



MORNING BRIEFING

January 16, 2018

Earnings-Led Meltup

See the [collection](#) of the individual charts linked below.

(1) Meltup odds rising. (2) Odds of a meltdown haven't increased. (3) Bullishness is over the top. (4) Is an earnings-led meltup a meltup? (5) Analysts are just starting to boost their earnings estimates in response to tax cuts. (6) Revenue and profit margin estimates are also rising. (7) Companies are starting to share their windfalls with workers. (8) A bull market within a bull market. (9) Global economic indicators continue to heat up. (10) 666 again! (11) Movie review: "The Post" (+).

Meltup I: Raising Meltup Odds. I'm getting a lot of emails and phone calls asking if the meltup I started predicting in early 2013 has begun. The short answer is "yes." So I might as well raise my odds of this scenario from 55% to 70%. I'm leaving my meltdown odds at 25%. So the iron laws of arithmetic leave me with just a 5% probability of a slow-and-steady ascent in stock prices.

I'm not a big fan of meltups. They tend to be followed by meltdowns, which tend to be hard to predict. Meltdowns are usually triggered by a financial crisis, which is also hard to predict. Let's update the meltup scenario, now that it seems to be under way, and try to assess the likelihood of a meltdown:

(1) *Bullish sentiment is absolutely giddy.* As Debbie reported last week, the Investor Intelligence Bull/Bear ratio soared to 4.77 during the first full week of January ([Fig. 1](#)). That's the highest reading since March 1987. The latest reading showed that 64.4% of investment advisers were bullish while only 13.5% were bearish. The remaining 22.1% were in the sheepish correction camp. The American Association of Individual Investors also polls investment sentiment; in its measures, recent bullishness readings match previous highs ([Fig. 2](#)).

(2) *Broad-based rally.* The S&P 500 is currently trading at 11.2% above its 200-day moving average, which is among the highest readings of the current bull market ([Fig. 3](#)). Furthermore, 77.7% of the S&P 500 companies are trading above their 200-dmas ([Fig. 4](#)). That's also a relatively high reading.

(3) *Up, up, and away!* The S&P 500/400/600 are up 22.5%, 16.5%, and 15.4% y/y through the week of January 12. These three indexes are up 30.2%, 29.9%, and 33.5% since Election Day (November 8, 2016).

Meltup II: Earnings Melting Up Too. The meltdown scenario is somewhat less worrisome for now, since the meltup in stock prices in recent weeks has been driven to a large extent by a meltup in analysts' consensus expectations for earnings. Consider the following:

(1) *2018 and 2019.* The Tax Cut and Jobs Act (TCJA) passed at the end of last year is already boosting earnings estimates. Joe reports that analysts' consensus estimates for S&P 500 operating earnings in 2018 rose a whopping \$2.13 w/w to \$150.15 per share during the first week of January. The estimate for 2019 rose \$2.23 to \$165.35 ([Fig. 5](#)).

Remarkably, revenue estimates also seem to have been boosted, but we think that's attributable more to animal spirits than the TCJA. Industry analysts are now expecting revenues to rise by 5.7% this year

and 4.6% next year, following the 6.3% gain last year.

Through January 4, profit margins are projected to rise from 10.5% for 2017 to 11.2% this year and 11.8% next year.

(2) *Forward earnings.* On a y/y basis through the second week of January, the 52-week forward consensus expected earnings of the S&P 500/400/600 are up 13.1%, 18.8%, and 15.0% ([Fig. 6](#)). So they account for much of the increase in their respective stock price indexes over this period.

As a result, forward P/Es are elevated, but aren't much higher than a year ago ([Fig. 7](#)). The S&P 500 has a forward P/E of 18.5 currently, up from 17.1 a year ago. On the other hand, the S&P 400 and 600 forward P/Es are basically unchanged at 18.4 and 20.0 now vs 18.8 and 19.9 a year ago.

(3) *Sectors showing widespread forward earnings improvement.* Here are the y/y changes in forward earning per share for the 11 S&P 500 sectors as of January 4, from highest to lowest: Energy (22.9%), Tech (20.7), Financials (16.3), Materials (12.7), S&P 500 (11.6), Industrials (9.2), Consumer Staples (8.1), Utilities (6.4), Consumer Discretionary (4.8), Health Care (4.2), Real Estate (2.9), and Telecom (-0.4) ([Fig. 8](#)).

Joe observes that even before the Trump tax cuts, earnings estimates were being revised higher, especially in the S&P 500 Energy, Financials, Industrials, and Materials sectors ([Fig. 9](#)). The upward revisions in these cyclical sectors were largely attributable to the rebound in global economic activity, which drove up oil and other commodity prices. The tax cuts have added to the excitement on expectations that they will boost after-tax results.

Meltup III: Companies Are Paying it Forward. The most extraordinary development since the Trump tax cuts were passed is that several corporations have announced that some of their windfalls resulting from the cuts in the corporate tax rate as well as the tax on repatriated earnings will be paid out to employees in bonuses and wage increases. Many of their employees will also see more after-tax pay, resulting from the increase in the standard deduction and the lowering of individual tax rates.

This increases the likelihood of stronger economic growth in coming months, which will also be good for earnings. In other words, we may be experiencing an extremely unusual earnings-led meltup. If so, it is more likely to be sustainable than the run-of-the-mill P/E-led meltup, as long as it doesn't morph into one. We'll let you know if it does. For now, sit back and enjoy the show.

Meltup IV: Running Hot. There is clearly a coincidence between Trump's election and the run-up in stock prices over the past year. However, coinciding with Trump's victory was mounting evidence of a global synchronized boom. In our opinion, the run-up in stock prices over the past year has been a continuation of the bull market within a bull market that started on February 12, 2016. Since the bottom the day before, the S&P 500/400/600 are up 52.3%, 58.7% and 64.8%.

In our view, 2015 was the "growth recession" year for the global economy attributable to the bursting of the commodity supercycle. Then 2016 was the recovery year for the global economy. Last year was the expansion year, and this year is shaping up to be the boom year. Consider the following:

(1) *Commodity prices.* The CRB raw industrials spot price index fell sharply during 2015 ([Fig. 10](#)). It rebounded during 2016, stalled during 2017, and has rebounded in the past couple of weeks.

(2) *Eurozone.* During November, industrial production in the Eurozone rose 1.0% m/m and 3.2% y/y to a new cyclical high ([Fig. 11](#)). The volume of retail sales (excluding autos and motorcycles) in the region

jumped to a record high that same month ([Fig. 12](#)).

(3) *US GDP*. At the end of last week, following the December retail sales and CPI releases, the Atlanta Fed's [GDPNow](#) estimate for Q4 real GDP rose from 2.8% to 3.3%. Retail sales continue to grow along with the solid gains in wages and salaries, which just got a big boost from the TCJA, as noted above ([Fig. 13](#)).

Meltup V: 666 Again! The stock market is going a lot higher based on my 666 indicator. I turned bullish on the S&P 500 index after it fell to an intra-day low of 666 on March 6, 2009. I reiterated my bullish stance during January 2016, when I checked in to the Zurich Radisson Hotel and was assigned Room #666. Last Wednesday, I returned from a business meeting in Florida, and I noticed the bookstore at the airport was promoting a novel titled *Lucky 666: The Impossible Mission*. I'm still predicting 3100 on the S&P 500. But in a meltup scenario, I wouldn't be surprised to see 3330, as that is 666 times 5.

Movie. "The Post" (+) ([link](#)) is a movie about fake news. However, it is about fake news concocted by the US government about its goals and actions during the Vietnam War, rather than by the press. *The New York Times* and *The Washington Post* exposed the government's systemic lying about the scope of its involvement in Vietnam by releasing the *Pentagon Papers*, which was a history of the Vietnam War conducted by the Defense Department. The movie features Meryl Streep as Katherine Graham, the owner of the *Post*, and Tom Hanks as Ben Bradley, the editor of the newspaper. It was produced by Steven Spielberg. It's a *cri de cœur* for freedom of the press, which has plenty of freedom today as well as a very loud critic in the Oval Office.

CALENDARS

US. Tues: Empire State Manufacturing Index 18.6. **Wed:** Headline & Manufacturing Industrial Production 0.4%/0.3%, Capacity Utilization 77.3%, Housing Market Index 73, Treasury International Capital, Mester. (*Wall Street Journal* estimates)

Global. Tues: Germany CPI 0.6%/m/m/1.7%/y/y, UK Headline & Core CPI 3.0%/2.6% y/y, Japan Machine Orders -1.2%/m/m/-0.5%/y/y, Jordan. **Wed:** Eurozone Headline & Core CPI 1.4%/0.9% y/y, BOC Rate Decision 1.25%. (DailyFX estimates)

STRATEGY INDICATORS

S&P 500/400/600 Forward Earnings ([link](#)): Forward earnings surged to yet more record highs last week for all three indexes as more analysts incorporated the lower tax rate into their models. LargeCap's forward earnings was higher for a 25th straight week; MidCap's was higher for a 21st week; and SmallCap's has risen in 19 of the past 25 weeks. Momentum remains strong, as the yearly change in forward earnings is up from six-year lows in early 2016 and should accelerate in 2018. In the latest week, the rate of change in LargeCap's forward earnings surged to a six-year high of 13.1% y/y from 11.6%, which is its highest since November 2011 and compares to a six-year low of -1.8% in October 2015; MidCap's jumped to 18.8% from 17.1%, which is the highest since October 2011 and compares to a six-year low of -1.3% in December 2015; and SmallCap's soared to 15.0% from 12.0%, which is the highest since January 2012 and compares to a six-year low of 0.3% in December 2015. Consensus growth rates expected for 2018 improved w/w for all three indexes. Here are the latest consensus earnings growth rates for 2017 and 2018: LargeCap 11.4% and 14.2%, MidCap 10.1% and 18.3%, and SmallCap 5.5% and 23.2%.

S&P 500/400/600 Forward Valuation ([link](#)): Forward P/E ratios were mostly steady for the three indexes last week despite the jump in forward earnings. LargeCap's weekly forward P/E was steady at

a 14-year high of 18.5. That's up from a 15-month low of 14.9 in January 2016 and the post-Lehman-meltdown P/E of 9.3 in October 2008, but remains well below the tech bubble's record high of 25.7 in July 1999. SMidCap's P/E had stalled for most of 2017 following the post-election meltup, but has been rising again recently. MidCap's forward P/E edged down to 18.4 from 18.5, and is below LargeCap's P/E for only the fourth time since 2009. MidCap's P/E remains below its 15-year high of 19.2 in late February, when the Energy sector's earnings were depressed, and the record high of 20.6 in January 2002, but is up from a three-year low of 15.0 in January 2016. SmallCap's P/E was steady at 20.0, which compares to a 51-week high of 20.2 at the beginning of December and a 15-year high of 20.5 in December 2016, when Energy's earnings were depressed. That's up from a three-year low of 15.5 in February 2016, and just 0.9ppt below SmallCap's record-high P/E of 20.9 in April 2002. Prices remain near record highs for all three indexes, but their "E"s still remain low as the bottom-up consensus awaits management guidance about the impact of the lower corporate tax rate. Looking at their daily forward price/sales (P/S) ratios, valuations rose last week for the three indexes: LargeCap's P/S of 2.13 on Friday was at a record high, MidCap's 1.38 was a tad below its record high of 1.39 in March 2017, and SmallCap's 1.09 surpassed its prior cyclical high of 1.08 in March 2017, but remains below its record high of 1.17 in November 2013 when Energy revenues were depressed.

Global Stock Markets Performance ([link](#)): The US MSCI index rose 1.6% last week for its seventh gain in eight weeks. The index ranked 15th out of the 49 markets in a week when 33 countries rose in US dollar terms. That compares to 27th a week earlier, when it soared 2.6% for its biggest gain since December 2016 as all but two countries moved higher. The AC World ex-US index rose 0.9% and underperformed the US MSCI for the first time in four weeks; that result compares to a 2.7% advance a week earlier, which was its best since mid-July. All regions rose last week, and EM Eastern Europe performed the best with a gain of 2.4%, followed by EMEA (2.0%), BRIC (1.5), EMU (1.3), and EAFE (1.2). EM Latin America (0.6) and EM Asia (0.7) were the worst-performing regions. Italy was the best-performing country, with a gain of 3.9%, followed by Egypt (3.8), Greece (3.8), and Israel (3.3). New Zealand was the worst performer among countries, falling 2.7%, followed by Turkey (-2.3), and South Africa (-1.8).

S&P 1500/500/400/600 Performance ([link](#)): All three market-cap indexes ended the week at record highs. LargeCap rose 1.6% and outperformed MidCap (1.5%), but both trailed SmallCap (2.1). Twenty-three of the 33 sectors rose w/w, compared to 24 a week earlier. Last week's biggest gainers: SmallCap Energy (5.0), SmallCap Telecom (4.9), SmallCap Health Care (4.3), and MidCap Energy (3.6). Real Estate and Utilities dominated last week's worst performers for a second straight week: LargeCap Real Estate (-3.5), MidCap Telecom (-3.4), MidCap Utilities (-3.1), MidCap Real Estate (-2.4), SmallCap Real Estate (-2.4), and SmallCap Utilities (-2.3). LargeCap has risen 4.2% so far in 2018, ahead of SmallCap (3.5) and MidCap (3.4).

S&P 500 Sectors and Industries Performance ([link](#)): Seven of the 11 sectors rose last week, and five outperformed the S&P 500's 1.6% gain. That compares to eight sectors rising a week earlier when six outperformed the S&P 500's 0.4% decline. Industrials and Energy were the best-performing sectors as their 3.2% gains edged out the advances of Consumer Discretionary (3.1%) and Financials (2.9), and solidly exceeded Health Care (1.7). Real Estate (-3.5) was the biggest underperformer as the sector posted its worst decline since mid-March, and was followed by these underperformers: Telecom (-2.1), Utilities (-2.1), Consumer Staples (-0.6), Materials (0.8), and Tech (0.9). The seven sectors higher so far in 2018 are also ahead of the S&P 500's 4.2% ytd gain. The best performers to date in 2018: Energy (7.2), Consumer Discretionary (6.5), Industrials (6.1), Tech (5.1), Health Care (5.0), Materials (4.8), and Financials (4.6). These sectors have underperformed: Real Estate (-5.3), Utilities (-4.5), Telecom (-3.4), and Consumer Staples (-0.4).

Commodities Performance ([link](#)): The commodities markets accelerated last week: Fifteen of the 24

commodities we follow rose for the week as the S&P GSCI commodities index gained 2.1%. That compares to a 0.3% gain in the prior week, when 13/24 commodities rose. Last week's strongest performers: Natural Gas (7.1%), Cotton (4.7), Crude Oil (4.5), Unleaded Gasoline (4.5), and Lean Hogs (4.1). Last week's biggest laggards: Sugar (-6.0), Coffee (-4.8), Kansas Wheat (-2.6), and Wheat (-2.4).

Assets Sorted by Spread w/ 200-dmas ([link](#)): Spreads between prices and 200-day moving averages (200-dmas) rose last week for 14/24 commodities, 3/9 global stock indexes, and 23/33 US stock indexes, compared to 12/24 commodities, 8/9 global stock indexes, and 24/33 US stock indexes rising a week earlier. Commodities' average spread improved w/w to 6.9% from 6.3%. However, fewer commodities trade above their 200-dmas now, 15 compared to 17 a week earlier. Crude Oil leads all commodities and all assets at 25.3% above its 200-dma, but Natural Gas (-1.3%) rose 6.8ppts w/w for the best performance of all commodities and all assets. Crude Oil is followed closely by Brent Crude (25.0), Heating Oil (21.9), GasOil (21.6), and Nickel (19.8). Wheat (-6.1) trades at the lowest of all commodities relative to their 200-dmas, but Sugar (-2.8) fell 5.8ppts last week for the worst performance of all commodities and indeed all assets. The global indexes trade at an average of 8.7% above their 200-dmas, unchanged from the prior week. All nine global indexes still trade above their 200-dmas, the same as a week earlier. Japan (14.2) leads the global indexes, but fell 1.0ppt for the worst performance among global indexes. China (11.9) rose 1.8ppts w/w for the best performance among global assets. South Korea (4.3) trades the lowest among its country peers. The US indexes trade at an average of 7.9% above their 200-dmas, with 26 of the 33 sectors above, up from an average of 6.9% a week earlier, when 26 sectors were above. MidCap Energy (21.2) still leads all US stock indexes relative to their 200 dmas, followed by SmallCap Energy (20.6), SmallCap Health Care (17.9), LargeCap Energy (15.3), and LargeCap Financials (15.3). SmallCap Energy improved 6.0ppts w/w for the best performance of the US stock indexes. MidCap Telecom trades at a sharp discount relative to its 200-dma of 13.9%, the lowest among not just the US stock indexes but all assets. LargeCap Real Estate (-3.8) fell 3.5ppts w/w for the worst performance among the US indexes last week.

S&P 500 Technical Indicators ([link](#)): The S&P 500 index remained in a Golden Cross last week for an 89th week (after 17 weeks in a Death Cross) as both the short-term and long-term trends improved for a second straight week. The index's 50-day moving average (50-dma) relative to its 200-dma rose to a four-year high of 5.9% from 5.6% a week earlier. That compares to a 39-week low of 3.4% in early October and a 52-month low of -4.5% in March 2016. The S&P 500's 50-dma and 200-dma both rose together for a 20th straight week, after failing to rise together in mid-August for the first time in 36 weeks. The index closed above its 50-dma for an 19th week after three weeks below, which was its worst streak since it closed below its 50-dma for 10 straight weeks from September 2016 until the November election. The S&P 500 surged to a 21-month high of 5.0% above its rising 50-dma from 4.1% a week earlier. These 50-dma readings compare to a four-month low of 1.0% below the index's falling 50-dma in mid-August and a 52-month high of 6.2% in March 2016. The S&P 500 surged to 11.2% above its rising 200-dma from 9.9% a week earlier. That's the highest it has traded above its 200-dma since May 2013, which compares to a post-election low of 3.0% in mid-August and a four-year low of -10.1% in August 2015.

S&P 500 Sectors Technical Indicators ([link](#)): Among the 11 sectors, last week saw seven improve w/w relative to both their 50-dmas and their 200-dmas. These four weakened relative to both dmas: Consumer Staples, Real Estate, Telecom, and Utilities. Nine of the 11 sectors traded above their 50-dmas for a fourth week, unchanged from a week earlier. Utilities was below its 50-dma for a fifth week and Real Estate for a fourth week. Still, that's up sharply from six at the end of November and contrasts real favorably with the week before the 2016 election, when all 11 were below (for the first time since December 11, 2015). The longer-term picture—i.e., relative to 200-dmas—shows nine sectors trading above, unchanged from a week earlier as Real Estate was below for a second week and Utilities for a

fourth week. All 11 had been above in mid-December for the first time since mid-February. Ten sectors are in a Golden Cross, with 50-dmas higher than 200-dmas, unchanged from a week earlier—leaving Telecom out for a 45th straight week. All 11 sectors had been in a Golden Cross during a 21-week streak that ended in late October of 2016, the longest such stretch since October 2014. Nine sectors have rising 50-dmas, down from 10 a week earlier as Real Estate's slipped below again and Utilities' dropped for a fourth week. Nine sectors have rising 200-dmas, down from 10 a week earlier, as Real Estate fell below for the first time in 27 weeks. Telecom's 200-dma fell for a 20th straight week, and Energy's 200-dma rose for a fourth week after falling for 34 weeks.

US ECONOMIC INDICATORS

Retail Sales ([link](#)): December retail sales rose during the final four months of 2017 to a new record high, posting its best calendar-year performance since 2014. Sales rose 0.4% m/m and 4.0% over the four-month period, while there were upward revisions to both November (to 0.9% from 0.8%) and October (0.7 from 0.5) gains, with the latter revised higher for the second time—more than triple its preliminary estimate of 0.2%. Core retail sales hasn't posted a decline in seven months, climbing 0.3% in December and 3.8% over the six-month period. (BEA uses this core retail sales measure to estimate personal consumption expenditures each month.) We estimate real retail sales advanced 0.5% in December, its ninth increase in the past 10 months. These sales accelerated 6.2% (saar) during the final quarter of last year, the best quarterly performance since Q1-2015. Real core retail sales rose the final three months of last year, after contracting the prior two months. These sales rose 0.4% m/m, with the quarterly rate accelerating 3.9% (saar) after slowing from 7.8% to 2.2% during Q3; growth was near zero during Q1. Eight of the 13 major nominal retail sales categories rose in December, led by sales gains above 1.0% for building materials (1.2%) and nonstore (1.2) retailers, followed by restaurants (0.7), furniture (0.6), and food & beverage (0.5) stores; sales for motor vehicle, health & personal care, and general merchandise retailers posted gains from 0.1% to 0.4%. Leading decliners, with losses of 1.0% or more, were miscellaneous store (-2.9) and sporting goods (-1.6) retailers. Sales for clothing and electronic & appliance stores were only fractionally lower. Sales for gasoline service stations were flat during the month.

Business Sales & Inventories ([link](#)): Nominal business sales in November and real sales in October once again reached new record highs. The details: Nominal manufacturing & trade sales (MTS) have only posted one decline the past 16 months, rising 1.2% in October and 9.6% over the period. Inflation-adjusted MTS rebounded 2.8% in the six months through October after slumping 1.0% the first four months of the year. Real sales of both retailers and wholesalers climbed to new record highs in October; manufacturers' sales continued to move back toward December's cyclical peak. October's real inventories-to-sales ratio fell to 1.41—the lowest since March 2014; November's nominal inventories-to-sales ratio sank to 1.33—its lowest reading in three years.

US CPI ([link](#)): The core CPI rate in December remained below the Fed's target rate of 2.0% y/y for the ninth month, after 15 months above—ranging from 2.1% to 2.3%—from December 2015 through February of last year. The yearly rate ticked back up to 1.8% after moving down from 1.8% to 1.7% in November; the rate was at 1.7% from May through September. Meanwhile, the three-month rate accelerated 2.5% (saar), the highest since February. On a monthly basis, core prices ended 2017 with a 0.3% rise, which was how it started the year; in between, core prices rose either 0.1% or 0.2%—except for a 0.1% downtick in March. Among the indexes posting gains last month were shelter, medical care, used cars & trucks, new vehicles, and motor vehicle insurance, partially offset by lower prices for apparel, air fares, and tobacco. The headline CPI rose only 0.1% after accelerating 0.4% in November; the yearly rate slowed to 2.1% y/y from 2.2% in November, hovering around 2.0% most of the year.

US PPI ([link](#)): The PPI for final demand fell in December for the first time since August 2016 as the final demand services index finished 2017 with its second down month of the year. Headline PPI slipped 0.1% after gains of 0.4% the prior two months, driven by a 0.2% decrease in prices for final demand services, following a nine-month increase of 2.4%. Prices for final demand goods was flat after a four-month advance of 2.8%. Most of the declines in the services index reflected a 10.7% drop in automotive fuels & lubricants retailing. As for final demand goods, a 0.7% decline in foods offset a 0.2% advance in core prices. The yearly inflation rate for the headline series slowed to 2.6% from 3.1% in November, which was its highest rate since January 2012. The goods rate slipped to 3.5% y/y, hovering near November's 4.2%—which was the highest since the end of 2011; the services rate (2.2% y/y) eased from its recent high of 2.4% the prior two months. Meanwhile, the core (2.3) rate was little changed from October and November's 2.4%, which was the fastest pace since February 2012, while the rate for core ex trade services edged down to 2.3% y/y after reaching 2.4% in November—its high for the series going back to 2014.

GLOBAL ECONOMIC INDICATORS

Eurozone Industrial Production ([link](#)): Output in November rose sharply, climbing to a new cyclical high. Industrial production (excluding construction) expanded 1.0% after an upwardly revised 0.4% increase in October, which was double the preliminary estimate. It was the fourth gain in five months, for a total jump of 2.6%. The increase in November production was widespread, led by a 3.0% rebound in capital goods production, followed by gains of more than 1.0% in consumer durable (1.5) and intermediate (1.1) goods output. Consumer nondurable goods production edged up only 0.1%, though it was the fifth straight increased for a total gain of 1.3%; energy output was unchanged during the month. November data are available for three of the top four Eurozone economies: German production rebounded 3.6%, more than reversing a two-month slide of 2.4%, while Spain's output advanced for the fourth month, up 1.0% m/m and 3.0% over the period; meanwhile, production in France contacted 0.5% after a two-month surge of 2.5%. Aside from Germany, other Eurozone economies posting sizable November gains were Luxembourg (3.4%), Malta (2.8), and Lithuania (2.7). Ireland (-9.4) posted the biggest decline in production, but it followed an 11.8% surge in October, which was the fourth straight gain, for a total jump of 17.1%. Production for the Eurozone remains bright: December's Eurozone M-PMI (60.6) recorded its best reading in the history of the series going back to mid-1997. Austria (64.3, record high) moved to the top of the leader board; Germany (63.3, record high) and the Netherlands (63.3) weren't far behind, both with readings above 60.0. Also posting impressive numbers were Ireland (59.1, record high), France (58.9, 207-month high), Italy (57.4), and Spain (55.8).

Contact us by [email](#) or call 480-664-1333.

Ed Yardeni, President & Chief Investment Strategist, 516-972-7683
Debbie Johnson, Chief Economist, 480-664-1333
Joe Abbott, Chief Quantitative Strategist, 732-497-5306
Melissa Tagg, Director of Research Projects & Operations, 516-782-9967
Mali Quintana, Senior Economist, 480-664-1333
Jackie Doherty, Contributing Editor, 917-328-6848
Valerie de la Rue, Director of Institutional Sales, 516-277-2432
Mary Fanslau, Manager of Client Services, 480-664-1333
Sandy Cohan, Senior Editor & Webmaster, 570-775-6823

Copyright (c) Yardeni Research, Inc. Please read complete [copyright and hedge clause](#).