John Williams'
Shadow Government Statistics
Analysis Behind and Beyond Government Economic Reporting

SPECIAL COMMENTARY NUMBER 983-A

Updated ALERT, Advance Economic and Financial-Market 2018-2019 Review and Preview

February 20, 2019

U.S. Economy and Markets Are Transitioning, and It Is Not Good News

Excessive FOMC Rate Hikes and Tightening of the Last Year Have Pushed the Economy to the Brink of a New Recession, Exacerbated by the Shutdown

Headline Back-to-Back First- and Second-Quarter 2019 GDP Contractions Likely Follow Still-Pending Reporting of Sharply Slowing Fourth-Quarter 2018 GDP; Consider Plunging Retail Sales, Production, Manufacturing and Freight Activity

Unprecedented in 100 Years of Reported U.S. Manufacturing Activity, December 2018 Marked a Record Eleven Full Years of Economic Non-Expansion

January 2019 Monetary Base Suffered Its Steepest Annual Decline Since Triggering the Second Down-Leg of the Great Depression

Income Dispersion Worst Since Before the 1929 Stock Crash and Great Depression

With a Tanking Economy, the Stock-Market Sell-Off Is Far from Finished; Political Discord in Washington Should Exacerbate and Intensify Market Instabilities

Does This Concern the FOMC and Government Policy Makers? It Should!

Driven by Energy Prices, 2018 Annual Inflation Measures Hit Multi-Year Highs, Not Driven by the FOMC Rate-Hike Canard of an Overheating Economy

Time for Congress to Revisit the Concept of the Federal Reserve?

U.S. Treasury Fiscal Operations Are Not Sustainable, Threatening Ultimate Financial-Market and U.S. Dollar Turmoil

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Special Note to Subscribers on Catch-Up Commentaries and ShadowStats Services

ShadowStats Daily Updates and Alternate Data Postings. The freshly reformatted ***ShadowStats Daily Update*** posted on the home page (*www.ShadowStats.com*) has been kept current with all new observations and assessments of major headline economic reporting, posted within roughly two hours of the news release. That also includes regular, planned postings of related ***ShadowStats Alternate Data*** on the website, including *Inflation*, *Unemployment*, *Money Supply* and the *Financial-Weighted U.S. Dollar Index*, along with updated financial-market conditions, as circumstances dictate.

ShadowStats Commentaries. Postings of extended economic coverage in the regular ***ShadowStats Commentaries***, however, have fallen behind. I apologize to my subscribers for the absence of those narratives in the last month and most deeply appreciate your forbearance. Today's advance issue of *Commentary No. 983-A* primarily updates the ShadowStats *ALERT* of *Hyperinflation Watch No. 4* (December 11, 2018), which in turn updated and supplemented the original *Special Commentary No. 973 – ALERT* (October 14, 2018), along with details of the *Latest* and *Pending Releases* (see pages 9 to 16). This missive covers advance material of the full *Economic Review* in *Commentary No. 983-B*, which will be posted over the weekend. Today's published headlines should be reasonably close to, if not identical with those of *No. 983-B*, which provides some idea of what is coming. Subsequent missives, beginning with *Commentary No. 984*, will begin to catch up with the usual extended coverage. Major components of the ***Hyperinflation*** and ***Consumer-Liquidity Watches*** also are updated in the *No. 983-A* and *No. 983-B* series, with fully updated *Watches* planned for around mid-March.

The unanticipated *Commentary* delays reflected an evolving combination of eyesight issues, which are being addressed, and other complicating factors, including handling of the unusual and irregular disruptions to the flow of economic data, due to the government shutdown. Separately, I have been assessing new, alternate approaches to the disrupted numbers and hope to have some product news in that area soon. Nonetheless, timing of the pending full missive here has gone well beyond anything I had expected or for which I had planned.

Going forward, the ***Commentaries*** will resume near-regular publication. Missives of the next month will see evolving, more-concise writing and formatting than previously published, adapted to accommodate some rapid-fire catch up reporting out of the Commerce Department on delayed material, and in the context of concurrent analyses of the headline reporting on the ShadowStats home page's ***Daily Update***, as the data are released.

Missing from current headline government reporting, in particular, is an initial estimate of Fourth-Quarter 2018 Gross Domestic Product (now scheduled for February 28th). Key December 2018 releases, including the Trade Deficit and various Construction and Housing measures also have been rescheduled over the next couple of weeks. Previously planned government releases of January to March 2019 data, however, remain in limbo. Nonetheless, some of the major missing numbers still are assessed here as to what likely lies ahead, discussed in today's *Commentary*.

Telephone Consulting. ***Telephone Updates*** are available to you, any time you have questions on the *ShadowStats* outlook, or otherwise would like to talk. I am always happy to discuss circumstances at (707) 763-5786. Such is part of the subscription service.

Your comments and suggestions always are invited.

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***Special Commentary No. 983-A* contents and features are indexed and linked on following page.**

Contents – Special Commentary No. 983-A Major Sections and Graphs

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UPDATED ALERT

FOMC Has Not Yet Settled in With the Concept of Easing – Just No New Rate Hikes

Intensifying Economic Downturn Should Force Renewed Quantitative Easing

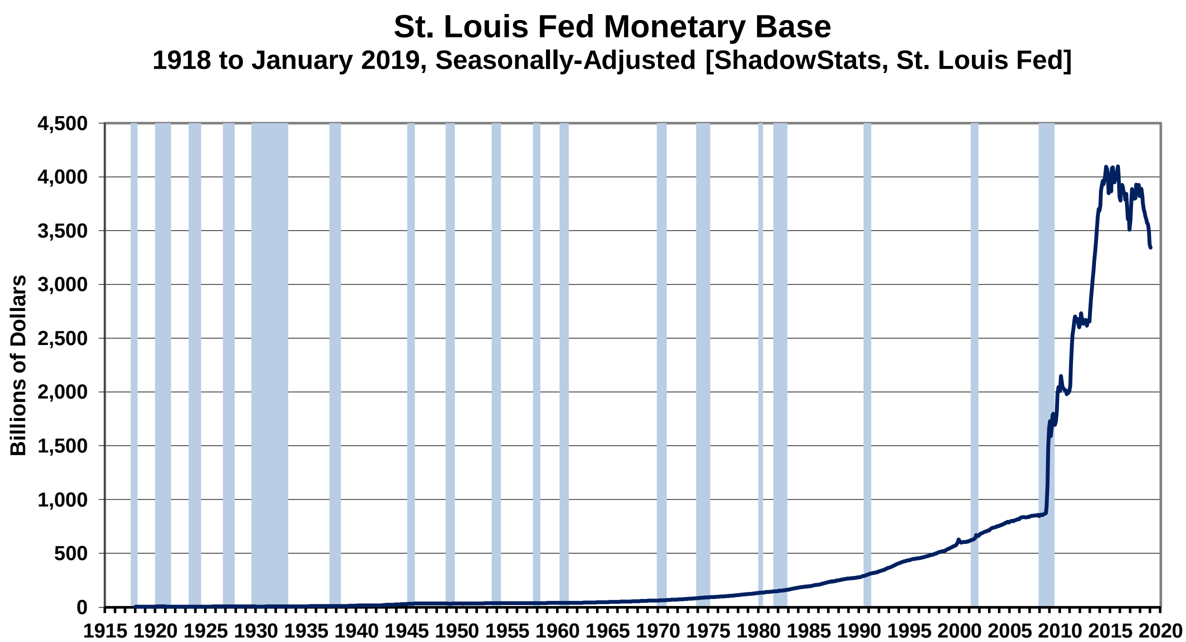
Watch for Heavy Stock Selling, Flight from the Dollar and Intensified Flight to Gold!

U.S. Government Needs to Address Its Long-Range Sovereign Solvency Issues

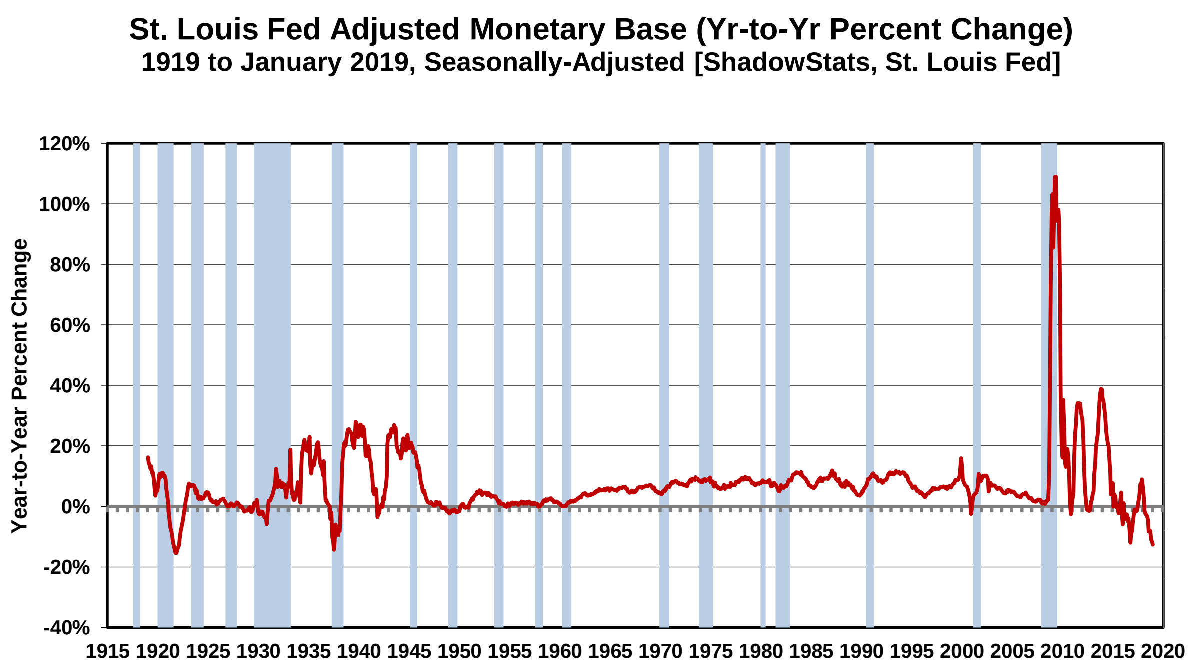
January Minutes Showed Little New in the FOMC's Near-Term Outlook, With Rate Hikes on Hold, but No Easing. Yet, Tumbling Economic Activity Promises Intensified Market Turmoil. This February 20, 2018 *ALERT* updates the prior version published in *Hyperinflation Watch No. 4* – Special Edition of December 11, 2018, which in turn updated and supplemented the original *Special Commentary No. 973 – ALERT* of October 14th. A waffling Federal Reserve faces a self-created market conundrum, albeit with a currently suggested non-tightening bias against an FOMC-induced pending "new" recession. Domestic and global financial, economic and political risks continue to evolve, still deteriorating rapidly in aggregate. The FOMC's self-conflicting position has developed to the point that intensified tightening heavily threatens headline economic activity, the U.S. dollar and domestic equity markets. At the same time, a move towards renewed easing or quantitative easing would pummel the U.S. dollar in global markets, reflecting foreign and domestic flight capital out of the U.S. markets.

Incorporated here by reference is *Commentary No. 970* of September 26th, on a potential, pending Tipping Point in the U.S. financial markets and *Consumer Liquidity Watch No. 5* of November 21st as to underlying consumer-liquidity issues. Long-range prospects for economic-turmoil and eventual U.S. hyperinflation continued to close in rapidly, along with a flight to safety out of a weakening U.S. dollar, and flight to safety into precious metals, seen with rising gold prices, all have fueled some volatile stock market activity since late-December 2018. The more negative the pressure on the U.S. dollar, and the stronger the flight to safety and gold, the more dangerous the situation is for domestic equity prices. A rapidly weakening U.S. Dollar and rallying gold and silver prices are solid signs of impaired equity market conditions.

Graph 1: Saint Louis Fed Monthly Monetary Base, Billions of Dollars (Jan 1918 to Jan 2019)



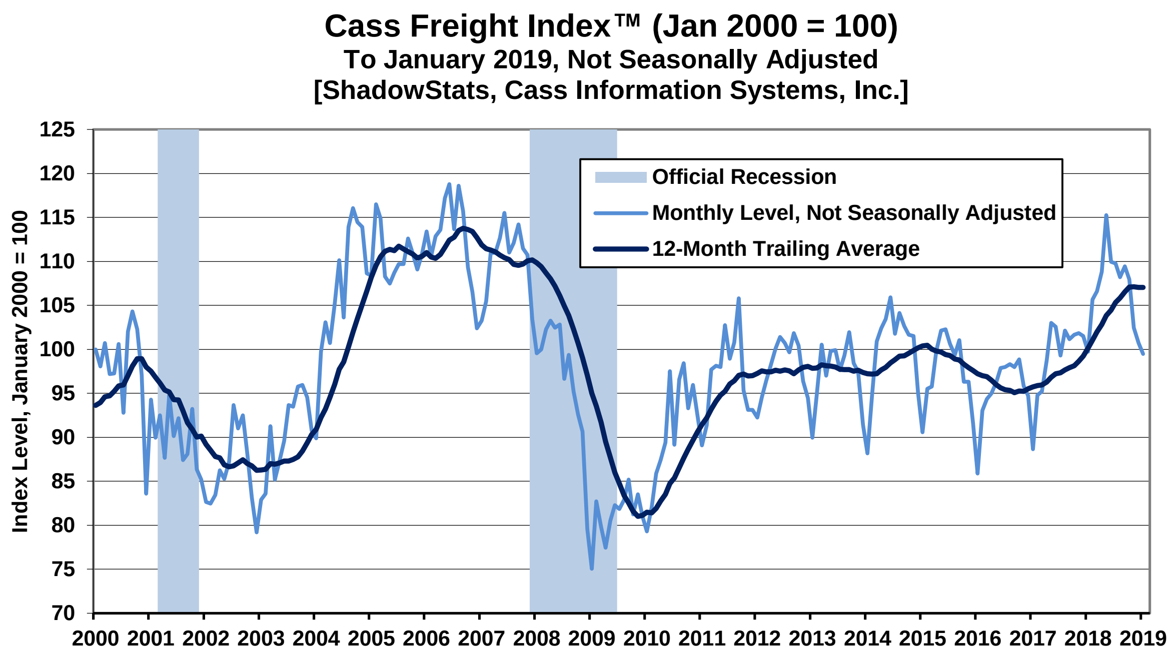
Graph 2: Yr-to-Yr Percent Change, Monthly Saint Louis Fed Monetary Base (Jan 1919 to Jan 2019)



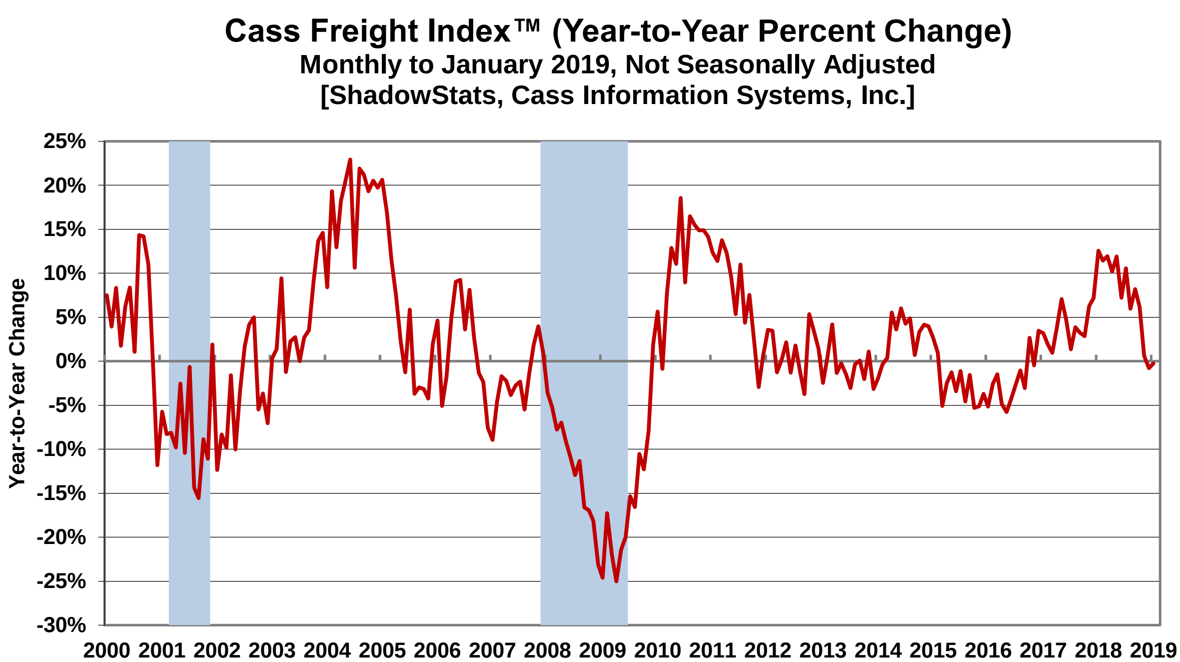
Federal Reserve tightening and rate hikes since late-December 2017 strangled consumer liquidity, pushing the U.S. economy into a new downtrend (see *Graphs 1* and *2*). The second plot there shows that the year-to-year decline in the monthly January 2019 St. Louis Fed estimate of its Adjusted Monetary

Base was the sharpest since a similar decline in 1937 helped to trigger the second down-leg of the Great Depression.

Graph 3: CASS Freight Index, Monthly (2000 to January 2019)



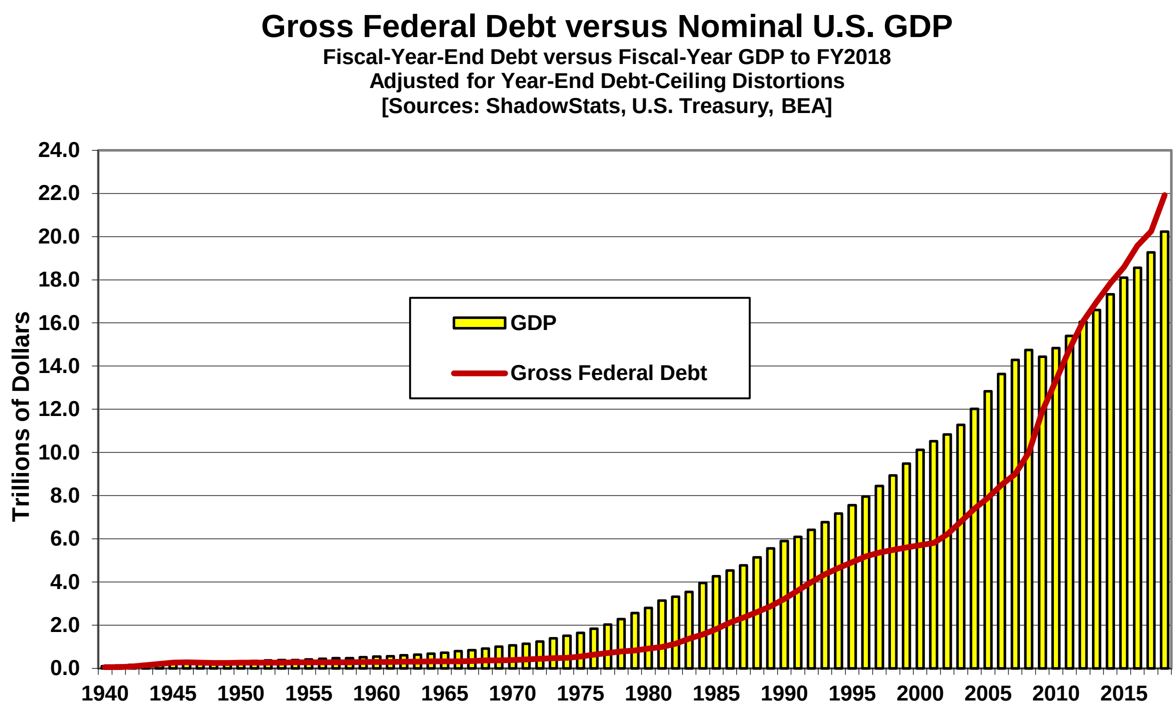
Graph 4: CASS Freight Index, Monthly Year-to-Year Percent Change (2000 to December 2018)



Fourth-quarter 2018 GDP most likely will show annualized real quarterly growth slowing to around 1.5%, down from 3.4% in third-quarter 2018. That is much weaker than consensus (and FOMC) expectations of about 2.5%. ShadowStats also projects back-to-back quarterly GDP contractions in first- and second-quarter GDP—***a formal headline recession***—based on factors including recent reporting of Retail Sales, Industrial Production, Construction and Freight Activity, among others detailed in pending *No. 983-B.* Given the shift in FOMC-policy language backing off tightening, there is a suggestion there that something of a GDP downturn also may be in the Federal Reserve's internal forecasts.

Consider the CASS Freight Index™ in January, which continued negative year-to-year for the second straight month. Negative year-to-year growth has not been seen since 2012. Again, all these factors are detailed in *No. 983-B*. The five graphs here are a sampling of the 50 graphs that follow in *No, 983-B.*

Graph 5: Gross Federal Debt versus GDP



The **U.S. Government** must move now to bring its fiscal operations into balance, to restore long-term stability and solvency to the system. Otherwise, current conditions easily could evolve into a hyperinflationary great depression, much sooner than commonly expected, forcing significant overhauls to the domestic and global economic and financial-market systems. These crises no longer are "too far into the future to worry about," as some in the U.S. government and Fed have argued in recent decades. Federal Reserve Chairman Powell recently mentioned the "unsustainability" of U.S. Government fiscal policies (CNBC report, June 10th). Consider *Graph 5*, which plots fiscal-year end total nominal U.S. Government Debt versus fiscal-year nominal GDP. Not only has level of debt surpassed GDP, it now is growing at an accelerating great pace against the GDP, while the GDP appears on the brink of slowing sharply or falling in outright contraction.

Stock-Market Woes Reflect a Confluence of Extraordinary Financial-Market and Systemic Issues. In summary, a great deal more has been involved in recent stock-market selling than a simple correction to overvalued equities. At hand are circumstances that could trigger one of the worst U.S. financial panics/systemic disruptions of the last century. Some of the involved issues have been festering for decades; others have surfaced only recently and include:

- Rapidly deteriorating, uncontained and unsustainable U.S. deficit spending and burgeoning debt levels, leading to ultimate long-range solvency issues for the U.S. Treasury and full debasement of the U.S. dollar (hyperinflation).
- Unresolved instabilities from actions taken by Federal Reserve and other central banks to save the U.S. and global banking system in 2008 (expanded upon in *No. 983-B*).
- Recent Federal Reserve tightening and now not tightening.
- An unfolding, formal new U.S. recession (triggered by FOMC tightening, only exacerbated by the government shutdown).
- Exploding risks of political instabilities in the United States and in major U.S. trading partners and allies (discussed in *No, 983-B*).
- Still heavily inflated equity prices, an overvalued U.S. Dollar and undervalued precious metals.

These rapidly evolving elements have fallen into place, raising risks of extraordinary financial-market and systemic disruptions.

Financial market circumstances here are reviewed from the standpoint of the U.S. Dollar and the precious metals Gold and Silver. Again, those areas act something like the proverbial Canary in a Coal Mine, as an early warning of serious trouble in the U.S. financial-system and/or in inflationary developments. They also remain the ultimate stores of wealth for preserving the purchasing power of one's wealth and assets.

[Latest and Pending Headline Economic Reporting begins on the next page.]

LATEST AND PENDING HEADLINE REPORTING

Analyses of the Latest Economic Releases

LATEST REPORTING: Expanded upon here, the reporting details of the last month for key economic measures were covered initially in real time, in the *Daily Update* section of the www.ShadowStats.com home page. Analyses are posted there usually within two to three hours of the headline release. Noted in the following text and expanded related details, the referenced graphs may be covered in the main body of today's *Commentary 983-A* or in this weekend's *983-B*.

(Feb 18) **January 2019 CASS Freight Index™**, www.CassInfo.com, held in annual decline for a second straight month, down by 0.27% (-0.27%) in January 2019, versus an annual drop of 0.78% (-0.78%) in December 2018. That was the worst showing for the series since 2012, and continued to confirm slowing, broad economic activity late in 2018 turning down into early 2019. Where the series is not seasonally adjusted, its twelve-month moving average (which tends to eliminate seasonality issues) also has turned down for the first time since 2012. ShadowStats regularly follows and analyzes the CASS Index as a high-quality coincident/ leading indicator of underlying economic reality. See earlier *Graphs 1* and *2*. We thank CASS for their permission to plot their data.

(Feb 15) **January 2019 Industrial Productio**n (Federal Reserve Board) and its dominant **Manufacturing Sector** both plunged month-to-month against what had been consensus expectations of 0.1% monthly gains. In line with the ShadowStats outlook, the much weaker-than-expected January Production numbers and December Retail Sales have signaled slowing activity in fourth-quarter 2018 GDP and likely back-to-back quarterly GDP contractions in first-half 2019—a formal new recession. Look for the consensus economic outlook to begin moving in that direction. In pending *No. 983-B*, see *Graphs 4* to *6* in the opening *Latest Near-Term Indicators* section, and *Graphs 12* to *15* in "Most of the Economy Has Seen No Economic Expansion" section.

Excessive Federal Reserve rate hikes and tightening since late-2017 have triggered the downturn, hitting Consumer Liquidity hard. Production of ***Consumer Durable Goods*** (including Motor Vehicles) plunged in the month by 4.45% (-4.45%), with ***Nondurable Goods*** (including Bread) up by 0.45%, with growth in both slowing sharply year-to-year.

Production declined by 0.58% (-0.58%) in January, versus a revised 0.09% gain [previously 0.35%] in December. ***Manufacturing*** fell by 0.86% (-0.86%) in the month, versus a revised gain of 0.79% [previously 1.05%] in December. ***Mining*** gained 0.08% in January, versus a revised gain of 1.51%

[previously 1.52%] in December. Weather-disrupted ***Utilities*** gained 0.41% in January, versus a revised decline of 6.88% (-6.88%) [previously down by 6.30% (-6.30%)] in December.

Slowing Quarterly Growth and Contraction Trends. The effect of the headline January reporting and related details was that annualized quarter-to-quarter growth in ***Industrial Production*** slowed from 4.87% in third-quarter 2018, to 4.57% in fourth-quarter 2018 and to an early trend for a first-quarter 2019 annualized contraction of 1.28% (-1.28%), with annual growth slowing in tandem from 5.08% to 4.30% to 3.31%.

In like manner, the annualized quarter-to-quarter growth in ***Manufacturing*** slowed from 3.83% in third-quarter 2018, to 2.60% in fourth-quarter 2018, to an early trend for a first-quarter 2019 annualized contraction of 1.02% (-1.02%), with annual growth slowing in tandem from 3.32% to 2.64% to 1.90%.

Those growth slowdowns are suggestive of a greater slowdown in the annualized quarter-to-quarter and consensus growth estimates for fourth-quarter 2018 GDP (now scheduled for February 28th) to 2.5%, from 3.36% in third-quarter 2018, against year-over-year growth expected to rise to 3.1% from 3.00%.

Unprecedented in the 100-Year History of the Series, U.S. Manufacturing Has Seen 133-Straight Months (11-Plus Years) of Economic Non-Expansion. The dominant ***Manufacturing*** sector remained shy by 4.41% (-4.41%) in January 2019 of ever having recovered its December 2007 pre-recession peak. Such should be of particular concern to policy makers and the FOMC, with the broad economy currently slowing, on the brink of a "new" recession.

(Feb 14, Shutdown Delayed) **December 2018 Retail Sales** (Census Bureau) plunged month-to-month by 1.24% (-1.24%) in nominal terms, before inflation adjustment (effectively the same in real terms, net of inflation) dominated by holiday shopping, not motor vehicle sales. Expectations had been for a headline gain of 0.1%. The headline detail was in the context of downside revisions to October and November activity. Net of revisions, nominal November sales gained 0.11% [previously 0.23%], with October sales up by a revised 0.96% [previously 1.11%]. With headline monthly inflation at minus 0.01% (-0.01%) for both December and November, and at 0.31% in October, the real results were worse for October, about the same for November and December, net of CPI-U inflation, as regularly calculated by the Saint Louis Fed. Aggregate month-to-month sales decline was the worst since 2009, at the depths of the last recession.

Separately, year-to-year nominal Retail Sales slowed to 2.27% in December 2018, versus a revised 4.15% [previously 4.22%] in November 2018, with real annual growth slowing to 0.33% in December 2018, versus a revised 1.91% [previously 1.96%], again, levels rarely seen outside of formal recessions. See *Graphs 1* to *3* in the opening *Latest Near-Term Indicators* section of *No. 983-B.*

Again, discussed here regularly, excessive tightening and rate hikes by the Federal Reserve since late 2017 have impaired consumer liquidity, which drives three-fourths of the GDP. In the week ahead, market expectations for pending economic activity (including the initial estimate of fourth-quarter 2018 GDP) should take a hit, with concerns mounting for an early-2019 recession onset, also discussed in the opening *Latest Near-Term Indicators* section (*No. 983-B*).

(Feb 14) **January 2019 Producer Price Index** (Bureau of Labor Statistics). Collapsing gasoline prices continued to dominate ***PPI-Final Demand*** **(*PPI-FD)*** inflation, along with downside pressure on wholesale food prices. Details were in the context of annual category re-weightings and revised seasonal adjustments. January ***PPI-Final Demand*** inflation dropped by an adjusted 0.09% (-0.09%) from "unchanged" at 0.00% in December, up respectively year-to-year by 2.01% and 2.52%. ***Services***: monthly inflation was up by 0.25% in January 2019, down by 0.09% (-0.09%) in December 2018, with annual inflation up by 2.79% in January 2019 versus 2.15% in December 2018. For the same periods, ***Goods:*** were down monthly by 0.78% (-0.78%) in January, versus up 0.27% in December, with annual inflation slowing to 0.53% from 3.50%. ***Construction:*** monthly inflation rose to 0.65% in January, from 0.08% in December, with annual inflation rising to 4.87% versus 3.06%. See *Table 1* in the *Inflation* section of *No. 983-B*. Details will be reviewed in *Commentary No. 984.*

(Feb 13) **January 2019 Consumer Price Index (**Bureau of Labor Statistics). The unadjusted annual Consumer Price Inflation (CPI-U) slowed to a 27-month low 1.6% (1.55% at the second decimal point, versus an unrevised 1.9% (1.95%) in December 2018. Full-year 2018 Annual CPI-U inflation at 2.44%, however, was the highest level since 2011. Dominated and heavily depressed by a continued plunge in gasoline prices, seasonally adjusted ***Monthly January 2019 CPI-U inflation held "unchanged" at 0.0% for the third month,*** down by 0.01% (-0.01%) in November and December 2018, down 0.02% (-0.02%) in January 2019, all in the context of annual seasonal-adjustment revisions back to 2014. Previously, November had gained 0.02%, December had declined by 0.6% (-0.6%). See *Graphs 7* and *8*, and *Table 1* in the *Inflation* section of *No. 983-B*. The annual revisions, including the CPI-W and C-CPI-U will be reviewed in *Commentary No. 984.*

For the last three years, the seasonal-adjustment revisions consistently shifted quarterly inflation from the fourth and first quarters to the second quarter, with neutral third-quarter impact. The revised adjustments primarily were due to the wildly unstable, shifting gasoline prices. The effect there had reverse impact on revised inflation-adjusted real economic growth rates, such as seen with Nonsupervisory Real Average Weekly Earnings (the lower the inflation, the higher the real growth) shifting quarterly real growth to fourth- and first-quarters 2018 from second-quarter 2018 (see *Graph 29* of *No. 983-B*).

By major CPI-U sector, January 2019 monthly ***Food*** monthly inflation was 0.22%, versus 0.35% [previously 0.37%] in December 2018, monthly ***Energy*** inflation dropped for the second month, down by 3.15% (-3.15%) in January 2019, versus a decline of 2.61% (-2.61%) [previously 3.46% (-3.46%)] in December, with ***Core*** inflation (net of food and energy) at 0.24% in January, versus 0.18% [previously 0.21%] in December.

January 2019 ***CPI-W*** declined month-to-month by an adjusted 0.08% (-0.08%), versus a revised monthly decline of 0.12% (-0.12%) [previously 0.22% (-0.22%)] in December. Unadjusted and unrevised, annual ***CPI-W*** was 1.33% in January 2019 versus 1.77% in December 2018.

January 2019 *C-**CPI-U*** rose year-to-year by an unadjusted adjusted 1.39%, versus a revised 1.70% in December 2018.

The January 2019 **ShadowStats Alternate CPI (1980 Base)** inflation slowed year-to-year to 9.2% [9.25% at the second decimal point] from 9.6% [9.63%] in December 2018, while **ShadowStats Alternate CPI (1990 Base)** inflation slowed year-to-year to 5.1% in January 2019 from 5.5% in December 2018. See *Graphs 7, 8, and Table 1* in the *Inflation* section of *No. 983- B*. Updated graphs, data and an inflation calculator are posted on the Alternate Data tab of www.ShadowStats.com.

As noted with the December 2018 detail, ***Full-Year 2018 Annual CPI-U inflation*** at 2.44% was the highest since 2011, up from 2.13% in 2017. Rising inflation here was due to extreme variability in oil prices, driven largely by factors other than economic activity. The FOMC canard of soaring inflation being due to an "overheating" economy simply was used as an excuse for hiking interest rates.

Full-Year 2018 Annual ShadowStats Alternate CPI inflation rose to 10.2% [10.21%] in 2018 from 9.9% [9.87%] in 2017 (1980-Base), and rose to 6.0% in 2018 versus 5.7% in 2017 (1990-Base). Again, the inflation series will be reviewed in *Commentary No. 984*.

(Feb 6, Shutdown Delayed) **November 2018 Trade Deficit** (Census Bureau and Bureau of Economic Analysis). The November deficit narrowed sharply in the month by \$6.4 (-\$6.4) billion, on top of a deepened October deficit in revision. The monthly change reflected a drop of \$1.3 (-\$1.3) billion in exports (an economic negative), more than offset by a drop of \$7.7 (-\$7.7) billion in imports (an economic positive). The import decline was dominated by Consumer Goods (likely reflective of troubled Holiday Sales) and Petroleum Products. Slowing sales of Consumer Goods was confirmed with the later December Retail Sales and CASS Freight Index™ releases.

Where the third-quarter Real Merchandise Trade Deficit had set a record shortfall, what had been a continuing trend of sharp deterioration in October mellowed with the November data. Yet, with the December 2018 deficit (shutdown-delayed release scheduled for March 6th) likely to widen anew, fourth-quarter 2018 activity still remains on track for a new record deficit, with negative implications for fourth-quarter GDP and for the U.S. dollar, shown in *Graph 11* and discussed in the *Economic Conditions Section* of *No. 983-B.*

(Feb 1) **January 2019 Payroll Jobs and Benchmarking; Employment/Unemployment and Related Population Re-Estimation** (Bureau of Labor Statistics—BLS)**.** ***Broader Unemployment Rates Jumped Sharply***. Where headline January U.3 Unemployment Rate rose to 4.00% from 3.86% in December, January U.3 would have been 3.89% without the government shutdown. Yet, the broader U.6 unemployment rate jumped to 8.07% in January from 7.59% in December, and, on top of U.6, the ShadowStats Alternate Unemployment Estimate, including long-term discouraged/displaced workers (not counted by the BLS) rose to 21.8% in January from 21.4% in December. The broader rates also would have been lower by 0.1%, net of shutdown impact, although there could have been some added upside pressure from the increase in people working part-time for economic reasons, yet the headline surge in discouraged workers was not affected, by definition.

Graph 28 in *No. 983-B* of the various unemployment measures is found in the earlier *Consumer Conditions Section* there and has been posted along with the related data on the www.ShadowStats.com web site (click on the Alternate Data Tab there for the graph, along with the hard numbers available there). *Graph 21* and *22* are in the *Most of the Economy Has Seen No Economic Expansion* section in *No. 983-B*.

The BLS revised its Population and Labor Force Estimates lower by 800,000 (-800,000) and 506,000 (-506,000), respectively, in its annual January revision. While that had no impact on the percentages, such as unemployment rates, it ran counter to what was seen in otherwise soaring counts of marginally attached and discouraged workers and those working part-time because they could not find full-time employment, as tallied in the broader U.6 rate.

The BLS also published its annual Payroll Benchmark Revisions, which were minimally higher, as expected, with negligible impact on monthly changes, except for revision patterns suggestive of an added growth accelerator. Full coverage of headline labor details, payroll benchmark revisions and population redefinitions follows in *Commentary No. 984*.

January 2019 Payroll Employment Jumped Sharply, Boosted Once Again by Downside Revisions to the Prior Month and Possible Unrecognized Government Shutdown Impact. Unaffected by the government shutdown, in theory, despite 800,000 workers furloughed or forced to work without timely pay, January Payrolls gained a headline 304,000 jobs. Yet, that was in the context of the initial 312,000 December jobs gain revising lower by 90,000, to 222,000.

As a separate issue, all furloughed government workers who took part-time jobs, in order to make ends meet, were double counted, first as employed by the government and second in terms of their part-time employment. Again, full reporting, benchmarking and new-accelerator details follow in pending *Commentary No. 984.*

(Feb 1, Shutdown Delayed) **November 2018 Construction Spending** (Census Bureau, February 1st, Shutdown Delayed). The monthly nominal spending gain of 0.8% in November was in the context of continuing, more-than-offsetting, sharp downside revisions to prior activity (October and September in the latest detail), and as reflected the third straight negative year-to-year, inflation-adjusted real change. The broad picture remained one of contracting broad economic activity, with real Construction Spending on track for its second-consecutive quarterly contraction.

Headline details showed monthly changes of an unrevised August monthly decline of 0.4% (-0.4%), a September revised drop of 1.8% (-1.8%) [previously 0.1% (-0.1%)], October up by 0.1% [previously down 0.1% (-0.1%)] and November up by 0.8%. After an unrevised annual August 2018 real gain of 1.9%, successive annual real declines (September to November 2018) ran 0.4% (-0.4%), 1.0% (-1.0%) and 0.8% (-0.8%). The headline weakness and downside revisions have been reflected in both the Private and Public Construction Sectors, most heavily tied to Residential Construction.

The intensifying weakness, through this latest November reporting, tended to confirm the ongoing downturn in Residential Sales, as follows (New-Home Sales reported through November), Existing-Home Sales through December). See *Graphs 21* to *27* in the *Most of the Economy Has Seen No Economic Expansion* section of *No. 983-B*.

(Jan 31, Shutdown Delayed) **November 2018 New-Home Sales** (Census Bureau, January 31st, Shutdown Delayed) was the first post-Shutdown data catch-up. This extremely unstable series showed a deepening housing recession, despite its regular nonsense volatility. Monthly sales jumped by a statistically insignificant 16.9% (up by 20.8% net of revisions), with sales falling by a statistically insignificant 7.7% (-7.7%) year-to-year, still shy by 52.7% (-52.7%) of recovering its pre-recession peak. With two months in place for fourth-quarter 2018, the series remained in a deepening six-month smoothed downtrend, and on track for its third consecutive quarter-to-quarter contraction, as already exceeded by the Existing-Home sales series. See *Graph 26* in the *Most of the Economy Has Seen No Economic Expansion* section of *No. 983-B.*

(Jan 22) **December 2018 Existing-Home Sales** (National Association of Realtors [NAR], January 22nd). Reporting of monthly Existing-Home Sales rarely is revised meaningfully in the next month, and always is more stable than the highly volatile and heavily revised New-Home Sales series. December 2018 sales fell in a deepening downtrend, with month-to-month and year-to-year contractions of 6.4% (-6.4%) and 10.3% (-10.3%), following November's revised monthly gain of 2.1% [previously 1.9%] and revised annual decline of 6.8% (-6.8%) [previously 7.0% (-7.0%)].

For the twelve trailing months of sales through December 2018, year-to-year activity was down by 3.5% (-3.5%), versus down by 2.6% (-2.6%) in November 2018. December 2018 activity was shy of ever having recovered its pre-recession high by 31.4% (-31.4%), have completed its fourth-consecutive quarter-to-quarter contraction of 6.9% (-6.9%) in fourth-quarter 2018. See *Graph 27* in the *Most of the Economy Has Seen No Economic Expansion* section of *No. 983-B.*

[Discussion of Pending and Delayed Economic Releases Begins on the Following Page.]

Pending Economic Releases

PENDING ECONOMIC RELEASES FOR THE WEEK AHEAD: Following is background on major economic releases due in the next week.

Note: Summary ShadowStats observations of major economic releases are posted in real time, as soon as possible (usually within two hours of the headline release), to the *Daily Update* section at the top right-hand portion of the *www.ShadowStats.com* homepage.

(21 Feb) **New Orders for Durable Goods (December 2018).** Catch-up reporting of shutdown-delayed December 2018 New Orders for Durable Goods is scheduled for release on Thursday, February 21st, by the Commerce Department at 8:30 a.m. Eastern Time. ShadowStats coverage of summary headline detail and observations will follow in the ***Daily Update*** section of the *ShadowStats* home page, within roughly two hours of the headline release.

Expectations usually are reasonably positive for this series, but net of the volatile commercial aircraft orders, chances for a downside movement here remain strong, given sharp declines in December Retail Sales and January Manufacturing activity. Look for:

> **Net of the irregular activity in commercial aircraft orders, aggregate new orders likely pulled back sharply, reflecting weakening consumer demand for motor vehicles and other durable goods.**

Where commercial aircraft orders are booked for the long-term—years in advance—they have only limited impact on near-term production volatility. Further, by their nature, these types of orders do not lend themselves to seasonal adjustment. As a result, the durable goods measure that best usually serves as a leading indicator to broad production—a near-term leading indicator of broad economic activity and the GDP—is the activity in new orders, ex-commercial aircraft, adjusted for inflation. With expectations relative flat for new orders, ex-aircraft, the headline change in month-to-month activity remains a fair bet to be in contraction, particularly in real terms.

In inflation-adjusted or real terms, reflecting PPI-related inflation for "manufactured durable goods," relative month-to-month and year-to-year New Orders activity will be dampened on both a monthly and annual basis. Month-to-month related inflation for December 2018 was 0.06%, versus 0.11% in November and 0.29% in October. Year-to-year, annual inflation was 3.29% in December 2018, versus 3.30% in November 2018, and 3.24% in October 2018.

Special Note: The Bureau of Labor Statistics (BLS) terminated its reporting of inflation for "manufactured durable goods," effective with the December 2018 release. ShadowStats will discuss the replacement series to be used here, going forward, in *Commentary No. 984*.

(21 Feb) **Existing-Home Sales (January 2019).** January 2019 Existing-Home Sales numbers are scheduled for release by the National Association of Realtors (NAR) at 10:00 a.m. Eastern Time. ShadowStats coverage of summary headline detail and observations will follow in the ***Daily Update*** section of the *ShadowStats* home page, within roughly two hours of the headline release. With no relief yet on consumer liquidity stresses, despite FOMC harrumphing about holding on further interest rate hikes, the Housing Market should continue showing weakened demand.

> **Look for month-to-month seasonally adjusted Existing-Home Sales to weaken further, along with continuing year-to-year sales contraction and a deepening six-month smoothed downtrend.**

(26 Feb) **New Residential Construction, Housing Starts and Building Permits (December 2018).** Catch-up reporting of shutdown-delayed December 2018 New Residential Construction is scheduled for release at 8:30 a.m. Eastern Time. ShadowStats coverage of summary headline detail and observations will follow in the ***Daily Update*** section of the *ShadowStats* home page, within roughly two hours of the headline release. With no relief yet on consumer liquidity stresses, smoothed New Residential Construction likely continued in a meaningful downtrend, despite this most-unstable, volatile and heavily revised of construction reporting series (Housing Starts).

> **Look for neither adjusted month-to-month, nor unadjusted year-to-year reporting of New Residential Construction to be close to statistically significant. That said, smoothed quarterly, six-month and annual data should continue in meaningful, deepening contractions.**

(28 Feb) **Gross Domestic Product (Fourth-Quarter 2018).** Discussed in today's opening ***Updated Alert*** section, catch-up reporting of the shutdown-delayed first and second estimates of Fourth Quarter 2018 GDP will be published in one consolidated report on February 28th (8:30 a.m. Eastern Time) by the Bureau of Economic Analysis.

> **Look for annualized real quarterly growth to come in well below the consensus 2.5%, perhaps at 1.5%, reflecting rapidly deteriorating fourth-quarter economic conditions that only have just begun to surface in delayed headline detail. Slowing activity was triggered by FOMC tightening.**

Note: Headline results and analysis for most major economic series are posted to the *DAILY UPDATE* column of www.ShadowStats.com, usually within two hours of the headline release.

Delayed Economic Releases

Following are rescheduled release dates in the month ahead for some major economic releases delayed by the government shutdown. All the series are generated by the Commerce Department, either Census Bureau (Census) or Bureau of Economic Analysis (BEA).

Release Date	**Series**	**Agency**
21 Feb	**Durable Goods Orders, December 2018**	**Census**
26 Feb	**Housing Starts, December 2018**	**Census**
28 Feb	**Fourth Quarter GDP, Initial Reporting**	**BEA**
4 Mar	**Construction Spending, December 2018**	**Census**
5 Mar	**New Home Sales, December 2018**	**Census**
6 Mar	**Trade Deficit, December 2018**	**Census**

Prior Commentaries and Current Hyperinflation and Consumer-Liquidity Watches

Most Recent *Hyperinflation* and *Consumer-Liquidity Watches*: The latest Watches always are available on www.ShadowStats.com and by link from the current *Commentary*. Updates are advised by e-mail when they are posted. Many components of these ***Watches*** were updated in today's *Special Commentary No. 982-A* or will be in *983-B*. Fully updated *Watches* will follow in March.

The ***Hyperinflation Watch*** of December 11, 2018: *Hyperinflation Watch No. 4* – Special Edition (with the standing *Alert* updated earlier in today's section.

The ***Consumer Liquidity Watch*** of November 21, 2018: *Consumer Liquidity Watch No. 5* – Special Edition.

Special Pieces Underlying the Current Outlook: *Commentaries* of 2018 and 2017 laid the groundwork for the *Special Commentary No. 983-A* and *Special Commentary No. 983-B*, including in particular *Special Commentary No. 885*, entitled *Numbers Games that Statistical Bureaus, Central Banks and Politicians Play*, *Special Commentary No. 888*, discussing political risks, *Commentary No. 967*, *Special Commentary No. 968-Extended*, *Commentary No. 969-Extended*, *Commentary No. 970*, *Commentary No. 974*, *Commentary No. 978 - Part I*, *Commentary No. 978 – Part II*, *Commentary No. 981* and *Commentary No. 982*, as well as the earlier *Special Commentary No. 935*, are *Commentary No. 899* and *General Commentary No. 894*.

The general outlook also incorporates writings of prior years, including *No. 777 Year-End Special Commentary* (December 2015), *No. 742 Special Commentary: A World Increasingly Out of Balance* (August 2015) and *No. 692 Special Commentary: 2015 - A World Out of Balance* (February 2015). In turn, they updated the long-standing hyperinflation and economic outlooks published in *2014 Hyperinflation Report—The End Game Begins – First Installment Revised* (April 2014) and *2014 Hyperinflation Report—Great Economic Tumble – Second Installment* (April 2014).

The two *Hyperinflation* installments remain the primary background material for the hyperinflation circumstance. Other references on underlying economic reality are the *Public Commentary on Inflation Measurement* and the *Public Commentary on Unemployment Measurement*.

Regular and Special Commentaries: *[Listed here are* Commentaries *of the last year or so, including* Special Commentaries *and a sampling of others covering a variety of non-monthly issues, including annual benchmark revisions. Please Note: Complete ShadowStats archives back to 2004 are available at www.ShadowStats.com (left-hand column of home page).]*

These regular *Commentaries* should be published about weekly, current circumstance excluded, with *Consumer Liquidity* and *Hyperinflation Watches* updated every month or so, updating general economic, consumer-liquidity and financial-market circumstances as they develop.

Commentary No. 982 (January 10th) reviewed extraordinary stock-market circumstances and the December 2018 Employment/Unemployment reporting and the related Benchmark Revisions to that series, December Payroll Employment and December Monetary Conditions.

Commentary No. 981 (January 3rd) reviewed the November 2018 Retail Sales, Industrial Production, New Residential Construction, Home Sales, New Orders for Durable Goods, the Cass Freight Index™ and the third "final" estimate of Third-Quarter 2018 Gross Domestic Product (GDP).

Some Thoughts on the Stock Market (No. 980) (December 26th), offered brief comments on unfolding, extreme stock-market volatility.

Commentary No. 979 (December 19th) disccused the FOMC meeting of December 19th and reviewed the November 2018 employment and unemployment reporting, the October Trade Deficit and the November 2018 Consumer and Producer Prices Indices and related consumer-liquidity indicators.

Commentary No. 978 – Part II (December 5th) completed *Part I*, reviewing the October 2018 New Residential Construction, New-and Existing-Home Sales and Construction Spending, the second estimate of Third-Quarter GDP and the initial estimates of Third-Quarter GDI and GNP. It also updated the *No. 973 ALERT*.

Commentary No. 978 - Part I (December 1st) covered deteriorating economic and consumer-liquidity conditions and evolving FOMC policy, the October 2018 Consumer and Producer Prices Indices, Retail Sales, Industrial Production, New Orders for Durable Goods and the CASS Freight Index™.

Commentary No. 977 (November 6th) detailed the October 2018 employment and unemployment reporting, the September Trade Deficit and Construction Spending and October monetary conditions.

Commentary No. 976 (October 30th) reviewed the first or "advance" estimate of Third-Quarter 2018 GDP, September 2018 New Orders for Durable Goods, September New-Home Sales, the "advance" September and third-quarter 2018 Trade Deficit and an updated review of underlying economic reality.

Commentary No. 975 (October 22nd) covered FOMC policy and deteriorating consumer- and systemic-liquidity conditions along with headline September 2018 Retail Sales, Industrial Production, New Residential Construction (Building Permits, Housing Starts), Existing-Home Sales, the Cass Freight Index™, Hurricane Impact and pending Elections.

Commentary No. 974 (October 15th) expanded upon elements of the *No. 973 ALERT*, previewed elements of updated consumer and systemic liquidity measures and covered the September 2018 Consumer and Producer Price Indices.

Special Commentary No. 973 – ALERT (October 14th) was a single-page discussion and warning of rapidly mounting risks of instabilities in the domestic financial markets in six months ahead. See the latest *Hyperinflation* and *Consumer-Liquidity Watches* and *Commentary No. 970.*

Commentary No. 972 (October 7th) covered September 2018 Employment and Unemployment, Conference Board Help Wanted OnLine® Advertising, Monetary Conditions and the August Trade Deficit and Construction Spending.

Commentary No. 971 (October 3rd) reviewed August 2018 New Residential Construction, Existing- and New-Home Sales, New Orders for Durable Goods and the third estimate of Second-Quarter 2018 GDP, along with an updated review of underlying economic reality.

Commentary No. 970 (September 26th) discussed a potential, pending Tipping Point in the U.S. financial markets along with a review of August 2018 CPI, PPI, Retail Sales, Industrial Production and the CASS Freight Index™.

Commentary No. 969-Extended (September 16th) Reviewed the reporting of 2017 Real Median Annual Household Income and related measures of Income Dispersion, along with extended coverage of the August 2010 Employment and Unemployment numbers, including an updated Supplemental Labor-Detail Background Supplement.

Flash Commentary No. 969-Advance (September 7th) covered initial headline employment and unemployment detail for August 2018 (expanded upon in *No 969-B*), July Construction Spending, the July Trade Deficit and a review of August Monetary Conditions.

Special Commentary No. 968-Extended (September 6th) reviewed underlying economic reality, in the context of statistical deception used in boosting headline GDP activity, and against the background of extended analysis of the 2010 Comprehensive GDP Benchmarking. Separately covered was extended coverage of the second estimate of second-quarter 2018 (see *Flash Commentary No. 968-Advance*).

Flash Commentary No. 968-Advance (August 29th) provided a summary review of the headline first revision, second estimate of Second-Quarter 2018 GDP and initial estimates of GDI and GNP. Also updated were early indications from the latest Consumer Liquidity measures.

Commentary No. 967 (August 24th) discuused the annual squirrely season and reviewed July 2018 New Orders for Durable Goods and New- and Existing-Home Sales and the preliminary benchmark revision to 2018 payroll employment.

Commentary No. 966 (August 17th) reviewed July 2018 Retail Sales, Industrial Production, New Residential Construction and the CASS Freight Index™.

Commentary No. 965 (August 12th) covered the July 2018 Consumer and Producer Price Indices (CPI and PPI), and Real Average Weekly Earnings and deteriorating consumer liquidity conditions.

Commentary No. 964-A (August 3rd) preliminary coverage of July 2018 Employment/Unemployment, Conference Board Help Wanted OnLine® Advertising, M3 and the June Trade Deficit and Construction Spending.

Commentary No. 963 (July 31st) reviewed June Retail Sales, Industrial Production, New Orders for Durable Goods and the Cass Freight Index, all in the context of the GDP revisions and unfolding, underlying economic reality.

Commentary No. 962 (July 27th) provided initial coverage of the first or "advance" estimate of Second-Quarter 2018 Gross Domestic Product (GDP) and the Comprehensive Benchmark Revisions to the series back to 1929. A full update and extended coverage are the September 6th *Special Commentary No. 968-Extended.*

Commentary No. 961 (July 26th) provided full coverage on New Residential Investment (Housing Starts, Building Permits and New- and Existing-Home Sales. Preliminary coverage was provided on June Retail Sales, Industrial Production, New Orders for Durable Goods and the Cass Freight Index™, all of which were expanded upon in *Commentary No. 963.*

Commentary No. 960 (July 15th) reviewed the June Consumer and Producer Price Indices (CPI and PPI), Real Earnings and related implications for consumer and systemic liquidity

Commentary No. 959-B (July 11th) provided extended detail on June 2018 Employment and Unemployment, the May 2018 Trade Deficit and updated economic outlook, along with expanded discussion on issues affecting the credibility of the headline employment and unemployment data.

Commentary No. 959-A (July 6th) provided flash headlines and summary details of the June 2018 Employment and Unemployment and the May 2018 Trade Deficit, expanded upon in *Commentary No. 959-B* and headline coverage of June 2018 Conference Board Help Wanted OnLine® Advertising.

Commentary No. 958 (July 3rd) covered May 2018 Construction Spending and the accompanying annual benchmarking to that series.

Commentary No. 957 (July 1st) covered May 2018 New Orders for Durable Goods and the third estimate of First-Quarter 2018 Gross Domestic Product (GDP) and the coincident second estimates of Gross National Product (GNP) and Gross Domestic Income (GDI).

Commentary No. 956 (June 27th) reviewed May 2018 Retail Sales, Industrial Production, New Residential Construction (Housing Starts and Building Permits), New- and Existing-Home Sales, along with detail on the May 2018 Cass Freight Index™ and some potential twists to the pending July 27th Comprehensive Benchmark Revision to the GDP.

Commentary No. 955 (June 18th) analyzed May 2018 inflation as reported with the May 2018 Consumer and Producer Price Indices (CPI and PPI), Real Average Weekly Earnings, along with the latest

Hyperinflation Watch covering FOMC policy, the U.S. dollar and financial markets. Summary headline details also were provided for May Retail Sales, Industrial Production and the Cass Freight Index™.

Commentary No. 954 (June 8th) reviewed the comprehensive annual benchmark revisions to the Trade Deficit, in the context of recent benchmark revisions to other major economic series and implications for the pending GDP benchmark revisions. Such also covered the headline reporting of the April 2018 headline Trade Deficit detail and an updated Consumer Liquidity Watch.

Commentary No. 953-B (June 5th) analyzed the discrepancies between the record-low headline unemployment rate and near-record-high readings of labor-market stress, in the context of extended coverage the May 2018 Employment and Unemployment and April 2018 Construction Spending, previously headlined in *No. 953-A.*

Commentary No. 953-A (June 1st) provided flash headlines and summary details of the May 2018 Employment and Unemployment and April 2018 Construction Spending, expanded upon in the supplemental coverage of *Commentary No. 953-B.* Current monetary conditions were reviewed, along with the initial estimate of annual growth in the May 2018 ShadowStats Ongoing Estimate of Money Supply M3.

Commentary No. 952 (May 30th) reviewed the second estimate of First-Quarter 2018 GDP, initial estimates of first-quarter GNP and GDI, extended detail on the annual benchmarking of the Retail Sales series, and headline coverage of the May 2018 Conference Board Help Wanted OnLine® Advertising.

Commentary No. 951 (May 25th) reviewed April 2018 New Orders of Durable Goods, in the context of the annual revisions (see prior *No. 950*), New- and Existing-Home Sales and brief coverage of the annual benchmarking of the Retail Sales series.

Commentary No. 950 (May 20th) reviewed April Retail Sales, Industrial Production, New Residential Construction (Housing Starts, Building Permits and annual revisions), the Cass Freight Index™ and annual benchmark revisions to Manufacturers' Shipments, including New Orders for Durable Goods.

Commentary No. 949 (May 11th) reviewed inflation as reported with the April 2018 Consumer and Producer Price Indices (CPI and PPI), Real Average Weekly Earnings, along with the latest *Hyperinflation Watch* on the U.S. dollar and financial markets.

Commentary No. 948 (May 9th) explored unusual circumstances with April 2018 Employment and Unemployment numbers, along with the April Conference Board Help Wanted OnLine® Advertising, April Monetary Conditions, the March Trade Deficit and Construction Spending, along with the reintroduction of Sentier Research's monthly Real Median Household Income to March 2018.

Commentary No. 947 (April 27th) detailed the first estimate of First-Quarter 2018 GDP and the related Velocity of Money, March New Orders for Durable Goods, New- and Existing-Home Sales and the "advance" estimate of the March 2018 merchandise goods deficit.

Commentary No. 946 (April 22nd) covered March 2018 Retail Sales, Industrial Production, New Residential Construction (Housing Starts and Building Permits), the Cass Freight Index™ and a review of the current state of the GDP reporting and an outlook for first-quarter 2018 activity.

Commentary No. 945 (April 11th) reviewed the March 2018 Consumer and Producer Prices Indices (CPI and PPI), Real Average Weekly Earnings, along with the latest *Hyperinflation Watch* on the U.S. dollar and financial markets.

Commentary No. 944 (April 8th) covered March 2018 Employment and Unemployment, the March Conference Board Help Wanted OnLine® Advertising, March Monetary Conditions and the full February Trade Deficit and Construction Spending.

Commentary No. 943 (March 29th) covered the third-estimate of, second-revision to Fourth-Quarter 2017 GDP and the only estimates to be made in current reporting of the GDI and GDP, as well as the "advance" estimate of the February merchandise trade deficit.

Commentary No. 942-B (March 27th) reviewed the Industrial Production annual benchmark revisions, general reporting-quality issues, February 2018 New Orders for Durable Good, New- and Existing-Home Sales and the Cass Freight Index™.

Commentary No. 942-A (March 23rd) provided a very brief summary of the much more extensive Industrial Production benchmarking details covered in *Commentary 942-B.*

Commentary No. 941 (March 19th) covered February Industrial Production and New Construction Spending (Housing Starts and Building Permits), along with a general discussion in the *Opening Comments* on economic conditions and a preview of the Industrial Production benchmark revisions.

Commentary No. 940 (March 15th) covered February 2018 Retail Sales, CPI, PPI and related Real Average Weekly Earnings, real Annual Growth in M3 and updated financial market prospects.

Commentary No. 939 (March 9th) covered the February 2018 Employment and Unemployment details, the full reporting of the January 2018 Trade Deficit, February Conference Board Help Wanted OnLine® Advertising and February Monetary Conditions.

Commentary No. 938 (March 1st) reviewed January 2018 Construction Spending and the second estimate of Fourth-Quarter 2017 GDP.

Commentary No. 937 (February 27th) covered January 2018, New Orders for Durable, New- and Existing-Home Sales, the "advance" estimate of the January 2018 Merchandise Trade Deficit and the Cass Freight Index™.

Commentary No. 936 (February 19th) covered the January 2018 CPI and PPI, Retail Sales, Industrial Production and New Residential Construction (Housing Starts and Building Permits).

Special Commentary No. 935 (February 12th) was the first part of a three part-series reviewing economic and financial conditions of 2017 and the year-ahead, inflation and the U.S. government's balance sheet and conditions in the U.S. banking system and Federal Reserve options.

Commentary No. 934-B (February 6, 2018) provided extended coverage on the January 2018 Employment and Unemployment details, the 2017 benchmark revisions to Payroll Employment and the January annual recasting of population, along with coverage of the December 2017 Trade Deficit.

Commentary No. 934-A (February 2, 2018) provided initial detail on the January 2018 Employment and Unemployment details and the 2017 benchmark revisions to Payroll Employment, along with coverage of January Conference Board Help Wanted OnLine® Advertising, January Monetary Conditions and December 2017 Construction Spending.

Commentary No. 933 (January 26, 2018) covered December New Orders for Durable Goods, the Cass Freight Index™ and the first estimate of Fourth-Quarter 2017 GDP.

Commentary No. 932 (January 18, 2018) covered December Industrial Production and New Residential Construction (Housing Starts and Building Permits).

Commentary No. 931 (January 15, 2018) reviewed December 2017 Retail Sales and the CPI and PPI, along with an update on the U.S. dollar, the financial markets and gold graphs.

Commentary No. 930-B (January 8th) expanded upon the December 2017 Employment and Unemployment numbers and Household Survey benchmarking, Conference Board Help Wanted OnLine® Advertising, December Monetary Conditions and the November 2017 Trade Deficit and Construction Spending, otherwise headlined in *No. 930-A*.

Advance Commentary No. 930-A (January 5, 2018) provided a brief summary and/or comments (all expanded in *Commentary No. 930-B*) on December 2017 Employment and Unemployment numbers, Household Survey benchmarking, Conference Board Help Wanted OnLine® Advertising, December Monetary Conditions and the November 2017 Trade Deficit and Construction Spending.

General Commentary No. 929 (December 28, 2017) reviewed current economic and market conditions at year-end 2017.

Commentary No. 926 (December 15, 2017) reviewed the headline November 2017 numbers for Retail Sales (both real and nominal), and Industrial Production, along a discussion on the dampening economic impact of business and consumer "uncertainty."

Commentary No. 909 (September 14, 2017) assessed the annual release of 2016 Real Median Household Income, along with a review of August Consumer Price Index (CPI) and the Producer Price Index (PPI) and an updated *Alert* on the financial markets.

Special Commentary No. 904 (August 14, 2017) issued an "Alert" on the financial markets (including U.S. equities, the U.S. dollar gold and silver, as well as FOMC policy), in the context of historical activity and unfolding circumstances of deteriorating economic and political conditions. Separately, headline details were reviewed for the July Consumer Price Index (CPI) and the Producer Price Index (PPI).

Special Commentary No. 888 (May 22, 2017) discussed evolving political circumstances that could impact the markets and the economy, reviewed the annual benchmark revisions to Manufacturers' Shipments and New Orders for Durable Goods and updated Consumer Liquidity Conditions.

Commentary No. 887 (May 18, 2017) reported on the April 2017 detail for Industrial Production and Residential Construction (Housing Starts), with some particular attention to historic, protracted periods of economic non-expansion, of which the current non-recovery is the most severe.

Special Commentary No. 885, entitled *Numbers Games that Statistical Bureaus, Central Banks and Politicians Play*, (May 8, 2017) reviewed the unusual nature of the headline reporting of the April 2017 employment and unemployment details.

Commentary No. 876 (March 30, 2017) current headline economic activity in the context of formal definitions of the business cycle (no other major series come close to the booming GDP, which is covered in its third revision to fourth-quarter activity). Also the February 2017 SentierResearch reading on real median household income was highlighted.

Commentary No. 875 (March 24, 2017) assessed and clarified formal definitions of the U.S. business cycle, which were expanded upon significantly, subsequently, in *No. 876*. It also provided the standard review of the headline February 2017 New Orders for Durable Goods, New- and Existing-Home Sales and the Cass Freight Index™.

General Commentary No. 867 (February 24, 2017) assessed mixed signals for a second bottoming of the economic collapse into 2009, which otherwise never recovered its pre-recession level of activity. Such was in the context of contracting and faltering industrial production rivaling the economic collapse in the Great Depression as to duration. Also covered were prior January 2017 New- and Existing Home Sales.

No. 859 Special Commentary (January 8, 2017) reviewed and previewed economic, financial and systemic developments of the year passed and the post-election year ahead.

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