Executive Summary as of November 8, 2018

MONTHLY EQUITY MARKET CONCLUSION:

Stocks: Stay Long

The RITE Index is at a very high 89.3%. Overall economy is in great shape with 19 out of 24 RITE Report important economic indicators being positive.

THE FULL REPORT

November 8, 2018

The RITE REPORT

The following RITE Report generates indices from the monthly compilation of business, economic, & political news snippets from Investment Business Daily & the U.S. Government, et al.

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CONTENTS

PART 1 - STOCKS

1) Macro-Economic Snippets w/Index
2) Indicators for Technical Analysis
3) Overall Investment Strategy Index
4) Summary

PART 2 - HEDGING
1) Hedging and Inflation Snippets
2) Hedging Summary

PART 1 - STOCKS

1) Macro-Economic Snippets

A) Negative Economic and General Business Data Snippets

10/02

ETI: The Conference Board Employment Trends Index™ (ETI) declined in September, following an increase in August. The index now stands at 110.77, down from 111.18 (an upward revision) in August. The change represents a 6.7 percent gain in the ETI compared to a year ago.

10/17

U.S. CENSUS: Privately-owned housing starts in September 2018 were at a seasonally adjusted annual rate of 1,201,000. This is 5.3 percent (+/- 11.3%)* below the revised August 2018 estimate of 1,268,000.

10/24

U.S. CENSUS: Sales of new single-family houses in September 2018 were at a seasonally adjusted annual rate of 553,000. This is 5.5 percent (+/- 12.1%)* below the revised August 2018 estimate of 585,000.

Total of Negative General Business and Economic News Snippets: 3

B) Positive Economic and General Business News Snippets

10/11
BLS: Real average hourly earnings increased 0.3 percent over the month in September, seasonally adjusted. Average hourly earnings increased 0.3 percent, and CPI-U increased 0.1 percent. Real average weekly earnings increased 0.2 percent over the month.

10/15
U.S. CENSUS: U.S. total business end-of-month inventories for August 2018 were $1,960.8 billion, up 0.5 percent (+/- 0.1 percent) from last month. U.S. total business sales were $1,461.9 billion, up 0.5 percent (+/- 0.1 percent) from last month.

10/15
U.S. CENSUS: U.S. retail and food services sales for September 2018 were $509.0 billion, an increase of 0.1 percent (+/-0.5%)* from the previous month.

10/25
CPB: The CPB World Trade Monitor shows that the volume of world trade increased 0.2% in August, having increased 1.5% in July (initial estimate: 1.1%).

10/25
U.S. CENSUS: New orders for manufactured durable goods in September increased $2.0 billion or 0.8 percent to $262.1 billion.

10/26
BEA: Real gross domestic product (GDP) increased 3.5 percent in the third quarter of 2018, according to the “advance” estimate released by the Bureau of Economic Analysis. In the second quarter of 2018, real GDP increased 4.2 percent.

10/29

BEA: Personal income increased $35.7 billion (0.2 percent) in September according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased $29.1 billion (0.2 percent) and personal consumption expenditures (PCE) increased $53.0 billion (0.4 percent).

11/01
BLS: Productivity increased 2.2 percent in the nonfarm business sector in the third quarter of 2018; unit labor costs increased 1.2 percent (seasonally adjusted annual rates). In manufacturing, productivity increased 0.5 percent and unit labor costs increased 0.9 percent.

11/01
U.S. CENSUS: Total construction activity for September 2018 ($1,329.5 billion) was nearly the same as (+/-1.5 percent)* the revised August 2018 ($1,328.8 billion).

11/02
LBS: Total nonfarm payroll employment rose by 250,000 in October, and the unemployment rate was unchanged at 3.7 percent. Job gains occurred in health care, in manufacturing, in construction, and in transportation and warehousing.

11/02
U.S Census: New orders for manufactured goods in September increased $3.4 billion or 0.7 percent to $515.3 billion.

Total of Positive General Business and Economic News Snippets: 12

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%

2018

Jan	23%	77%
Feb	35%	65%
March	38%	62%
April	16%	84%
May	43%	57%
June	50%	50%
July	8%	92%
August	29%	71%
September	28%	72%

October	0%	100%
November	20%	80%

3) Economic Analysis/Indicator Summary

Indicator	TREND/COMMENT
(DAILY) - HIGH YIELD BONDS (HYG) Down (10/05 - 85.30/; 11/07 - 85.05)	Negative
(DAILY) - iSHARES SELECT DIVIDEND (DVY) Down (10/5 - 100.24; 11/07 - 99.15)	Negative
11/01 - ISM - PURCHASING MANAGERS INDEX Mfg: 57.7 - Economy Expanding	Positive
11/01 - CONSTRUCTION SPENDING (Census Bureau) Construction spending during September 2018 was estimated at a seasonally adjusted annual rate of $1,329.5 billion, nearly the same as (±1.5 percent) the revised August estimate of $1,328.8 billion. The September figure is 7.2 percent (±1.8 percent) above the September 2017 estimate of $1,240.4 billion. During the first nine months of this year, construction spending amounted to $982.9 billion, 5.5 percent (±1.2 percent) above the $931.3 billion for the same period in 2017.	Positive
10/09 - (BLS) UNEMPLOYMENT	Overall: Positive

- 11/08 Unemployment Rate (BLS): Unchanged at 3.7% (Neutral)
- 11/05 Civilian Labor Force Participation Rate (BLS):
  Increased to 62.9% (Positive)
- 11/02 Employment-Population Ratio (BLS): Up 0.2% to 60.% (Positive)
- 11/05 Employment Trends Index (Conference Board TM) Increase (Positive)

09/06 - (BLS) PRODUCTIVITY Overall: Positive

Nonfarm Business Sector
-Productivity +2.2% (Positive)
-Output + 4.1% (Positive)
Manufacturing
-Productivity increased + 0.5% (Positive)
-Output: +3.4%___ (Positive)

09/05 - QUARTERLY FINANCIAL REPORT - MFG, MINING, WHOLESALE TRADE, & SELECTED SERVICE INDUSTRIES (Census Bureau) -
U.S. manufacturing corporations' seasonally adjusted after-tax profits in the second quarter of 2018 totaled $180.5 billion, up $24.9 (±0.3) billion from the after-tax profits of $ 155.6 billion recorded in the first quarter of 2018, and up $40.4 (±1.3) billion from the after-tax profits of $140.1 billion recorded in the second quarter of 2017. Positive

10/15 - RETAIL SALES (U.S. Census)
Advance estimates of U.S. retail and food services sales for September 2018, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $509.0 billion, an increase of 0.1 percent (±0.5 percent) from the previous month, and 4.7 percent (±0.5 percent) above September 2017. Total sales for the July 2018 through September 2018 period were up 5.9 percent (±0.5 percent) from the same period a year ago. The July 2018 to August 2018 percent change was unrevised from up 0.1 percent (±0.1 percent). Positive

10/15 - MANUFACTURING AND TRADE INVENTORIES AND SALES (U.S. Census Bureau):
The combined value of distributive trade sales and manufacturers' shipments for August, adjusted for seasonal and trading-day differences but not for price changes, was estimated at $1,461.9 billion, up 0.5 percent (±0.1 percent) from July 2018 and was up 7.8 percent (± 1.2 percent) from August 2017. Positive

10/16 - INDUSTRIAL PRODUCTION INDEX (INDPRO) - Positive
Uptick: 108.4822
(Year over Year) Positive

10/26 - Velocity of M2 Money Stock: 1.455 - Q2 2018 Positive

10/17 - NEW RESIDENTIAL CONSTRUCTION (U.S. Census):
Privately-owned housing starts in September were at a seasonally adjusted annual rate of 1,201,000. This is 5.3 percent (±11.3 percent) below the revised August estimate of 1,268,000, but is 3.7 percent (±12.1 percent) above the September 2017 rate of 1,158,000. Single-family housing starts in September were at a rate of 871,000; this is 0.9 percent (±8.9 percent) below the revised August figure of 879,000. The September rate for units in buildings with five units or more was 324,000. Negative

10/18 - CONFERENCE BOARD
LEADING ECONOMIC INDICATORS ™ Increased: Positive

10/18 - CONFERENCE BOARD
COINCIDENT ECONOMIC INDICATORS ™ Increased: Positive

10/24 - NEW RESIDENTIAL SALES (U.S. Census Bureau)
Sales of new single-family houses in September 2018 were at a seasonally adjusted annual rate of 553,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 5.5 percent (±12.1 percent) below the revised August rate of 585,000 and is 13.2 percent (±13.6 percent) below the September 2017 estimate of 637,000. Decreased: Negative

10/25 - ADVANCED REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS (U.S. Census Bureau)
New orders for manufactured durable goods in September increased $2.0 billion or 0.8 percent to $262.1 billion, the U.S. Census Bureau announced today. This increase, up three of the last four months, followed a 4.6 percent August increase. Excluding transportation, new orders increased 0.1 percent. Excluding defense, new orders decreased 0.6 percent. Transportation equipment, also up three of the last four months, led the increase, $1.8 billion or 1.9 percent to $97.4 billion. Increased: Positive

10/19 - EXISTING HOME SALES (NAR) - 3.4% Negative

10/26 - REAL GDP (BEA) + 3.5%: Positive

10/29 - PERSONAL CONSUMPTION EXPENDITURES (Dept of Commerce - BEA + 0.2%: Positive

10/29 - PERSONAL INCOME (Dept of Commerce - BEA)
+ 0.2%: Positive

10/30 - CONSUMER CONFIDENCE INDEX
(Conference Board TM) Increased: Positive

10/31 - RESTAURANT PERFORMANCE INDEX: 101.1 -
Expanding: Positive

10/26 - Corporate Profits BEA Increased: Positive

Profits from current production (corporate profits with inventory valuation adjustment and capital consumption adjustment)

Observation: Q2 2018: 2,242.339 Billions of Dollars, Seasonally Adjusted Annual Rate

11/02 - MANUFACTURERS' SHIPMENTS, INVENTORIES, & ORDERS (CENSUS BUREAU): New orders for manufactured goods in September, up four of the last five months, increased $3.4 billion or 0.7 percent to $515.3 billion, the U.S. Census Bureau reported today. Increased: Positive

SUMMARY

Positive	19
Negative	5

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 political situation: gridlock

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

6) General Business
& Economic Snippets + 8 Positive Snippets 80%

7) Economic Indicators + 8 Very good at 19 Pos; 5 Neg; 0 Neu

Sum of Total + 55

RITE Strategy Index: Decreased a little from 90.7% to 89.3%!

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
June 10	85.0%	25,316.53	1,303.5	65.56	86.86
July 8	88.6%.	24,456.48	1,255.9	73.92	87.62
August 10	89.3%	25,313.14	1,219.2	67.75	90.14
Sept 7	88.6%	25,916.54	1,199.9	68.03	89.92
Oct 9	89.3%	26,412.82	1,191.4	78.89	90.30

5) Summary

MONTHLY EQUITY MARKET CONCLUSION:

Stocks: Stay Long

The RITE Index is at a very high 89.3%. Overall economy is in great shape with 19 out of 24 RITE Report important economic indicators being positive.

PART 2: HEDGING

1) HEDGING/INFLATION SNIPPETS

DEFLATION SNIPPETS 0/0%

None this month

INFLATION SNIPPETS 2/100%

10/10
BLS: The Producer Price Index for final demand increased 0.2 percent in September, as prices for final demand services rose 0.3 percent, and the index for final demand goods decreased 0.1 percent. The final demand index advanced 2.6 percent for the 12 months ended in September.

10/11
BLS: In September, the Consumer Price Index for All Urban Consumers increased 0.1 percent seasonally adjusted; rising 2.3 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy rose 0.1 percent in September (SA); up 2.2 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	CRB

Annual Inflation Rate

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
Sept 4	1.73%	180.95
Oct 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
June 10	2.46%	200.04
July 06	2.80%	198.052
Aug 10	2.95%	191.69
Sept 7	2.95%	190.36
Oct 5	2.70%	198.334

2) HEDGING SUMMARY

Situation on the future U.S. dealings with Iran has become too volatile. We make no call.

Oil: No Call - Neutral

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 Neutral100.9% 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

2018/08/11	67.75	Oil	Go Short
2018/10/15 (Intraday)	71.35.	Oil	Go Neutral

PRESENTLY

2018/10/09

Stocks (DJIA)	26,412.82	Stay Long (Unrealized gain potential)
Gold	1,225.1	No call
US Dollar	90.30	Stay Long (Unrealized loss potential)
Oil	61.12	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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