



In this week's *Highlights*, Ryan Grabinski suggests sentiment remains an asset, economic growth is still in muddle-thru, and trade issues weigh on all sides.

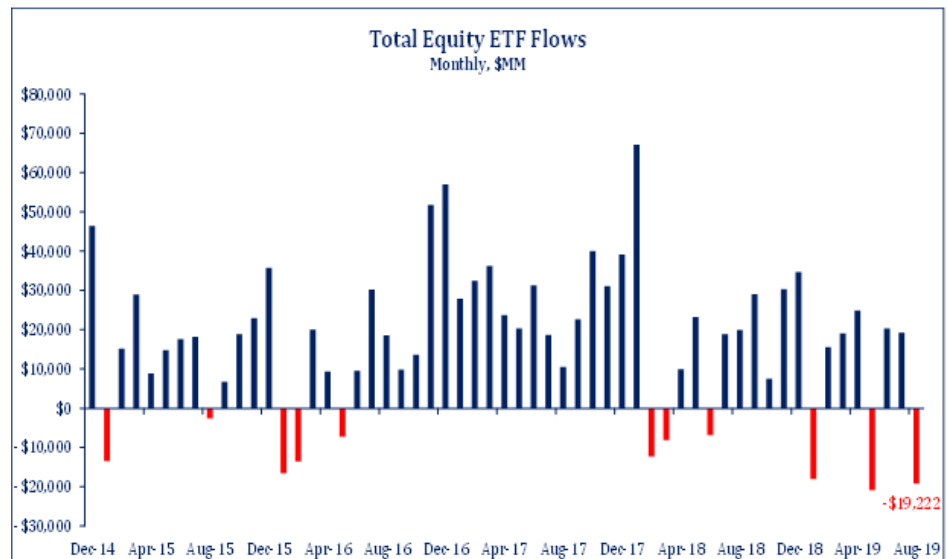


Ryan Grabinski  
Equity Strategist

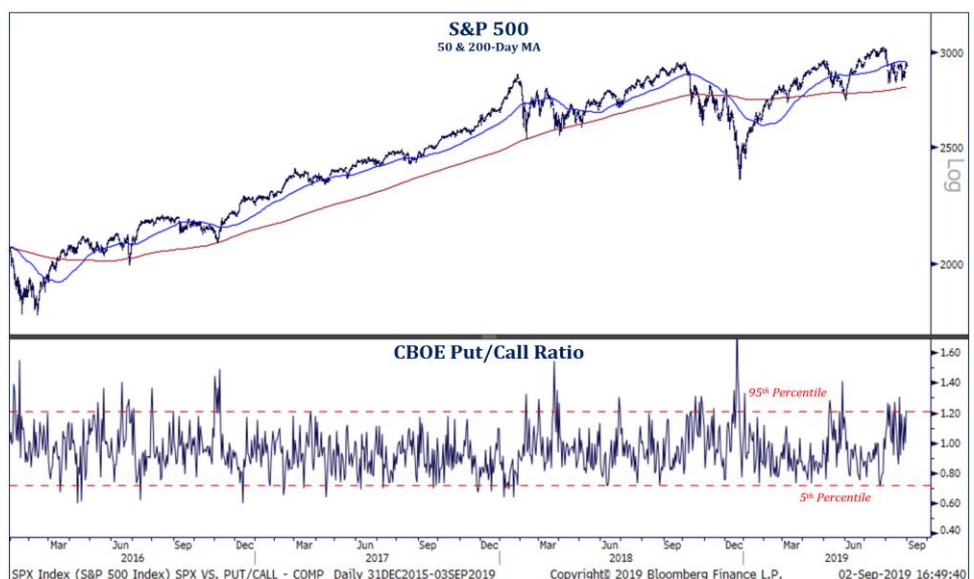
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## Sentiment Remains an Asset For The Market

- August had one of the biggest outflows from U.S equity ETFs in years



- Recently, there have been 9 put/call observations in the 95<sup>th</sup> percentile

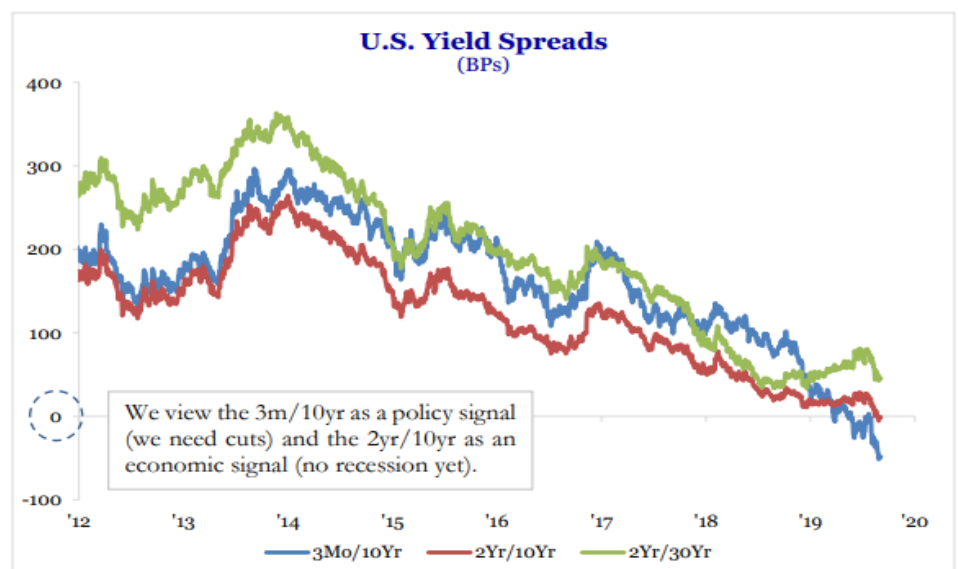


- The Policy Uncertainty Index is in the 99th percentile of all historical data

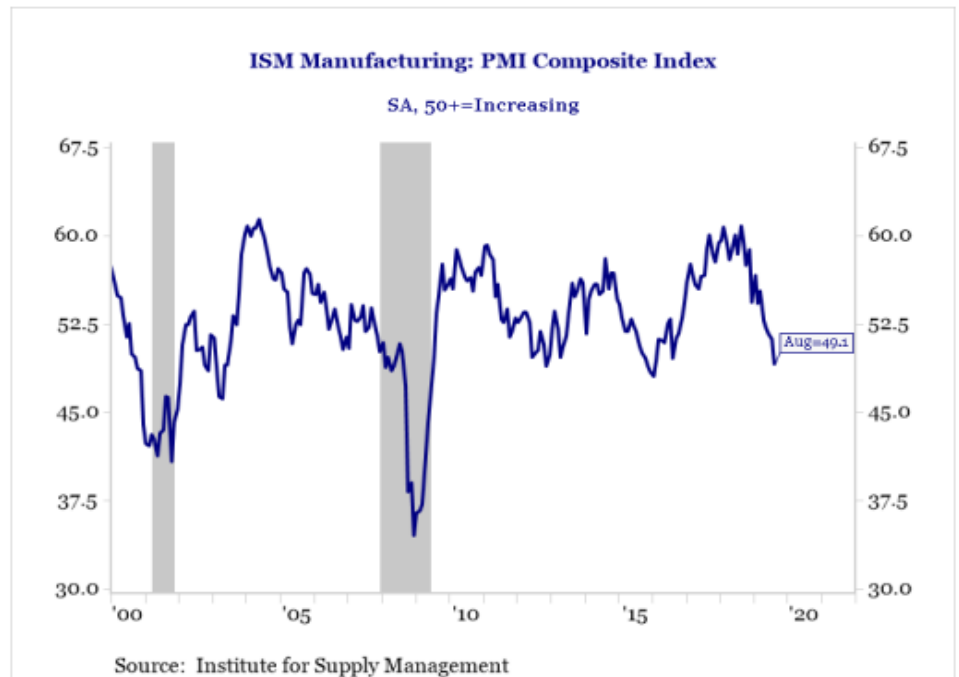


## Economic Growth Appears To Be Stuck In The Muddle-Thru Phase, More Easing Warranted

- Yield curve giving policy signal now, not recession signal yet



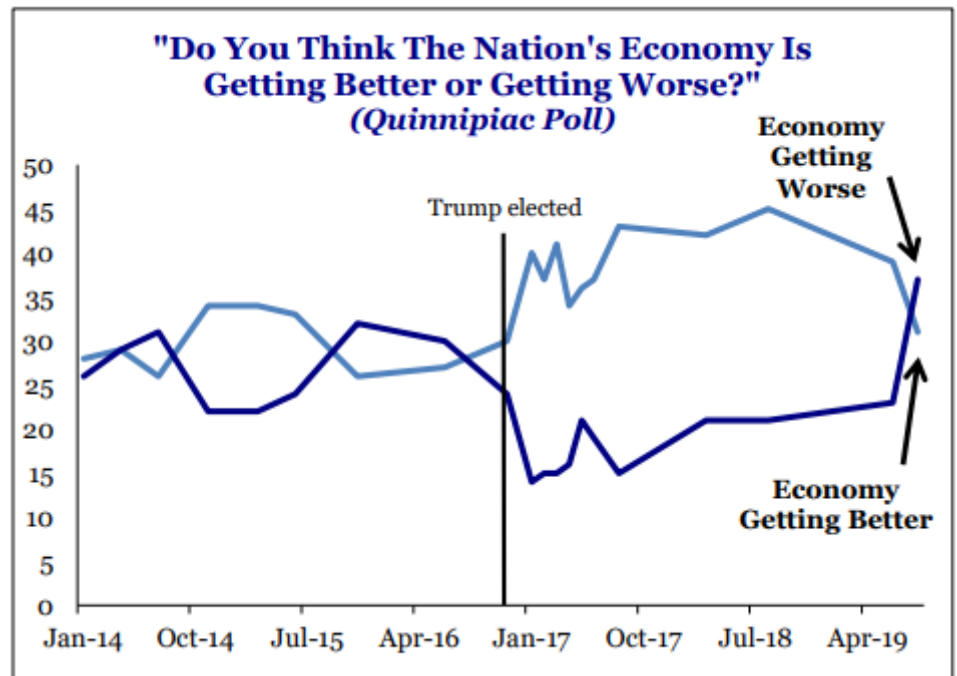
- The U.S. manufacturing ISM PMI (49.1, -2.1) contracted for the first time since August 2016



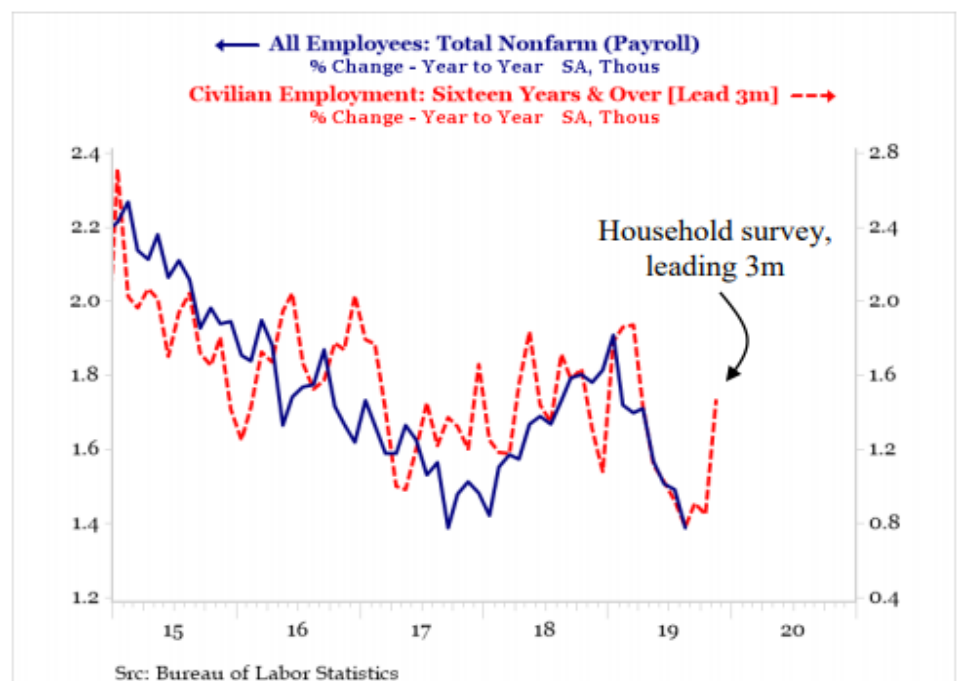
- Consumer remains the workhorse but cracks are starting to appear, consumer sentiment beginning to look topky



- A Quinnipiac poll found more consumers saying the economy is getting worse than better for the first time since Trump was elected

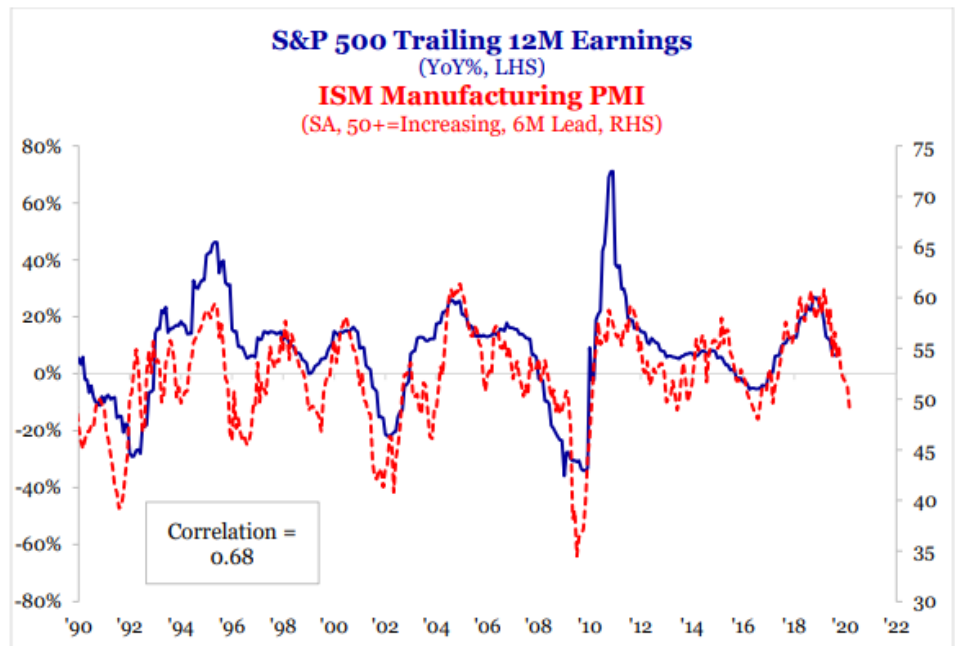


- Headline U.S. nonfarm payrolls number was disappointing in August, up just 130K m/m with downward revisions of -20K to prior months but Household employment, which is a leading indicator, was strong

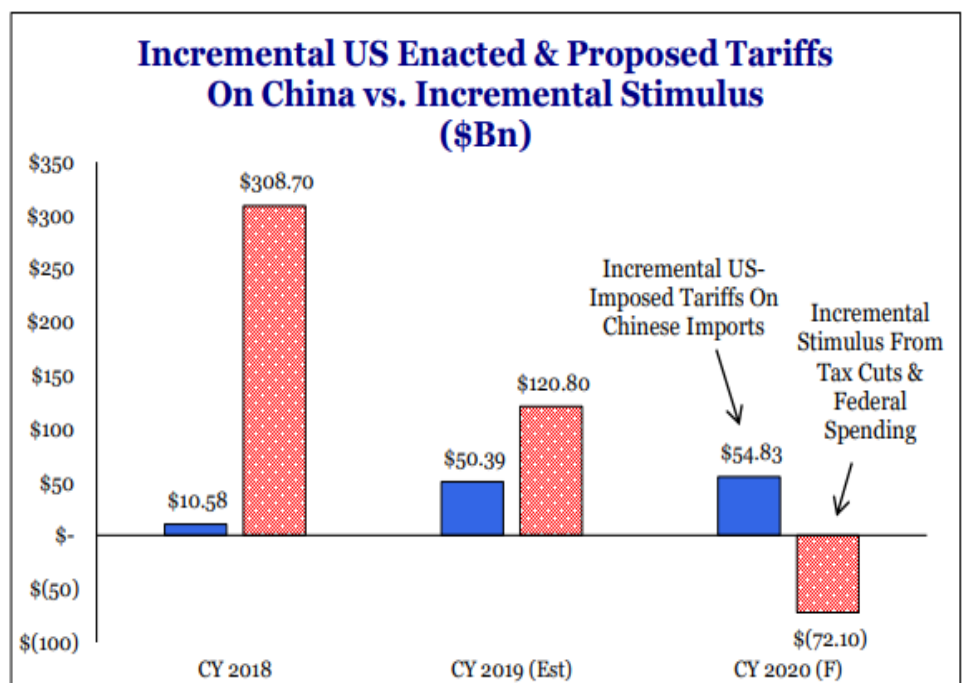


The Trade issue has taken on more of a national security focus in the U.S., rather than just an economic policy discussion.

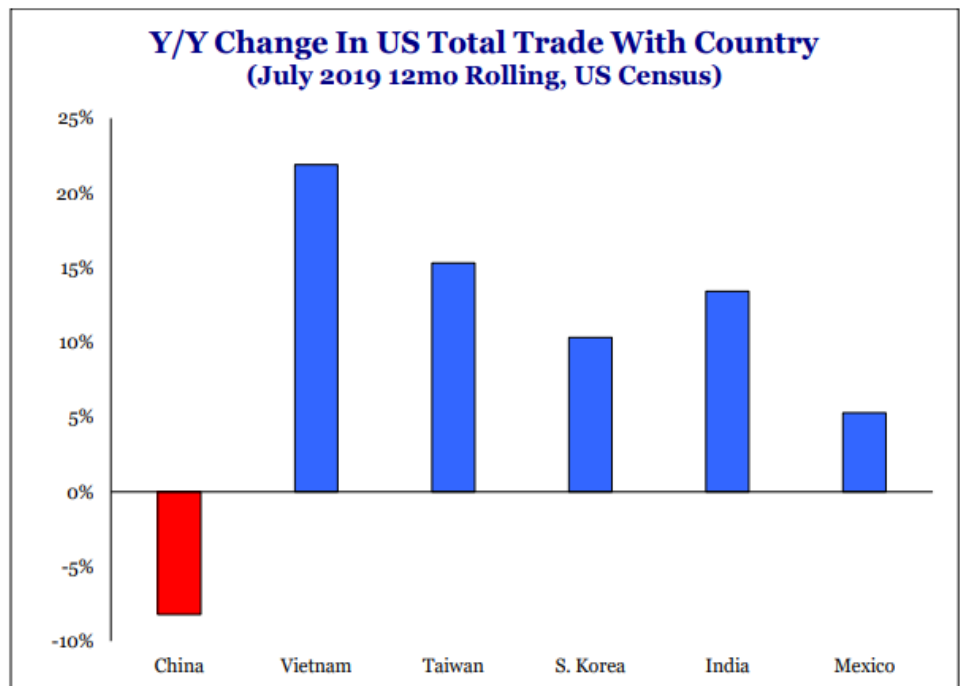
- Tariffs weigh on trade which matters for profits



- For 2020, US-imposed tariffs alone will dwarf fiscal policy



- China feeling economic pressure from the increase in tariffs as well



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