



Week In Review

November 2, 2018

Employment

The economy added 250,000 jobs in October, exceeding consensus expectations. The unemployment rate was unchanged at 3.7%. Average hourly earnings rose 0.2% in October and are up 3.1% over the past twelve months. The labor force participation rate increased to 62.9% from 62.7%.

Our Take: While there are still two employment reports to go before the Fed meets in December, today's report increases the likelihood of a rate increase at that meeting. Higher year-over-year average hourly earnings should bolster the Fed's resolve to fight potential inflation, even if said inflation has yet to appear.

Municipals

Next week voters across the country will decide on over \$76 billion of bond sales, the most since 2006. California has the largest dollar amount of bond issues on the ballot. California voters will decide on \$16.4 billion of borrowing. Texas has \$9.2 billion of bond proposals on its ballot according to Bloomberg.

Our Take: Many municipalities chose to wait on infrastructure projects after the last recession. Many state and local governments have seen their fiscal health improve and are willing to invest in projects and infrastructure improvements. New municipal issues will help boost supply, as municipal issuance this year remains behind 2017 levels.

—There is no additional Week In Review detail for this page.—

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