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## The RITE REPORT

The following RITE Report generates indices from the monthly compilation of business, economic, & political news snippets from the Wall Street Journal, IBD, U.S. Government, et al.

### RITE Report

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### CUSTOM RESEARCH:

Please note that custom economic and/or macro investment research and wealth advisory services are available on request.

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### PART 1 - STOCKS

- 1) Macro-Economic Snippets

A) Negative Economic and General Business Data Snippets

03/06

-U.S CENSUS: Manufacturers' Shipments, Inventories, and Orders - New orders for manufactured goods in January decreased \$6.9 billion or 1.4 percent to \$491.7 billion.

03/07

-BLS: Productivity was unchanged (0.0 percent) in the nonfarm business sector in the fourth quarter of 2017; unit labor costs increased 2.5 percent (seasonally adjusted annual rates).

03/09

-U.S CENSUS: Monthly Wholesale Trade - January 2018 sales of merchant wholesalers were \$492.6 billion, down 1.1 percent (+/- 0.7 percent) from last month. End-of-month inventories were \$619.1 billion, up 0.8 percent (+/- 0.4 percent) from last month.

03/14

-U.S CENSUS: Manufacturing and Trade Inventories and Sales - U.S. total business end-of-month inventories for January 2018 were \$1,917.0 billion, up 0.6 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,426.0 billion, down 0.2 percent (+/- 0.2 percent)\* from last month.

-U.S CENSUS: Advance Monthly Sales for Retail and Food Services - U.S. retail and food services sales for February 2018 were \$492.0 billion, a decrease of 0.1 percent (+/-0.5%)\* from the previous month.

03/16

-U.S CENSUS: New Residential Construction - Privately-owned housing starts in February 2018 were at a seasonally adjusted annual rate of 1,236,000. This is 7.0 percent (+/- 16.7%)\* below the revised January 2018 estimate of 1,329,000.

03/19

-U.S CENSUS: Quarterly Financial Report - Manufacturing, Mining, Wholesale Trade, and Selected Service Industries - Manufacturing corporations' seasonally adjusted after-tax profits were \$117.6 billion for the fourth quarter of 2017, down \$30.8 (+/- 1.1) billion from third quarter of 2017.

03/23

-U.S CENSUS: New Residential Sales - Sales of new single-family houses in February 2018 were at a seasonally adjusted annual rate of 618,000. This is 0.6 percent (+/- 13.3%)\* below the revised January 2018 estimate of 622,000.

03/28

-BEA: Profits from current production (corporate profits with inventory valuation adjustment and capital consumption adjustment) decreased \$1.1 billion in the fourth quarter, in contrast to an increase of \$90.2 billion in the third quarter.

04/06

-BLS: Total nonfarm payroll employment edged up by 103,000 in March, and the unemployment rate was unchanged at 4.1 percent. Employment increased in manufacturing, health care, and mining.

Total of Negative General Business and Economic News Snippets: 10

## B) Positive Economic and General Business News Snippets

03/01

-BEA: Personal income increased \$64.7 billion (0.4 percent) in January according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased \$134.8 billion Construction Spending - (0.9 percent) and personal consumption expenditures (PCE) increased \$31.2 billion (0.2 percent).

-U.S CENSUS: Total construction activity for January 2018 (\$1,262.8 billion) was nearly the same as (+/-1.0 percent) the revised December 2017 (\$1,262.7 billion).

03/06

-CPB: The Dutch economy is gathering steam. With growth figures of 3.2% (this year) and 2.7% (in 2019), the Dutch economy will outperform the eurozone by on average 0.6 percentage point, per year. Unemployment is rapidly decreasing to its lowest level since 2001.

03/07

-BLS: In manufacturing, productivity increased 6.0 percent and unit labor costs decreased 3.3 percent.

03/08

-U.S CENSUS: The estimate of U.S. selected services total revenue for the fourth quarter of 2017, not adjusted for seasonal variation or price changes, was \$3,786.8 billion, an increase of 2.2 percent (+/- 0.2 percent) from the third quarter of 2017 and up 5.0 percent (+/- 3.6 percent) from the fourth quarter of 2016. The third quarter of 2017 to fourth quarter of 2017 percentage change was revised from the advance estimate of 2.4 percent (+/- 0.4 percent).

03/09

-BLS: Total nonfarm payroll employment increased by 313,000 in February, and the unemployment rate was unchanged at 4.1 percent. Employment rose in construction, retail trade, professional and business services, manufacturing, financial activities, and mining.

03/13

-BLS: Real average hourly earnings were unchanged in February, seasonally adjusted. Average hourly earnings increased 0.1 percent, and CPI-U increased 0.2 percent. Real average weekly earnings increased 0.3 percent over the month.

03/22

-BLS: In 2017 multifactor productivity increased 0.9 percent in the private nonfarm business sector and 0.8 percent in the private business sector. In both sectors, the increase in multifactor productivity followed decreases in 2016.

-U.S CENSUS: Seasonally adjusted after-tax profits for retail corporations with assets of \$50 million and over were \$28.2 billion for the fourth quarter 2017 (the 3 months ending January 31, 2018), up \$8.2 (+/- 0.2) billion from third quarter 2017 (the 3 months ending October 31, 2017).

03/23

-CPB: The CPB World Trade Monitor shows that the volume of world trade increased 0.9% in January, having increased 0.3% in December (unchanged from the initial estimate).

03/28

-BEA: Real gross domestic product (GDP) increased at an annual rate of 2.9 percent in the fourth quarter of 2017, according to the "third" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2 percent.

03/29

-BEA: Personal income increased \$67.3 billion (0.4 percent) in February according to estimates released today by the Bureau of Economic Analysis.

-BEA: Disposable personal income (DPI) increased \$53.9 billion (0.4 percent) and personal consumption expenditures (PCE) increased \$27.7 billion (0.2 percent).

-FRED - Velocity of M2 Money Stock - 1.432 up from 1.427

04/02

-U.S CENSUS: Total construction activity for February 2018 (\$1,273.1 billion) was 0.1 percent (+/-1.2 percent)\* above the revised January 2018 (\$1,272.2 billion).

04/04

-U.S CENSUS: Manufacturers' Shipments, Inventories, and Orders - New orders for manufactured goods in February increased \$6.0 billion or 1.2 percent to \$498.0 billion.

Total of Positive General Business and Economic News Snippets: 16

Table of Positive v. Negative General Economic & Business News

Month	% Neg	% Pos
2016		
Jan	40%	60%
Feb	41%	59%
March	47%	53%
April	49%	51%
May	42%	58%
June	38%	62%
July	54%	46%
Aug	31%	69%
Sept	38%	62%
Oct	32%	68%
Nov	14%	86%
Dec.	32%	68%
2017		
Jan	34%	66%
Feb	04%	96%
Mar	19%	81%
April	30%	70%
May	22%	78%
June	44%	56%
July	40%	60%
August	17%	83%
Sept	29%	71%

Oct	16%	84%
Nov	32%	68%
Dec	23%	77%
Jan	23%	77%
Feb	35%	65%
March	38%	62%

### 3) Economic Analysis/Indicator Summary

Indicator	TREND/COMMENT
(DAILY) - HIGH YIELD BONDS (HYG) Up (03/07 - 85.63; 03/06 - 85.27)	Negative
(DAILY) - iSHARES SELECT DIVIDEND (DVY) Up (03/07 - 96.67; 03/06 - 94.70)	Negative
03/01 - PURCHASING MANAGERS INDEX Mfg still Expanding: 59.3	Positive
04/02 - CONSTRUCTION SPENDING (Census Bureau) Total construction activity for February 2018 (\$1,273.1 billion) was 0.1 percent (+/-1.2 percent)* above the revised January 2018 (\$1,272.2 billion).	Positive
04/04 - MANUFACTURERS' SHIPMENTS, INVENTORIES, & ORDERS (Census Bureau): New orders for manufactured goods in February increased \$6.0 billion or 1.2 percent to \$498.0 billion.	Positive
04/06 - (BLS) UNEMPLOYMENT	Overall: Positive
<ul style="list-style-type: none"> <li>- Unemployment Rate (BLS): Same at 4.1%: (Neutral)</li> <li>- Civilian Labor Force Participation Rate (BLS): Up - 62.9% (Positive)</li> <li>- Employment-Population Ratio (BLS): 60.4% (Positive)</li> <li>- 03/12 Employment Trends Index (Conference Board TM) Increased (Positive)</li> </ul>	
04/01 - (BLS) PRODUCTIVITY	Overall Positive
Nonfarm Business Sector	
-Productivity unchanged;	Neutral
-Output + 3.2%	Positive

## Manufacturing

-Productivity increased + 6.0%

Positive

-Output: +6.6%

Positive

## 03/19 - QUARTERLY FINANCIAL REPORT - MFG, MINING, WHOLESALE TRADE, & SELECTED SERVICE INDUSTRIES (Census Bureau) -

Manufacturing corporations' seasonally adjusted after-tax profits were \$117.6 billion for the fourth quarter of 2017, down \$30.8 (+/- 1.1) billion from third quarter of 2017.

Negative

03/14 - RETAIL SALES (U.S. Census) Advance estimates of U.S. retail and food services sales for February 2018, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$492.0 billion, a decrease of 0.1 percent ( $\pm 0.5$  percent)\* from the previous month, but 4.0 percent ( $\pm 0.7$  percent) above February 2017.

Negative

03/14 - MANUFACTURING AND TRADE INVENTORIES AND SALES (Census Bureau): U.S. total business end-of-month inventories for January 2018 were \$1,917.0 billion, up 0.6 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,426.0 billion, down 0.2 percent (+/- 0.2 percent)\* from last month. - 0.2%:

Negative

03/28 - INDUSTRIAL PRODUCTION INDEX (INDPRO) - Positive

Uptick: 106.5109

(Year over Year) Positive

03/28 - Velocity of M2 Money Stock: 1.432 -

Positive

03/16 - NEW RESIDENTIAL CONSTRUCTION (U.S. Census): Negative (month over month) Privately-owned housing starts in February 2018 were at a seasonally adjusted annual rate of 1,236,000. This is 5.7 percent ( $\pm 0.7$  percent) below the revised January rate of 1,377,000, but is 6.5 percent ( $\pm 2.4$  percent) above the February 2017 rate of 1,219,000. Thus, year over year is positive.

## 03/22 - CONFERENCE BOARD

LEADING ECONOMIC INDICATORS <sup>TM</sup> Increased: Positive

## 03/22 - CONFERENCE BOARD

COINCIDENT ECONOMIC INDICATORS <sup>TM</sup> Increased: Positive

03/23 - NEW RESIDENTIAL SALES (U.S. Census Bureau)

Sales of new single-family houses in February 2018 were at a seasonally adjusted annual rate of 618,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.6 percent ( $\pm 13.3$  percent)\* below the revised January rate of 622,000, but is 0.5 percent ( $\pm 16.6$  percent)\* above the February 2017 estimate of 615,000. (Overall in uptrend) Negative

03/23 - Advance Report on Durable Goods Manufacturers' Shipments, Inventories, and Orders (U.S. Census Bureau) New orders for manufactured durable goods in February increased \$7.4 billion or 3.1 percent to \$247.7 billion. + 3.1% Positive

03/21 - EXISTING HOME SALES (NAR) + 3.0% Positive

03/28 - REAL GDP (BEA) + 2.9%: Positive

03/29 - PERSONAL CONSUMPTION EXPENDITURES (Dept of Commerce - BEA) + 0.2%: Positive

03/29 - PERSONAL INCOME (Dept of Commerce - BEA) + 0.4%: Positive

03/27 - CONSUMER CONFIDENCE INDEX  
(Conference Board<sup>TM</sup>) Decreased: Negative

03/30 - RESTAURANT PERFORMANCE INDEX: 101.1 - Expanding: Positive

03/28 - Corporate Profits BEA Decreased: Negative  
Profits from current production (corporate profits with inventory valuation adjustment and capital consumption adjustment) decreased \$1.1 billion in the fourth quarter, in contrast to an increase of \$90.2 billion in the third quarter.

SUMMARY

Positive	15
Negative	9
Neutral	0

4) RITE Investment Strategy Index



Scale:

0 = Neutral;

+10 = High Opportunity Environment;

-10 = Extreme Negative Risk Miasma

EFFORT, RISK, FREEDOM,  
KNOWLEDGE/INFO

COMMENTS

- 1) Domestic Political Risk + 8 Excellent: A tax reduction package passed
- 2) Tax Risk + 8 Corporate Taxes cut
- 3) Individual Incentive (Freedom) + 8 Regulations are decreasing
- 4) Production of Knowledge + 8 Economy positive as corporate taxes were cut
- 5) Technical Analysis + 7 Market: Long Term Bull; but off ~10% for 2018 of the U.S. Stock Markets
- 6) General Business & Economic Snippets + 6 Positive Snippets 62%
- 7) Economic Indicators + 6 slight decrease again from 16/6/1 to 15 Pos; 9 Neg; 0 Neu

Sum of Total + 51

Average of Total + 7.3

RITE Strategy Index: Slight drop fm 87.8% to 86.4%

History of Strategy Index (Started 2009) *Statistics noted below are approximate.*

Month/Yr	Index %	DJIA	Gold	Oil	WSJ Dollar Index
2016					
Feb 29	56.1%	16,516.50	1,244.7	33.74	89.88
Mar 31	55.6%	17,685.09	1,233.1	37.79	86.58
April 30	53.3%	17,773.64	1,294.9	45.99	84.98
May 31	57.2%	17,787.20	1,220.4	48.82	87.50

July 1	57.8%	17,929.99	1,344.9	49.28	86.58
July 29	55.5%	18,432.24	1,357.9	41.38	86.50
Sept 02	58.9%	18,491.96	1,328.8	44.20	86.84
Sept. 30	57.9%	18,308.15	1,318.8	48.05	86.37
Nov 2	60.7%	17,959.64	1,305.7	45.81	87.70
Dec 1	77.1%	19,191.93	1,176.3	50.64	91.50
2017					
Jan 2	77.1%	19,762.60	1,152.0	53.89	92.94
Feb 9	87.8%	20,172.40	1,232.9	53.03	90.94
Mar 1	90.0%	21,142.85	1,243.0	53.93	91.41
April 4	88.5%	20,689.24	1,257.2	51.32	90.29
May 3	85.7%	20,579.90	1,248.5	47.82	89.89
June 7	85.0%	21,173.69	1,293.2	45.92	88.10
June 30	82.1%	21,349.63	1,241.2	46.29	87.74
Aug 4	83.5%	22,092.81	1,264.3	49.52	86.32
Sept 1	83.5%	21,987.56	1,338.6	47.39	85.60
Oct 6	83.5%	22,773.67	1,278.9	49.25	86.95
Nov 6	86.4%	23,548.42	1,279.7	57.22	87.72
Dec 11MdDy	85.0%	24,358.26	1,248.2	57.94	87.18
2018					
Jan 4	89.2%	25,075.13	1,324.2	61.94	85.62
Feb 9	89.2%	24,190.90	1,322.5	59.72	84.09
March 7	87.9%	24,801.36	1,326.3	61.35	83.49
April 6	86.4%	23,932.76	1,337.3	61.95	83.99

## 5) Summary

### MONTHLY EQUITY MARKET CONCLUSION:

Stocks: Stay Long

The RITE Index is very high. China Tariff, China IT & IP Theft Battle will not be a hindering factor for U.S. because it only hinders ag products. Overall economy is in great shape as there are many other positive points such as 15 positive economic indicators out of the 24 that the RITE Report uses. This would even be higher if, instead of using month to month date, we used year to year data.

### PART 2: HEDGING

## 1) HEDGING/INFLATION SNIPPETS

### DEFLATION SNIPPETS 0/0%

None this month

### INFLATION SNIPPETS 1/100%

03/13

BLS: In February, the Consumer Price Index for All Urban Consumers increased 0.2 percent seasonally adjusted; rising 2.2 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy rose 0.2 percent in February (SA); up 1.8 percent over the year (NSA).

03/14

BLS: The Producer Price Index for final demand rose 0.2 percent in February, as prices for final demand services advanced 0.3 percent, while the index for final demand goods edged down 0.1 percent. The final demand index increased 2.8 percent for the 12 months ended in February.

### DEFLATION SNIPPETS

None this month

### INFLATION TABLE

(RITE Report Issue Date is the first of the month; Statistical Data is the latest closing price which is noted in the WSJ on the close of the last day of the month, but the RITE Report does not represent that these data are accurate.)

Month	Inflationdata.com Annual Inflation Rate	CRB
2016		
Sept 02	0.84%	179.99
Sept 30	1.06%	186.32
Nov 02	1.46%	184.29
Dec 01	1.64%	191.41

Dec 31 2017	1.69%	192.512
Feb 09	2.07%	192.756
Mar 01	2.50%	190.81
April 04	2.74%	185.59
May	2.38%	176.96
June	2.20%	176.30
June 30	1.87%	174.776
July 31	1.63%	180.68
September 4	1.73%	180.95
October 6	1.94%	180.95
Nov 6	2.23%	192.57
Nov 15 2018	2.04%	Dec 11 Midday
Jan 04	2.20%	195.37
Feb 09	2.11%	188.51
Mar 07	2.07%	194.44
April 06	2.21%	192.25

## 2) HEDGING SUMMARY

Inflation remains subdued.

Gold: No call

Oil: No call.

The U.S. Dollar: Stay Long (Economy to still go up)

For your reference we include a directory of:

The RITE Report Major Trade Advice Summary

Date	Approx. Mrkt Level	Market	Advice
2009			
2009/05/01	8,212	Stocks	Go long.
2009/05/01	895	Gold	Go long.
2009/05/01		USD	Go short

2009/06/01	51.12	Oil	Go long	
2010				
2010/02/01		USD	Stop going short; Take profits. get out.	
2011				
2011/04/01	12,376	Stocks	Market to go sideways; end of bull.	
2011/05/01	12,763	Stocks	Take profits	55.4% Gain
2011/06/01	102.7	Oil	Go Neutral	100.9% Gain
2011/06/01	12,441	Stocks	Take profits (re-confirmation)	
2011/07/01		USD	Go short	
2011/08/01		USD	Cover the short; no direction	
2011/08/01	12,240	Stocks	Trading Range	
2012				
2012/03/01	107	Oil	Go long	
2012/05/01	104	Oil	Go neutral	2.8% Loss
2012/06/01	12,772	Stocks	Take profits; a downtrend started	
2012/06/01	1,564	Gold	Sell: Take profits	74.7% Gain
2012/07/01	1,604	Gold	Buy: Go long	
2012/08/01	13,090	Stocks	Advised not to be in the Stock Market at all	
2012/09/01	80.025	USD	Go short	
2012/11/01	13,096	Stocks	Confirmation: Not to be in Stock Market	
2013				
2013/01/02	13,104.30	Stocks	Go Long	
2013/03/01	82.47	USD Index	Take loss; go neutral	
2013/05/31	15,115.57	Stocks	Take profits	15.3% Profit
2013/08/01	15,499.54	Stocks	Go Long	
2013/12/01	92.78	Oil	Go Short	
2014				
2014/01/02	98.70	Oil	Take off short: Go Neutral	6.38% Loss
2014/02/28	16,321.71	Stocks	Take profit; go to cash	5.0% Increase
2014/03/01	16,532.61	Stocks	Go long	(Unrealized gain potential)
2014/10/31	1,173.5	Gold	Sell (1,604 to 1,173.5 loss of 430.5)	36.8% loss
2015/01/30	1,283.0	Gold	Go long	
2016/04/04	35.32	Oil	Go long	
2016/07/01	49.05	Oil	Take Profit	- 38% Gain
2016/12/02	1,176.3	Gold	Sell - Loss	8.3%
2016/12/02.	91.50	WSJ Dollar Index	Go Long	

## PRESENTLY

2018/04/06

Stocks (DJIA)	23,932.76	Stay Long (Unrealized gain potential)
Gold	1,337.3	No call
US Dollar	83.99	Stay Long (Unrealized loss potential)
Oil	61.95	No Call

## CUSTOM RESEARCH:

Please note that custom economic and/or macro investment research and advisory services are available on request.

## Caveats

- 1) Past performance is not indicative of future results.
- 2) Trading stocks, futures, and options involves substantial risk of loss and is not suitable for all investors.

## RITE Report

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(The RITE Report's name was derived from the acronym of the four variables inherent in all economic transactions; Risk, Information/Knowledge, Time, and Effort. Of course, this would be for a service, and if the product were a material good, there would be an additional factor of Material - or Land as the economist would say. See The Philosophical Equations of Economics at [www.philosophypublishing.com](http://www.philosophypublishing.com) for further info on this subject.)

## FOR YOUR REFERENCE

- 1) Chris Angle is the author of:

The Nature of Aesthetics - 978-0-9661126-4-1

Defining Ethics Good & Evil - 978-0-9661126-5-8

Truth and the Nature of Decisions - 978-0-9661126-6-5

The Philosophical Equations of Economics - 978-0-9661126-3-4

These books may be viewed at: [www.philosophypublishing.com](http://www.philosophypublishing.com)

2) Chris Angle is the host of The Philosophical Angle, a TV and Podcast Program, which discusses concepts in current media.

<http://www.youtube.com/user/philosophypublishing>

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