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Understanding the Balance:

An analysis of the 2018 **construction materials market** and M&A expectations for 2019

by George Reddin and Scott Duncan

Looking back, 2018 was a "tale of two halves" for the construction materials (CM) sector, both for performance and M&A activity. The year started off with great optimism: 2017 was a banner year for M&A, the new tax bill (TJCA) went into effect in January of 2018, and the market anticipated an infrastructure stimulus bill early in the season. As a result, publicly traded CM stocks reached new highs in January 2018, and private companies looked forward to another record year. M&A activity was at a level the sector had not seen since prior to the financial crisis in 2008. While there was talk about the next economic downturn and concerns of the sector being in a period of peak earnings, all major buyers were actively looking for deals, creating a "frothy" M&A market.

In February, public markets were disappointed by what turned out to be a "much ado about nothing" infrastructure bill. Additionally, many markets experienced bad weather in the first two quarters of 2018, putting companies behind budget but with hopes of achieving an outstanding year if conditions improved. These dilemmas were followed by myriad challenges, including increasing interest rates from the Federal Reserve in June, the implementation of new tariffs, the news of a slowdown in residential starts/construction, and continued bad weather throughout the summer. Despite these hurdles, M&A activity remained strong through the third quarter of 2018.

In September, the Fed again increased interest rates, and third quarter earnings reports from public companies demonstrated the impact of continued bad weather and weakening residential construction data. For many large players, the cumulative effect of 2018 events resulted in lower than expected earnings for the year. The outlook for the CM sector (including cement, aggregates, ready mix concrete and asphalt) appeared increasingly unclear, limiting M&A activity due to buyer preferences for certainty. As the year ended, most of the publicly traded companies were trading near their 52-week lows (approximately 36.7% off their 52-week highs), resulting in a $49.1 billion loss in market capitalization across 16 CM companies.[1]

M&A activity stalled late in the year as year-to-date ("YTD") and trailing twelve months ("TTM") performance of target companies significantly varied from forecasted results and next twelve months ("NTM") expectations. The NTM expectations were high, based on significant backlogs as the result of work being pushed into 2019, while TTM numbers were lagging due to weather and outside factors. These discrepancies resulted in many transaction delays or deferrals as buyers—many of them publicly traded—were overly focused on TTM, while sellers concentrated on NTM, creating a disconnect on value.

2018 performance, while disappointing compared to original expectations, will still be remembered as a very good year for most CM producers. Despite decreasing stock values, revenues from the publicly traded companies grew 7.9% year-over-year ("YOY"), and construction aggregates (tons) grew 5.2% in the first nine months of the year. Many companies enter 2019 with very attractive backlogs as well as high volume and margin expectations for a good year. The sector is facing uncertainty, and it may take the first half of the year to bring clarity. Several questions must be answered to fully understand future performance – Will there be a federal infrastructure bill in 2019? What will be the impact from tariffs and trade disputes? Will interest rates increase or stabilize? Will weather return to normal? What will happen with residential markets?

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1 The CM index includes: Buzzi (BIT: BZU); Cemex (BMV: CEMEX CPO); Colas SA (ENXTPA: RE); CPI (NasdaqGS: ROAD); CRH (ISE: CRG); Eagle Materials (NYSE: EXP); GCC (BMV: GCC); Granite Construction (NYSE: GVA); Heidelberg Cement (DB: HEI); LafargeHolcim (SWX: LHN); Martin Marietta (NYSE: MLM); The Monarch Cement Company (OTCPK: MCEM); Summit Materials (NYSE: SUM); Titan Cement (ATSE: TITK); U.S. Concrete (NasdaqCM: USCR); Vulcan Materials (NYSE: VMC)

FMI predicts a bright future for the CM industry, and an active year of M&A for 2019. However, we also expect a significant shift early in the year to strategic, compelling bolt-on deals versus platform and "mega" transactions. Buyers will be committed to continue M&A activity to meet growth expectations, while the supply of sellers remains healthy. Bolt-on transactions are popular even in periods of uncertainty as the synergies in most of these transactions provide the grease necessary to bridge the typical gap between buyer and seller expectations. Platform transactions will return to the forefront later in the year if impressive performance from the first two quarters is demonstrated. Additionally, any momentum on an infrastructure stimulus bill may augment the desire for larger transactions.

2018 Construction Materials Index and Stock Market Performance

The FMI Construction Materials Index (CMI) consists of 16 publicly traded construction materials firms with operations in the United States. Throughout 2018, the CMI saw a continued decrease in market value, despite the sector coming off strong performance in 2017 (Exhibit 1). No single cause drove this decline, but rather a steady accumulation of headwinds combined to result in a 31.8% drop from January 1 to December 31, 2018. Notable headwinds included record inclement weather, rising input prices, new tariffs, stalled infrastructure legislation, economic uncertainties and weakening construction data. It is important to note that these drivers did not impact all construction materials companies equally; public companies were often "punished" for economic factors that do not affect their private counterparts. Still, the CMI's movement provides an illustrative trend for how the sector was perceived by the investing community in 2018. Exhibit 2 illustrates a timeline of notable events in 2018 and the respective correlation of the CMI performance.

Exhibit 1: 2018 CMI and Stock Market Performance

The CMI departs from the broader indices mid-2018

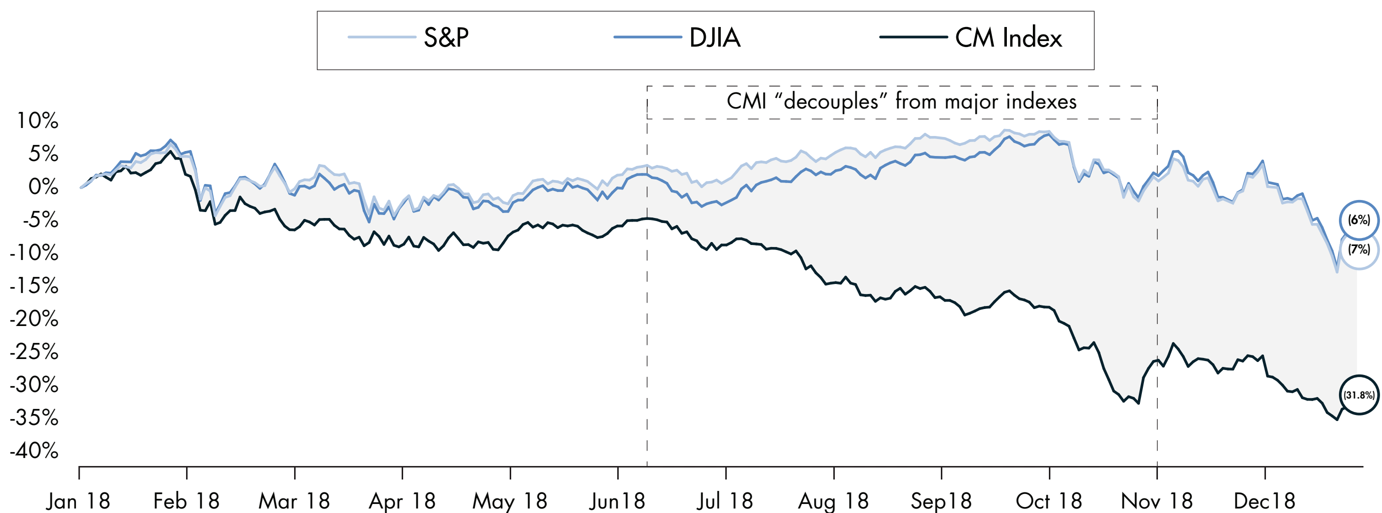
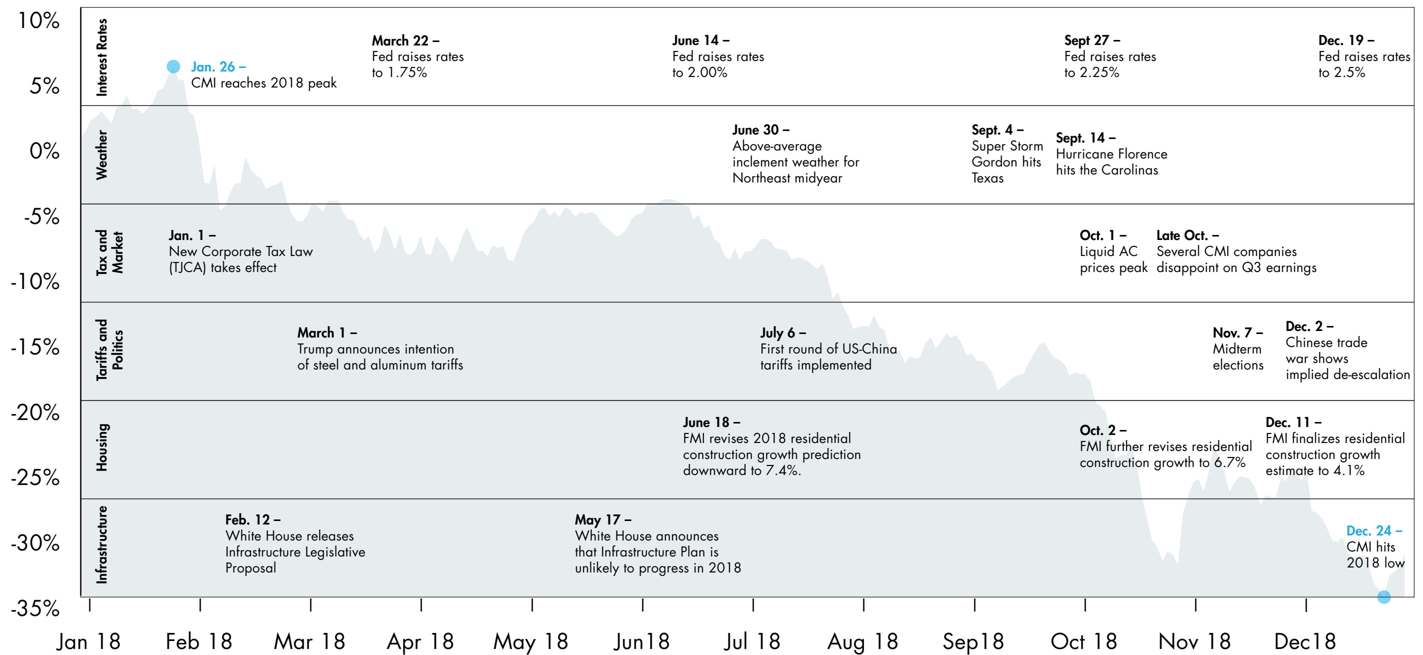


Exhibit 2: 2018 CMI and Stock Market Performance

A mosaic of influences led to the decline of the CMI



Source: CapIQ

The CMI performed in line with the Dow Jones and the S&P 500 in early January 2018. The CMI reached its 2018 peak on January 26, thanks to the TJCA and infrastructure bill anticipation. After the infrastructure bill failed to materialize, the CMI underperformed the indices through the first two quarters of 2018, typically trailing the major indices by 5%-10%. Even as negative developments slowly accumulated, the CMI did not generally stray too far from the Dow Jones and S&P 500.

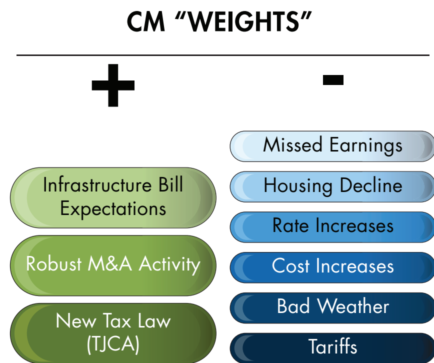
From July through November, however, the "scales" tipped when major companies began to report missed earnings. The CMI valuation was decoupled from the major indices, and on December 24th, it bottomed out at negative 35.2% YTD (with almost every member of the index at or near its 52-week low). EV/EBITDA multiples began to decline, continuing the downward trend seen in previous years. By the end of 2018, the CMI declined by 31.8%, representing a $49.1 billion in lost market capitalization. By contrast, the S&P 500 and Dow Jones posted moderate losses of 7.0% and 6.0%, respectively. After this correction period, the CMI traded approximately in step with the indices for the remainder of the year.

Factors That Weighed on the Construction Materials Market in 2018

The CMI correction from July through November 2018 defies a single, silver bullet explanation. Rather, a mosaic of influences led to falling stock prices, illustrated below as economic "weights." While 2018 began the year weighted toward predictable performance, negative factors, including the impact of tariffs, bad weather, rising variable costs, weaker than expected residential construction, missed earnings, and an overall increase in uncertainty regarding growth expectations, continued to shift the balance throughout the year.

Exhibit 3: Scale of Market Certainty

M&A activity is highly dependent on market predictability



1. New Tax Law

The U.S. economy entered 2018 with strong momentum from the Tax Cut and Jobs Act ("TCJA"). This act, which went into effect on January 1, 2018, and begins sunsetting in 2021, provides a temporary stimulus to U.S. companies. The two most important benefits for construction materials firms are lower corporate tax rates and the option of 100% bonus depreciation – allowing for the immediate expensing of tangible property in M&A transactions.[2] Both of these provisions increase cash flows and, in turn, M&A valuations.

2. Early Robust M&A Market

The first half of 2018 was a unique time for the construction materials M&A market, as all CM companies were "active" in the acquisition marketplace. This was the first time since pre-2008 that all major players were open to entertain transactions, leading to a robust environment.

3. Infrastructure Bill Expectations

In addition to momentum garnered from the TCJA and healthy M&A activity, construction materials leaders also hoped for a new infrastructure spending package to be passed in early 2018. While the current FAST Act funds federal infrastructure at modest levels through 2020, the market hoped for additional stimulus funding to further galvanize growth. In his State of the Union address on January 30, President Trump called on Congress to "produce a bill that generates at least $1.5 trillion for the new infrastructure investment we need."[3] President Trump further implored Congress to "permanently fix the infrastructure deficit."[4]

> "2017 U.S. Infrastructure Grade: D+"
>
> – American Society of Civil Engineers (ASCE)

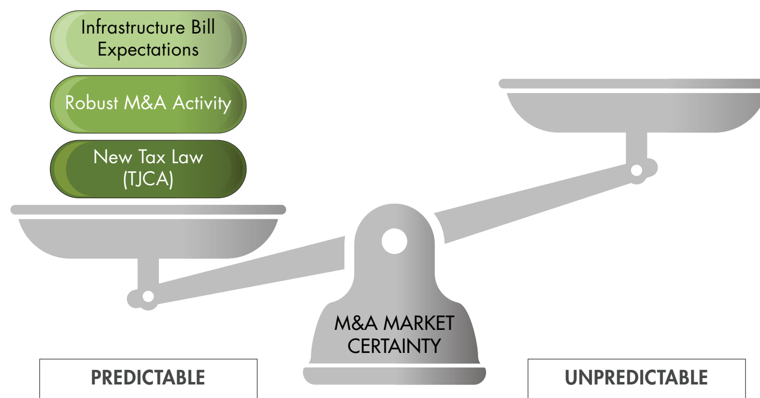
2 Muller, Sean. "2017 Tax Reform Update." Weaver. 2018.

3 "President Donald J. Trump's State of the Union Address." The White House. 2018.

4 Ibid.

Exhibit 4: Scale of Market Certainty

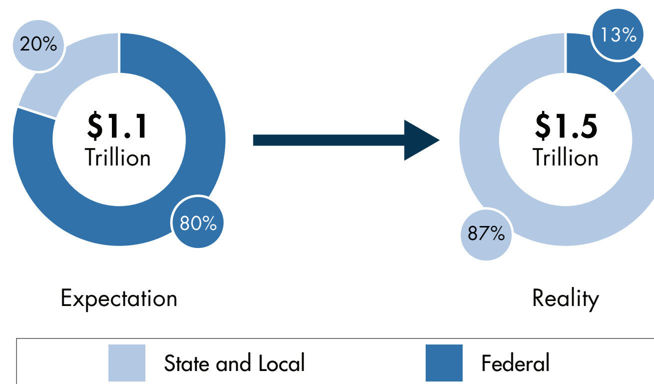
Three economic forces gave 2018 a strong start



4. Infrastructure Bill Stalls

A 55-page summary of the Trump administration's legislative goals, The White House Infrastructure Proposal, was released on February 12.[5] Of the proposed $1.5 trillion in additional infrastructure spending, only $200 billion (13%) would come from federal government sources. The remainder would come from state, city and private sector funding. The Infrastructure Proposal differed from market expectations, which had anticipated a plan of approximately $1.1 trillion, with 80% funded by the federal government.[6]

Exhibit 5: Infrastructure Stimulus Package



The White House Infrastructure Proposal gained little traction on Capitol Hill. By mid-May, the White House Infrastructure Plan was essentially on hold when the White House stated that "an infrastructure package was unlikely in 2018."[7] The failure of the White House Infrastructure Proposal and the overall uncertainty of infrastructure funding negatively impacted the sector and had a tempering effect on M&A activity.

5 "What to expect next in Washington, DC." Ernst & Young. 2018.

6 Mallory, Patricia and Alan Rappeport. "Trump's Infrastructure Plan Puts Burden on State and Private Money." New York Times. 2018

7 Mallory, Shelbourne. "Trump's Infrastructure Plan Hits a Dead End." The Hill. 2018.

5. Tariffs

After public complaints about unfair trade policies in April 2018, the U.S. implemented its first China-specific tariffs on July 6.[8] China responded with similar import tariffs against U.S. goods. During the remainder of 2018, a back-and-forth trade war emerged, with both sides imposing multiple rounds of tariffs. Although most construction materials firms are not directly exposed to Chinese tariffs, the industry is indirectly exposed through steel prices and customers that are impacted by tariffs. As an example, rising steel prices cut into construction budgets, which ultimately reduce the number of projects put in place. Additionally, various end markets (agriculture, automobiles, chemicals and machinery) will likely see sales hurt by trade wars, in turn reducing construction projects within those markets.

6. Inclement Weather

For much of the U.S., 2018 was not merely a bad weather year; it was a historic outlier.[9] Unusually wet weather limited production days for all construction material producers and hindered efficiency in many geographic regions, thereby suppressing performance.

Weather problems budding earlier in 2018 were exacerbated by the strong hurricane season in the fall. In addition to the sheer humanitarian impact, hurricanes further stressed a difficult operating environment for construction materials firms. On September 4, Superstorm Gordon made landfall in Mississippi and dumped unusually high volumes of precipitation across the Gulf Coast. Ten days later, Hurricane Florence struck the U.S. East Coast, causing devastation to the Carolinas. In early October, Hurricane Michael hit the Florida Panhandle, inflicting massive damage on Florida and southern Georgia. The cumulative impact of these natural disasters turned a year of above-average precipitation into a near record-breaking scenario. The only silver lining of bad weather in 2018 was the creation of healthy backlogs for 2019.

"Tariffs hurt consumers and harm housing affordability."

– Randy Noel, Chairman, National Associations of Home Builders

"Most economists in a recent survey view a trade war between the U.S. and China as the biggest threat to the U.S. economy in 2019."

– Wall Street Journal

January through November 2018 ranks as the fifth wettest year across the continental U.S. since 1895.

– National Centers for Environmental Information

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8 Wong, Dorcas and Alexander Koty. "The US-China Trade War: A Timeline." Dezan Shira & Associates. 2018.

9 "National Temperature and Precipitation Maps." National Centers for Environmental Information. 2018.

Exhibit 6: Total Precipitation Percentiles for the U.S.

January-November 2018

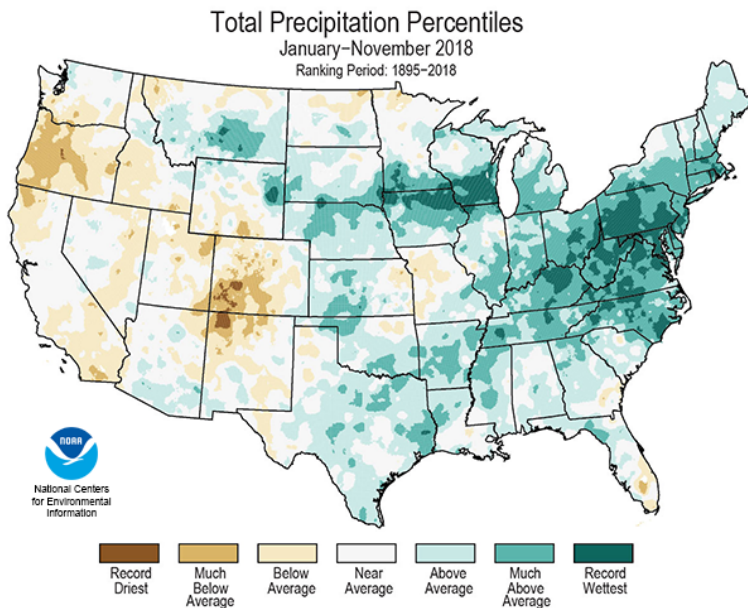
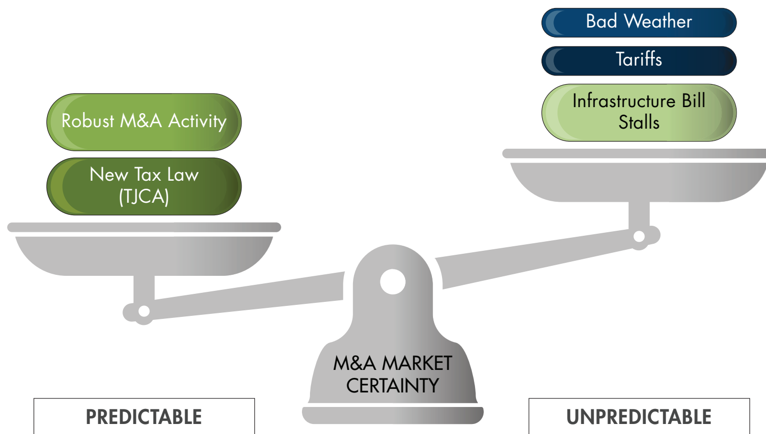


Exhibit 7: Scale of Market Certainty

An absent infrastructure bill, bad weather and tariffs began to shift the balance toward unpredictability



As noted above, geography was the key delineating factor in weather-related performance, with some operations severely hindered and others virtually unscathed. Among publicly traded companies, geographic diversity and acquisitions aided revenue performance, reducing the impact of weather related issues. Among private companies, some producers reported higher revenues than 2017 and others were down slightly, depending on geography. Unlike their public counterparts, private producers could not benefit from vast geographic diversity nor profits gained through acquisitions. Still, private companies remain bullish on future performance due to outstanding backlogs.

> "The [downward EBITDA] revision is attributable to an estimated weather impact of $40 million."
>
> – Tom Hill, CEO, Summit Materials

7. Growing Costs and Labor Shortages

Cost increases were another challenge for construction materials in 2018, especially as related to energy and energy-related products. Diesel prices were volatile throughout the year and well above historic costs during peak operating season. Liquid asphalt, which broadly fluctuates with oil prices, soared in 2018. The St. Louis Federal Reserve maintains an Asphalt Paving Producer Index, which attempts to measure inflationary pressures faced by asphalt pavers.[10] The Asphalt Paving Producer Index rose 4.8% in 2018, surpassing both general inflation of 1.9% and GDP growth of 3.3%.[11] Producers are hoping for stabilized input costs in 2019, in contrast to the price increases of 2018.

10 "Producer Price Index by Industry: Asphalt Paving and Roofing Materials Manufacturing." U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis. 2018.

11 "Real Gross Domestic Product." U.S. Bureau of Economic Analysis and Federal Reserve Bank of St. Louis. 2018.

Construction materials firms also faced labor market constraints in 2018. Since 2014, wages for skilled labor have risen sharply, led by a 10% jump for employees who did not complete high school.[12] The increase in wages has been compounded by shortages of skilled labor in certain markets. In 2018, U.S. jobless claims were near 50-year lows, and construction materials companies struggled to attract younger talent. Both rising labor costs and constrained growth from labor shortages put pressure on margins. Labor shortages also affect the M&A market, as bolt-on acquisitions are a fast, efficient way to grow a labor force. As a result, labor concerns often work to make bolt-on transactions attractive to companies constrained by the need for skilled employees.

> **"A 29 percent increase in unit costs for liquid asphalt more than offset the price improvement."**
>
> – Vulcan Materials

8. Increasing Interest Rates

Monetary policy plays a pivotal role in construction demand, and 2018 was a volatile year for interest rates. From December 2008 to 2015, the Federal Reserve held interest rates at 0.25%. Interest rates began moving upward starting in December 2015, with the Federal Reserve raising rates three times in 2017 and four times in 2018. After the fourth interest rate hike (December 19), the Fed funds rate stood at 2.50%. On November 28, Federal Reserve Chairman Jerome Powell remarked, "Interest rates are still low by historical standards, and they remain just below the broad range of estimates of the level that would be neutral for the economy."[13] In conjunction with the fourth rate

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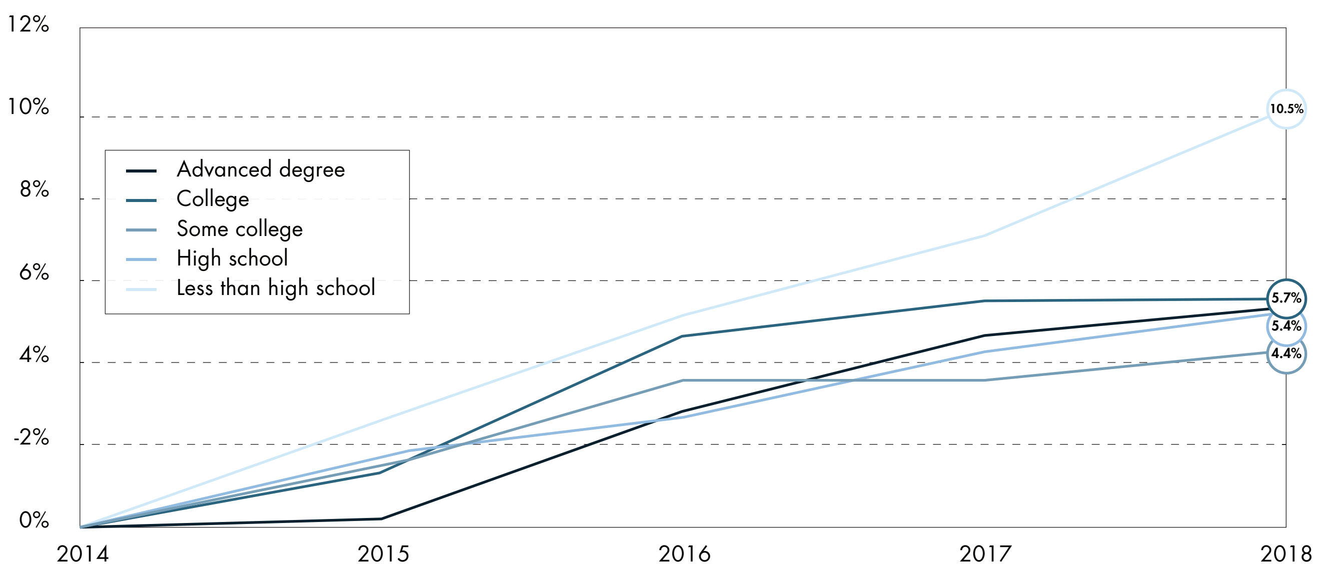
12 Gould, Elise, and Heidi Shierholz. "Average Wage Growth Continues to Flatline in 2018, While Low-Wage Workers and Those With Relatively Lower Levels of Educational Attainment See Stronger Gains." Economic Policy Institute. 2018.

13 Conerly, Bill. "Jerome Powell And The Interest Rate Forecast: Yes, They Are Going Up." Forbes. 2018.

Exhibit 8: Change in Real Average Hourly Wages by Education

2014-2018 showed a boom in the skilled labor categories



Source: Economic Policy Institute

hike in December 2018, market watchers have interpreted Powell's comments to mean that the Fed would not raise interest rates as aggressively in 2019 as in the prior two years.

Fewer rate increases in 2019 could bode well for construction materials firms, as minimal rate hikes (or even a rate pause) in 2019 would temper increasing mortgage rates and increase the outlook for residential construction spending. From an M&A perspective, rising interest rates increase borrowing costs and reduce free cash flow. In a rising rate environment, bolt-on acquisitions become more attractive as buyers can utilize cash on hand and existing credit facilities.

9. Declining Housing Market

In 2018, data suggesting weaker-than-expected growth for residential construction trickled throughout the U.S. economy. From January through November, the seasonally adjusted rate of housing starts fell by 5.8% to 1.26 million units (down from 1.33 million units).[14] Rising interest rates contributed to a weakening residential market. As rate hikes were announced, FMI economists continually moderated

14 "Housing Starts: Total: New Privately Owned Housing Units Started." U.S. Department of Housing and Urban Development and Federal Reserve Bank of St. Louis. 2018.

Exhibit 9: Construction Market Growth

FMI economists expect a slowdown in growth, moving into 2020

				Forecast		
Trend	2016	2017	2018	2019	2020	Trend
Single-Family	9.6%	11.3%	4.3%	**2.7%**	**2.5%**	↓
Multifamily	15.2%	(1.1%)	1.2%	**(5.7%)**	**(2.6%)**	↓
Improvement	10.1%	18.9%	5.0%	**2.7%**	**(1.0%)**	↓
Total Residential	10.5%	12.2%	4.1%	**1.7%**	**0.6%**	↓

Source: FMI Consulting

their total residential construction growth forecasts (beginning the year at 8.8% and ending at 4.1%). Moreover, analysts have further revised forecasts for 2019-2020 downward, based on 2018 data.[15]

10. The Scales Tip From Missed Earnings and Buyer Hesitation

The M&A market for construction materials was very active in the first half of 2018. However, just as with the CMI, the gradual accumulation of negative developments shaped the second half of the year into a more challenging environment. Many M&A deals preparing to go to market in late 2018 were pushed into 2019, as declining earnings, crumbling stock prices and intense market scrutiny increased buyer risks.

In 2018, many sellers missed earnings forecasts, while still having historically good years. Additionally, sellers were encouraged about 2019 prospects due to growing backlogs with attractive margins. Conversely, buyers put increased emphasis on TTM performance, with concerns of being in a peak earnings cycle. This difference of perspectives lead to challenges on transaction pricing expectations.

As the year progressed, buyer and seller viewpoints continued to misalign as the valuation dissonance between TTM and NTM grew. Despite these headwinds, bolt-on acquisitions remained attractive, and three significant deals were announced late in the year.

Noteworthy M&A Transactions of Late 2018

The plants and paving division of Lane Construction Company was acquired by Vinci (SA) late in 2018 for an approximate value of $550 million. Vinci's acquisition of the Lane assets represents its first major acquisition in many years and establishes it as a major player on the U.S. East Coast.

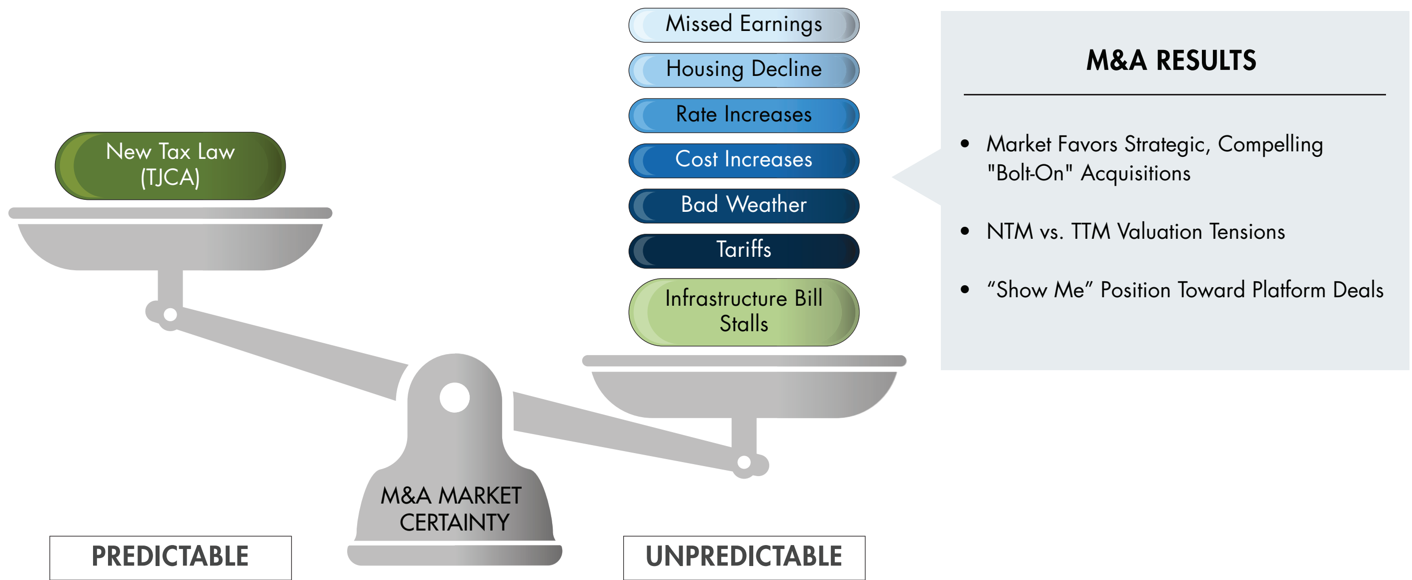
On November 19, StonePoint Materials and Sun Capital Partners announced their intended acquisition of VantaCore Partners for $205 million from parent Natural Resource Partners L.P. VantaCore operates in eight U.S. states, producing limestone, sand and asphalt. The VantaCore deal was significant, as private equity funds were generally cycling out of the CM space throughout 2017 and early 2018 (e.g., Bluegrass, Aggregates USA and H.I.G. Capital).

On November 20, ACG Materials announced its sale to Arcosa Inc. for $315 million. ACG mines and produces gypsum, limestone and hard rock aggregates across the U.S. The buyer, Arcosa, is a manufacturer of infrastructure-related products and services.

15 Bowman, Jay and Brian Strawberry. "FMI U.S. Construction Outlook." FMI. 2018.

Exhibit 10: Scale of Market Certainty

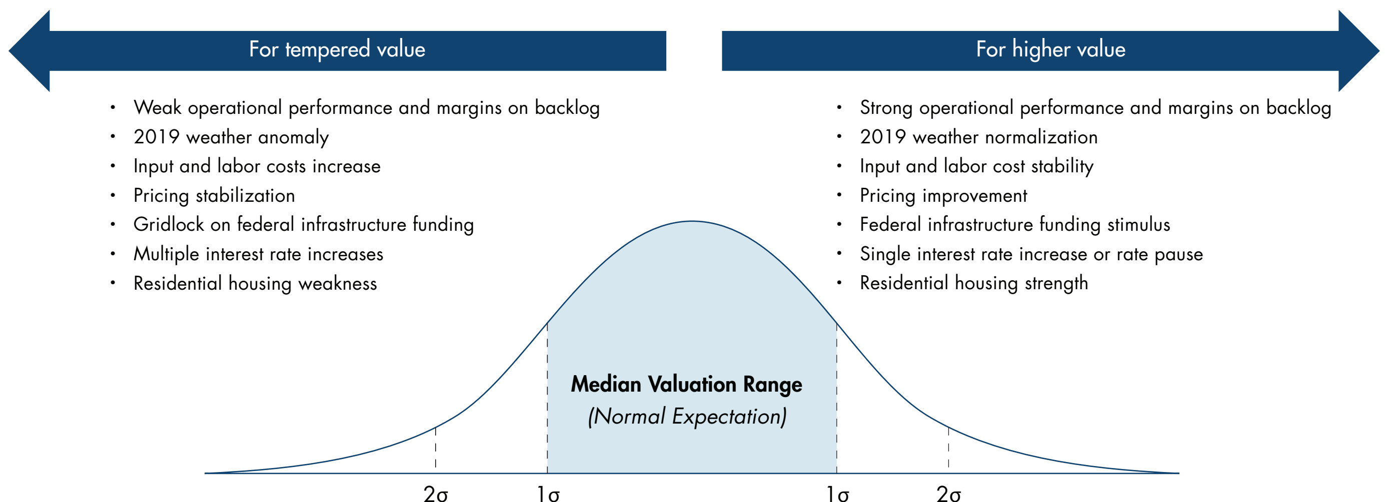
Unpredictable forces outweigh positive developments



2019: The "Show Me" Year

2019 is lining up to be the "show me" year for CM performance, as stock/M&A investors will be watching closely for a recovery from the negative developments of 2018. The market will be anxious to see earnings results in the first and second quarters, validating positive predictions. Healthy backlogs and a return to normal weather should support strong performance. Favorable first quarter earnings have the further potential to increase EV/EBITDA multiples, which had been trending downward in 2018. Lastly, continued progress with state funding initiatives and any momentum on an infrastructure stimulus bill could also boost the outlook for the second half of the year and beyond.

Exhibit 11: "Show Me" Valuation Trends



Earnings Expectations

2019 should be a good year for many companies, based on two promising factors: price improvement and backlogs. While the sector faced cost inflation in 2018, price increases to reflect these increased costs will be fully realized in 2019. Increasing prices should benefit earnings and improve financial performance. In addition to price increases, large backlogs with healthy margins will lead construction materials firms to be more selective in the additional work they pursue, leading to improved margins. Record or near-record job backlogs were common across both public and private producers leading into 2019. Backlogs create revenue visibility and predictability of earnings, key drivers for M&A activity.

Within the construction materials sector, organic growth can often be challenging. Substantial barriers to entry (such as transportation costs, permitting, competitor relationships, etc.) create obstacles for market expansion and increasing market share. Despite these hurdles, analysts continue to expect growth from public companies. Consensus estimates for the CMI revenue growth in 2019 are 6.3% YOY. Additionally, analysts expect margin improvements from major players as companies reduce costs and improve per-unit sales prices. 2019 CMI EBITDA growth expectations are slated at 17.4% YOY. These demanding market expectations put acquisitive pressure on public CM companies. The twin pressures of revenue growth and margin improvement make bolt-on deals appealing, given the rapid speed of integration and readily achievable synergies.

Recession Possibility

The probability of an economic recession is a major outside factor to consider when predicting CM performance during the year ahead. A historically unprecedented bull market run has raised the possibility of recession for the U.S. economy in recent years. As of January 2019, signals are mixed, and economists do not agree on how to interpret the market information. Bullish economists point toward strong GDP growth, a robust labor market and inflation data within the Federal Reserve's target range. Bearish economists point toward mounting debt (public and private), emerging weakness in housing data and myriad political uncertainties (tariffs, Brexit, U.S. government shutdown, and other factors).

When the next recession ***does*** occur, individual construction materials firms will experience the downturn differently. Companies with heavy backlogs and relatively stable public revenue streams may see modest declines, but those that are more exposed to residential construction will likely see bigger declines. The good news is that many economists predict that the next recession will look less like 2008 and more like historical recessions (with recovery captured in a relatively short period of time).

Exhibit 12: U.S. Treasury Spreads (10-Year Yield Minus 2-Year Yield)

Inverted interest rates are highly predictive of recession

Source: St. Louis Federal Reserve, CapIQ

Traditionally, the so-called "yield curve" (the spread in interest rates between two-year and 10-year U.S. Treasuries) is highly predictive of recession. Markets will closely watch yield curves in 2019 (Exhibit 12). When short term rates exceed long term rates (or "invert"), the economy usually enters recession within a year. Throughout 2018, the gap between Treasuries crept closer and closer, but never crossed.[16] If the yield curve does invert and the U.S. economy subsequently enters recession in late 2019 or 2020, the near-term outlook for the construction materials sector will change, with stock market and M&A valuations likely declining as a result. Even in a recession, however, the M&A landscape can be active, as large buyers still face stock market growth expectations. Accordingly, recessions tend to alter the M&A landscape, with large deals sidelined, but bolt-on deals being highly pursued for high-performing, geographically attractive firms.

The inevitability of a recession, whether in 2019 or beyond, pushes M&A markets toward smaller deals. In light of continual construction growth since the "Great Recession," buyers are cautious about making major acquisitions at the top of a cycle. While large buyers will not sit idly on their capital, they will also steer clear of major purchases with elevated risk profiles. Bolt-on deals align with the market's current demand for prudent expansion, especially for major buyers with increasingly leveraged balance sheets (ex. Summit Materials and U.S. Concrete). At this point in the market cycle – 10 years into a bull market and with recession on the eventual horizon – singles become far more attractive than home runs.

> "More than half of economists polled expected the next recession to start in 2020, and just over a quarter expected it to start in 2021."
>
> – Wall Street Journal

16 "10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity" [T10Y2Y]. Federal Reserve Bank of St. Louis. 2018.

Bright Future

Regardless of when the next recession occurs, the long-term outlook for the construction materials sector remains healthy, with the return of discussions on federal infrastructure spending and continued state funding initiatives. Market watchers hope that partisan sparring in Washington will dissipate in an off-cycle year (although the government shutdown in December 2018 adds an element of uncertainty). In addition to federal overtures toward increased infrastructure spending, political winds in late 2018 indicated that several state legislatures will consider additional gas taxes in 2019 (Alabama, Illinois, Kansas, Louisiana, Minnesota and Nebraska are reportedly among those states considering raising gas taxes).[17] Various other political developments could also impact the sector (interest rates, tariffs, Brexit, etc.) in 2019.[18] Buyers and sellers will be watching the scales of market predictability, along with performance in the first and second quarters, to see how they impact the outlook for the sector in 2019 and beyond.

Leading CMI firms, both public and private, remain bullish on their business prospects for 2019. Optimism appears well-founded: Renewed interest in federal infrastructure funding, strong backlogs, incremental pricing improvement and weather normalization all point to a profitable direction. However, after an unpredictable 2018, execution on upbeat forecasts is the key to 2019 stock market and M&A valuations. The markets will be watching earnings results for the first and second quarters closely. Growth pressures on CMI buyers will likely drive the M&A market toward compelling bolt-on acquisitions in 2019, potentially making 2019 an attractive window for middle-market sellers that can deliver on their forecasts.

17 "What A Democratic House Means for the Aggregates Industry." National Stone, Sand & Gravel Association. 2018.

18 Torry, Harriet. "Economists See U.S.-China Trade War as Biggest Threat in 2019." Wall Street Journal. 2018.

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