↓	78.0%	78.0%

Industrial production rose by 0.5% in March following a downwardly revised 1.0% increase in the previous month. Mining production increased by 1.0% while utility output expanded by 3.0%. Manufacturing production managed only a 0.1% gain during the month and year-over-year is up by a modest 3.0%. Capacity utilization saw a significant increase, rising from 77.7% to 78.0%.

**Summary: Manufacturing production showed only marginal improvement during March after surging in February.**

4/19/2018	Prev.	Exp.	Act.
Initial Jobless Claims	233K	230K	242K

First time claims for jobless benefits rose 9,000 in the week of April 14<sup>th</sup> to 242,000. The four-week average of initial claims, which smooths volatility inherent in the weekly number, was up slightly to 231,250. Continuing claims for unemployment benefits, in lagging data for the week of April 7<sup>th</sup>, fell to 1.86 million. The insured unemployment rate, which tends to track the overall jobless rate, held at 1.3%.

**Summary: Initial jobless claims remain below 250K.**

## About Us

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