

Retail Sales

Retail sales rose 1.9% in September, easily exceeding the 0.8% rise expected by economists.

Our Take: Retail sales continue to boom. Aid from the CARES Act appears to have achieved its goal of assisting citizens through the economic upheaval caused by the pandemic. Solid reports like this could lead lawmakers to conclude that additional aid is unnecessary, at least for the time being.

Brexit

Today's deadline for the UK and EU to reach a trade agreement passed without the two sides making progress on key issues. Johnson stated that the UK will begin preparations for a no deal scenario, while the EU team stated that they are planning on returning to London on Monday to continue talks.

Our Take: It is not surprising that another supposedly firm deadline has passed with no agreement. The two sides both still want an agreement but are not feeling enough pressure to reach one yet. The most likely outcome is that a last-minute agreement is reached, but the risk of Britain leaving the common market with no trade agreement grows the longer the two sides remain apart on key issues.

Inflation

Consumer prices rose 0.2% in September and are up 1.4% year-over-year. Producer prices increased 0.4% in September and 0.4% over the last twelve months.

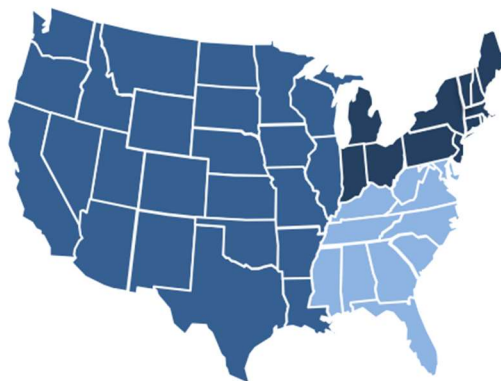
Our Take: While inflation has ticked up slightly as the economy recovers, it is nowhere near the level at which the Fed would adjust rates. The Fed does not expect inflation to rise to these levels anytime soon.

Municipals

Municipal bond issuers continue to race to bring new bond deals to market before the November 3rd election. According to Bloomberg, there are \$31 billion in municipal bond sales scheduled prior to Election Day, an amount not seen since February 2005.

Our Take: Uncertainty surrounding the outcome of the election along with the possibility of a delay in election results have led state and local governments to issue more sooner than later. In addition, issuers are looking to take advantage of the current low interest rate environment.

- **Christopher Hodges**
Northeast
443-326-1875
chodges@reinhart-partnersinc.com
- **Christopher Rhyne, CIMA®**
Southeast + PR
336-817-8206
crhyne@reinhart-partnersinc.com
- **Joel Dykman**
West + AK, HI
608-609-4141
jdykman@reinhart-partnersinc.com
- **Internal Support**
262-241-7065



All expressions of opinions are subject to change without notice in reaction to shifting market conditions. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities and should not be relied on as financial advice.