

Top Headline: Public Impeachment Hearings Wrap Up

Last week, testimony in the impeachment inquiry of President Trump continued, with witnesses of note including Gordon Sondland, U.S. ambassador to the EU, and Fiona Hill, former top Russia adviser to the White House. Sondland testified that he urged Ukraine to announce investigations into the Bidens “at the express direction” of President Trump. Fiona Hill testified that the theory that Ukraine interfered in the U.S. elections was a “fictional narrative” that was not valid rationale for President Trump’s explanation for having Kyiv investigate the matter. The Intelligence Committee is expected to write a report of its findings which will then be sent to the Judiciary Committee which is tasked with drafting articles of impeachment.

Other News

After visiting Apple’s Texas facilities last week, President Trump announced that he will look at exempting the company from China tariffs. The decision is being considered for many reasons, including the Trump administration’s push for an expansion of 5G technology. Despite pressure put on the company to restructure its supply chain, Apple has maintained facilities in China, though it has moved production of some products to its Texas facilities.

On Tap This Week

The week is highlighted by the second estimate of third quarter GDP to be released on Wednesday.

Past Week’s Releases

Date	Indicator	Period	Prev.	Exp.	Act.	Comment
T 11/19	Housing Starts ♦	Oct	1.266M r↑	1.320M	1.314M	Favorable conditions resulted for the second month in a boost in starts and permits
T 11/19	Housing Permits ♦	Oct	1.391M r↑	1.383M	1.461M	
Th 11/21	Initial Jobless Claims ♦	11/16	227K r↑	218K	227K	Initial and continuing claims shifted up
Th 11/21	Existing Home Sales	Oct	5.360M r↓	5.480M	5.460M	Sales rose for single-family starts on the month and year
F 11/22	Consumer Sentiment ♦	Nov	95.7	95.7	96.8	Expectations, not current conditions, carried the report

Actual < Expected Actual > Expected ♦ Leading Indicator

Market Activity

Indicator	Open	Close	ΔWeek	Δ3M
DJIA	28005	27876	-0.46%	8.77%
S&P 500	3120	3110	-0.33%	9.24%
USD*	98.0	98.3	0.28%	0.65%
10-Year Treasury*	1.83%	1.77%	-0.06%	0.24%

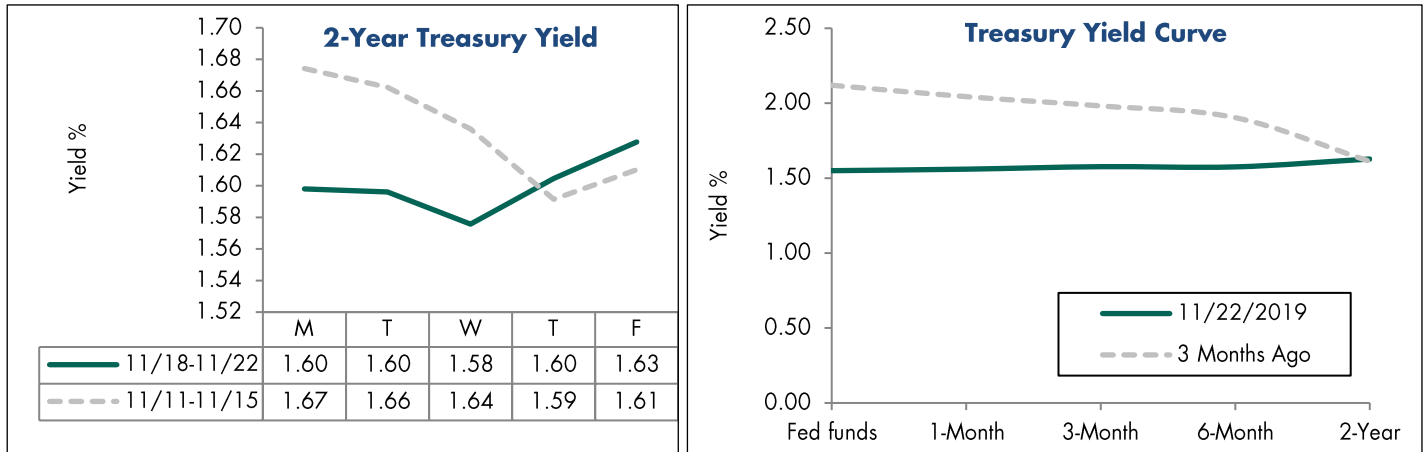
*ICE U.S. Dollar Index Spot Price

*Absolute change in yield over specified period

Upcoming Releases

Date	Indicator	Period	Prev.	Exp.
T 11/26	International Trade in Goods	Oct	\$70.4B	\$71.0B
T 11/26	New Home Sales	Oct	701K	706K
T 11/26	Consumer Confidence ♦	Nov	125.9	127.0
W 11/27	Durable Goods Orders	Oct	-1.1%	-0.9%
W 11/27	GDP	Q3	1.9%	1.9%
W 11/27	Initial Jobless Claims ♦	11/23	227K	221K
W 11/27	Personal Income	Oct	0.3%	0.3%
W 11/27	Consumer Spending	Oct	0.2%	0.3%

Yield Curve Highlights



Detailed Economic Releases

11/19/2019	Prev.	Exp.	Act.
Housing Starts	1.266M r↑	1.320M	1.314M
Housing Permits	1.391M r↑	1.378M	1.461M

Starts and permits both improved on the month, following upwardly revised readings for the month of September. While starts were just shy of expectations, permits easily surpassed expectations at 1.461M, the strongest reading since 2007. The three-month average for single-family unit starts and permits were both at 12 year highs at 923K and 888K, respectively. Starts for multi-family units were up 8.6% and permits rose 8.2%. In an additional show of strength, housing completions were up 10.3% to 1.256M.

Summary: Low mortgage rates and high levels of employment are contributors to a second month of strength in housing.

11/21/2019	Prev.	Exp.	Act.
Initial Jobless Claims	227K r↑	217K	227K

Claims were 10K higher than expected, in line with the upwardly revised reading from the previous week. This brings the four-week average of 221K to its highest reading since June. Continuing claims have also shifted higher, with this report's reading at 1.695M. The four-week average increased to 1.693M, its highest reading since August. Despite the movement, claims remain at historically low levels.

Summary: Claims shifted up, though they remain at historically low levels.

11/21/2019	Prev.	Exp.	Act.
Existing Home Sales	5.360M r↓	5.480M	5.460M

Existing home sales increased by 1.9% in October to 5.460M which, while slightly under expectations, helped to raise the yearly growth rate to 4.6%. Single-family sales increased by 2.1% on the month and 5.4% on the year to 4.870M, while condo sales were steady at 590K though they were down on the year. The median price for single-family sales was up 6.2% on the year to \$273.6K, with the median condo price also up 5.6% on the year at \$248.5K.

Summary: Existing home sales came in strong following the positive data released for housing starts and permits on Tuesday.

11/22/2019	Prev.	Exp.	Act.
Consumer Sentiment	95.7	95.7	96.8

November's first consumer sentiment reading marked the best result since July. Expectations supported the report most likely thanks to confidence in future income, up more than 3 points to 87.3. Current conditions did not help, however, down 1.6 points to 111.6. Inflation expectations were subdued but flat at 2.5% for the year-ahead and up by 0.2% also to 2.5% for the five-year ahead outlook.

Summary: Though impeachment proceedings haven't seemed to impact sentiment too much yet, the report has indicated a divergence in expectations. One side predicts a recession, while the other continued expansion.

About Us

Capital Advisors Group, Inc. is an independent SEC-registered investment advisor specializing in institutional cash investments, risk management, and debt finance consulting. Our clients range from venture capital-funded startups and emerging growth companies to Fortune 100 companies.

Drawing upon more than a quarter of a century of experience through varied interest rate cycles, the firm has built its reputation upon deep, research-driven investment strategies and solutions for its clientele.

Capital Advisors Group manages customized separately managed accounts (SMAs) that seek to protect principal and maximize risk-adjusted returns within the context of each client's investment guidelines and specific liquidity needs. Capital Advisors Group also provides FundIQ[®] money market fund research; CounterpartyIQ[®] aggregation and credit analysis of counterparty exposures; risk assessment on short-term fixed income securities and portfolios; and independent debt finance consulting services.

Headquartered in metropolitan Boston, Capital Advisors Group maintains multiple U.S. regional offices.

Katja Dunlap
Research Analyst

Matthew Paniati
Research Analyst



Capital Advisors Group, Inc.
29 Crafts Street, Suite 270
Newton, MA 02458
Tel: 617.630.8100
Fax: 617.630.0023
www.capitaladvisors.com
info@capitaladvisors.com