



TUESDAY NOVEMBER 15, 2016

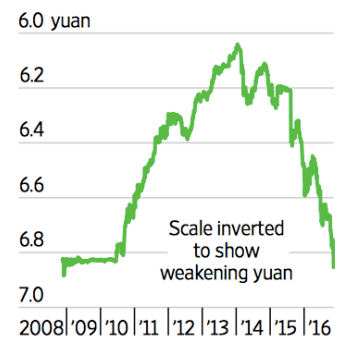
	PRICE	CHANGE	VOLUME	UP/DN %	UP/DN VOL %
Dow:	18,923.06	+54.37	4.55	263	246
Nasdaq:	5,275.62	+57.23	2.16	145	271
S&P 500:	2,180.39	+15.19			
10 yr note:	2.24%	+2bps			
Volatility:	13.37	-1.11			
EUR-USD:	1.073	unch	Crude Oil:	45.81	+2.49
USD-JPY:	109.09	+0.78	CRB-Com:	183.08	+2.82



The Dow (+0.3%) gained to its 4th consecutive record, following the Nasdaq (+1.1%) and S&P 500 (+0.6%) higher. Volatility (-7.7%) eased back to pre-election levels. Technology stocks (+1.3%) pared their post election losses to -1.8% today, in stark contrast to financials 11% gain since the election. Bank of America closed above \$20 today for the first time since 2008, reflecting post-election strength that has similarly sent the KBW bank index (+14%) and an index of smaller lenders (+17%) higher (WSJ).

The 10-year yield hit its highest level since January 5 today, adding to its largest 6-day gain since December 2010. Stronger retail sales today also helped the 2-year yield (+2bps to 1.00%) as investor prepare for a December rate hike. Global yields have risen in tandem as Japanese 10-year yields jumped above 0 for the first time in nearly 2 months.

Reflecting incredible dollar strength since the election, the yuan fell to its weakest level since December 9, 2008. China's central bank set the currency 0.3% lower to 6.8495 this morning as they attempt to stimulate exports and economic activity. Nevertheless this weakness is only in dollar terms; when compared against its currency basket the yuan has actually gained in the same period (WSJ).



Source: Thomson Reuters
THE WALL STREET JOURNAL.

ECONOMIC REPORTS:

October Retail Sales: +0.8%. With September's revision to +1%, consumers have logged their strongest 2-month period of spending in over 2 years this fall, an encouraging sign for holiday sales. Retail sales are expected to gain 3.6% over that period, up from 3.4% growth last year (National Retail Foundation, WSJ). Sales excluding autos also showed strength in September (+0.7%) and October (+0.8%). Similarly sales excluding autos and ex-gas gained in both September (+0.6%) and October (+0.5%).

November Empire State Manufacturing: +8.3 to 1.5. New York manufacturing activity gained some life in November, reflecting a broader revival in national industrial activity that could accelerate if a stronger dollar does not outweigh any stimulus from Trump's infrastructure plans.

October Import & Export Prices: +0.5%, +0.2%. Higher petroleum prices boosted import prices in October, without which prices would have fallen 0.1%. Year over year both import (-0.2%) and export (-1.1%) prices remain lower.

September Business Inventories: +0.1%. Inventories continued to gain, but not nearly as much as sales (+0.7%). Consequently the inventory to sales ratio fell again to 1.38, indicating businesses may need to build inventories ahead of the holiday shopping season, a boon to 4Q GDP.

