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NewLeaf Commentary

Investors continued to move toward riskier investments as trade tensions continue to ease with European stocks and U.S. equity futures rising overnight. Yesterday President Trump expressed optimism on reaching a trade deal with China and said that the U.S. may rejoin the Trans-Pacific Partnership free-trade agreement. China runs a consistent trade surplus (see chart below). U.S. Treasury yields are little changed in early trading. Meanwhile Boston Federal Reserve President Rosengren said in a speech this morning that he supports a more aggressive path for rate hikes. He said that he is “quite positive” that the U.S. economy will exceed Fed forecasts and that he expects “somewhat more tightening may end up being needed” than what is reflected in the current forecast. Later in the morning we get a look at the February Job Openings and Labor Turnover Survey (JOLTS), a favorite Fed labor index, which is expected to report 6.024 million unfilled job openings. The U.S. 10-year currently is yielding 2.84%, unchanged from yesterday’s close.

Additional Resources:

