



FINANCIAL FOCUS:

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The third quarter didn't live up to its reputation of historical weakness in the U.S. stock market, which could provide some comfort to investors looking ahead. And as the American consumer gears up for the upcoming busy holiday shopping season, strengthening of consumer confidence is anticipated for the final stretch of the year.

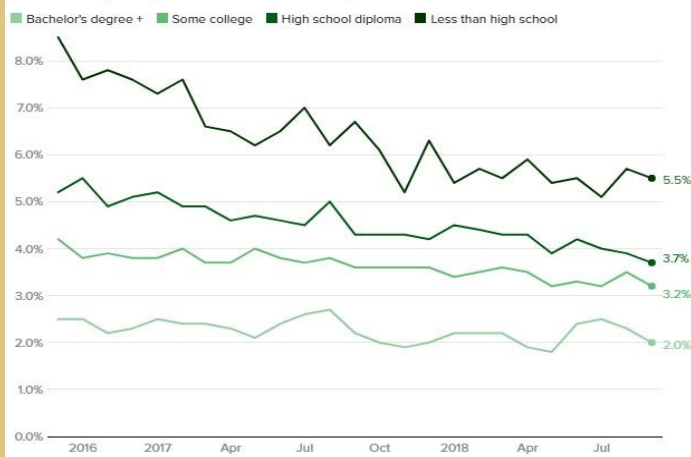
By Gabriella Cosentino

Jobs & Consumer Confidence

Consumer confidence climbed to an 18-year high in September, supported by a strong labor market. As reported by The Labor Department, the unemployment rate dropped to a half-century low. However, there was an increase in the number of people working part-time who want full-time work.

The unemployment rate is now at 3.7%, the lowest rate since December 1969, when the jobless rate was 3.5%. That's despite September hiring being slower than expected. Unemployment fell broadly, indicating that workers across all levels of education are finding work.

Unemployment rate by education level



Credit: MoneyWatch

While 134,000 jobs were added, economists had been expecting about 180,000. The cause of the temporary dip

could be due, in part, to Hurricane Florence, as the national jobs survey was conducted during that time frame. Jobs data only include people who were paid in the survey period. Therefore, people who could not work because of the storm disappear temporarily from the data numbers.

Average earnings grew 2.8% year-over-year. While that's still lower than what economists would expect with a rock-bottom unemployment rate, it's an improvement from the 2% wage growth seen at the start of this year.

Commodities

Oil prices are again marching higher, prompting talk that crude could reach \$100 a barrel for the first time since 2015's crash. Crude oil, jumped 4.1% in the third quarter to \$82.72 a barrel, the highest level in nearly four years.

Average U.S. gasoline prices also have been largely steady after nearing \$3 a gallon earlier this year, their highest level since 2014. How much pain there is at the pump could inject further uncertainty into the politics around oil, especially ahead of U.S. congressional midterm elections on November 6th.

Market Overview

For both the Dow Jones Industrial Average and the S&P 500, each performance bucks a historical trend. According to the Stock Trader's Almanac, September has historically been the worst month of the year for all major indexes.

The Dow closed out the quarter at 26,458.31, up 7% year to date, while the S&P 500 Index ended the quarter at 2,913.98, up 9% year to date. The Nasdaq Composite Index ended the quarter at 8,046.35, up 16.6% year to date.

What's Ahead?

U.S. stocks are entering the fourth quarter near records even as risks are plentiful, prompting some investors to question how much further stocks can increase following a nine-year rally. Most agree the general

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economic outlook looks bright, but stocks face a number of obstacles in the next three months: The Federal Reserve is expected to raise rates again in December; the U.S. has yet to resolve its trade disputes with China, Canada, and other partners; and the coming midterm election cycle is anticipated to be contentious.

Sources: *MarketWatch & The Wall Street Journal*, September 2018; *MoneyWatch*, October 2018.

Numbers Talk

Number of Americans who do not know that a 529 plan is an option for saving to pay future college expenses...**7 in 10**

Average minutes per day Americans spend texting...**26**

Percentage of people who say their impressions of others are impacted by their appearance and their handshake...**72**

Percentage of consumers who will avoid a company or stop giving it business after a poor experience with an automated phone system...**83**

Number of emails sent across the globe daily...**205.6 billion**

Percentage of what they've heard that the average listener will remember...**25**

Percentage of a person's day spent engaged in some form of communication...**70 to 80**

Number of people who say small meetings are their favorite communication method...**9 in 10**

Percentage of companies that see customer experience as a key factor in driving loyalty and retention...**89**

Percentage of younger investors who would change financial advisers if they weren't using technology to enhance their services...**44**

Contact Information Changes?

New cell phone # or email address?
Be sure to update your contact information
with our office.

Charles Schwab Highlight: The Client Learning Center Website

Learn about managing your account details, understanding your statements, protecting your information online, opening a new account, getting online access, transferring assets, and more!

<http://content.schwab.com/learningcenter/index.html>



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Exclusive of charts

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