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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

04/19

BLS: Labor productivity decreased in 54 of the 86 NAICS 4-digit manufacturing industries, while 3 of the 4 mining industries experienced gains in 2017. Growth in hours, coupled with declining output, led to a productivity decline for most industries.

04/25

CBP: The CPB World Trade Monitor shows that the volume of world trade decreased 0.4% in February, having increased 1.2% in January (initial estimate: 0.9%).

05/01

U.S. CENSUS BUREAU: Total construction activity for March 2018 (\$1,284.7 billion) was 1.7 percent (+/-0.8 percent) below the revised February 2018 (\$1,306.4 billion).

Total of Negative General Business and Economic News Snippets: 3

B) Positive Economic and General Business News Snippets

04/10

U.S. Census Bureau: February 2018 sales of merchant wholesalers were \$495.9 billion, up 1.0 percent (+/- 0.5 percent) from last month. End-of-month inventories were \$625.6 billion, up 1.0 percent (+/- 0.2 percent) from last month.

04/11

BLS: Real average hourly earnings increased 0.4 percent in March, seasonally adjusted. Average hourly earnings increased 0.3 percent, and CPI-U decreased 0.1 percent. Real average weekly earnings increased 0.4 percent over the month.

04/16

U.S. Census Bureau: U.S. total business sales were \$1,430.4 billion, up 0.4 percent (+/- 0.2 percent) from last month.

04/16

U.S. Census Bureau: U.S. retail and food services sales for March 2018 were \$494.6 billion, an increase of 0.6 percent (+/-0.5%) from the previous month.

04/17

U.S. Census: Privately-owned housing starts in March 2018 were at a seasonally adjusted annual rate of 1,319,000. This is 1.9 percent (+/- 12.4%)* above the revised February 2018 estimate of 1,295,000.

FRED: Industrial Production Index 107.1665 up from 106.6176

04/24

U.S. Census Bureau: Sales of new single-family houses in March 2018 were at a seasonally adjusted annual rate of 694,000. This is 4.0 percent (+/- 18.6%)* above the revised February 2018 estimate of 667,000.

04/26

U.S. Census Bureau: The homeownership rate in the first quarter 2018, 64.2 percent, was not statistically different from the rate in first quarter 2017 (63.6 percent). The homeownership rate in the South was higher than the first quarter 2017 rate, while the rates in the Northeast, Midwest and West were not statistically different from the rates in the first quarter 2017.

04/26

U.S. Census Bureau: The rental vacancy rate in the first quarter 2018, 7.0 percent, was virtually unchanged from the rate in the first quarter 2017 (7.0 percent). The rental vacancy rates in the Northeast, Midwest, South and West were not statistically different from the first quarter 2017 rates.

04/26

U.S. Census Bureau: New orders for manufactured durable goods in March increased \$6.4 billion or 2.6 percent to \$254.9 billion.

04/27

BEA: Real gross domestic product (GDP) increased at an annual rate of 2.3 percent in the first quarter of 2018, according to the "advance" estimate released by the Bureau of Economic Analysis. In the fourth quarter, real GDP increased 2.9 percent.

04/27

FRED: Velocity of M2 Money Stock - The most recent observation is 1.439 for Q1 2018, an increase from 1.432 from Q4 2017.

04/30

BEA: Personal income increased \$47.8 billion (0.3 percent) in March according to estimates released today by the Bureau of Economic Analysis.

04/30

BEA: Disposable personal income (DPI) increased \$39.8 billion (0.3 percent) and personal consumption expenditures (PCE) increased \$61.7 billion (0.4 percent)

05/03

BLS: Productivity increased 0.7 percent in the nonfarm business sector in the first quarter of 2018; unit labor costs increased 2.7 percent (seasonally adjusted annual rates). In manufacturing, productivity increased 0.5 percent and unit labor costs increased 2.7 percent.

05/04

BLS: Total nonfarm payroll employment increased by 164,000 in April, and the unemployment rate edged down to 3.9 percent. Job gains occurred in professional and business services, manufacturing, health care, and mining.

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%
April	16%	84%

3) Economic Analysis/Indicator Summary

Indicator	TREND/COMMENT
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(DAILY) - HIGH YIELD BONDS (HYG)

Up (03/06 - 85.27; 05/04 - 85.42) Positive

(DAILY) - iSHARES SELECT DIVIDEND (DVY)

Up (03/06 - 94.70; 05/04 - 96.49) Positive

05/01 - ISM - PURCHASING MANAGERS INDEX

Mfg still Expanding: 57.3 Positive

05/01 - CONSTRUCTION SPENDING (Census Bureau) Total construction activity for March 2018 (\$1,284.7 billion) was 1.7 percent (+/-0.8 percent) below the revised February 2018 (\$1,306.4 billion). Negative

05/03 - MANUFACTURERS' SHIPMENTS, INVENTORIES, & ORDERS

(Census Bureau): New orders for manufactured goods in March increased \$7.8 billion or 1.6 percent to \$507.7 billion Positive

05/06 - (BLS) UNEMPLOYMENT

Overall: Positive

- Unemployment Rate (BLS): Same at 3.9%: (Positive)

- Civilian Labor Force Participation Rate (BLS): Up - 62.8% (Negative)

- Employment-Population Ratio (BLS): 60.3% (Negative)

- 04/09 Employment Trends Index (Conference Board TM) Increased (Positive)

05/06 - (BLS) PRODUCTIVITY

Overall Positive

Nonfarm Business Sector

-Productivity 0.7% Neutral

-Output + 2.8% Positive

Manufacturing

-Productivity increased + 0.6% Positive

-Output: +3.3% Positive

04/16 - QUARTERLY FINANCIAL REPORT - MFG, MINING, WHOLESALE TRADE, & SELECTED SERVICE INDUSTRIES (Census Bureau) - U.S. retail and food services sales for March 2018 were \$494.6 billion, an increase of 0.6 percent (+/-0.5%) from the previous month. Positive

04/16 - RETAIL SALES (U.S. Census)

Advance estimates of U.S. retail and food services sales for March 2018, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$494.6 billion, an increase of 0.6 percent (± 0.5 percent) from the previous month, and 4.5 percent (± 0.5 percent) above March 2017. Total sales for the January 2018 through March 2018 period were up 4.1 percent (± 0.5 percent) from the same period a year ago. The January 2018 to February 2018 percent change was unrevised from down 0.1 percent (± 0.2 percent).

Positive

04/16 - MANUFACTURING AND TRADE INVENTORIES AND SALES (Census Bureau): U.S. total business sales were \$1,430.4 billion, up 0.4 percent (+/- 0.2 percent) from last month. Positive

04/17 - INDUSTRIAL PRODUCTION INDEX (INDPRO) - Positive

Uptick: 107.1665

(Year over Year) Positive

04/27 - Velocity of M2 Money Stock: 1.439 - Positive

04/17 - NEW RESIDENTIAL CONSTRUCTION (U.S. Census): Privately-owned housing starts in March 2018 were at a seasonally adjusted annual rate of 1,319,000. This is 1.9 percent (+/- 12.4%)* above the revised February 2018 estimate of 1,295,000. Positive

04/19 - CONFERENCE BOARD

LEADING ECONOMIC INDICATORS TM Increased: Positive

04/19 - CONFERENCE BOARD

COINCIDENT ECONOMIC INDICATORS TM Increased: Positive

04/24 - NEW RESIDENTIAL SALES (U.S. Census Bureau)

Sales of new single-family houses in March 2018 were at a seasonally adjusted annual rate of 694,000, according to estimates released jointly today

by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 4.0 percent (± 18.6 percent)* above the revised February rate of 667,000 and is 8.8 percent (± 17.0 percent)* above the March 2017 estimate of 638,000. Positive

04/26 - Advance Report on Durable Goods Manufacturers' Shipments, Inventories, and Orders (U.S. Census Bureau)
New orders for manufactured durable goods in March increased \$6.4 billion or 2.6 percent to \$254.9 billion. Positive

04/23 - EXISTING HOME SALES (NAR) + 1.1% Positive

04/27 - REAL GDP (BEA) + 2.9%: Positive

04/30 - PERSONAL CONSUMPTION EXPENDITURES (Dept of Commerce - BEA) + 0.4%: Positive

04/30 - PERSONAL INCOME (Dept of Commerce - BEA) + 0.3%: Positive

04/24 - CONSUMER CONFIDENCE INDEX
(Conference Board TM) Increased: Positive

04/30 - RESTAURANT PERFORMANCE INDEX: 101.8 - 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.

05/03 - Manufacturers' Shipments, Inventories, and Orders
New orders for manufactured goods in March increased \$7.8 billion or 1.6 percent to \$507.7 billion. Positive

SUMMARY

Positive 23

Negative 2

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 +8 Positive Snippets 84%
- 7) Economic Indicators + 8 Increase again from 15/9/0 to 23 Pos; 2 Neg; 0 Neu

Sum of Total + 55

Average of Total + 7.9

RITE Strategy Index: Slight increase fm 86.4% to 89.28%

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
Dc11MdDy	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
May 4	89.2%	24,262.51	1,316.0	69.79	86.16

5) Summary

MONTHLY EQUITY MARKET CONCLUSION:

Stocks: Stay Long

The RITE Index is very high. Overall economy is in great shape: and amazingly, there are 23 positive economic indicators out of the 25 that the RITE Report uses.

PART 2: HEDGING

1) HEDGING/INFLATION SNIPPETS

DEFLATION SNIPPETS 1/50%

04/11

-BLS: In March, the Consumer Price Index for All Urban Consumers decreased 0.1 percent seasonally adjusted;

INFLATION SNIPPETS 1/50%

04/11

-BLS: In March, the Consumer Price Index for All Urban Consumers decreased 0.1 percent seasonally adjusted; rising 2.4 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy rose 0.2 percent in March (SA); up 2.1 percent over the year (NSA).

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	1.69%	192.512
2017		
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	2.04%	Dec 11 Midday
2018		
Jan 04	2.20%	195.37
Feb 09	2.11%	188.51
Mar 07	2.07%	194.44
April 06	2.21%	192.25
May 05	2.36%	203.25

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

2018/05/04

Stocks (DJIA)	24,262.51	Stay Long (Unrealized gain potential)
Gold	1,316.0	No call
US Dollar	86.16	Stay Long (Unrealized loss potential)

Oil 69.79 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 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

- 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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