

Monthly Economic Indicators And Charts

August 2022

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Labor Market May Embolden An FOMC Which Is “Nowhere Near Almost Done”

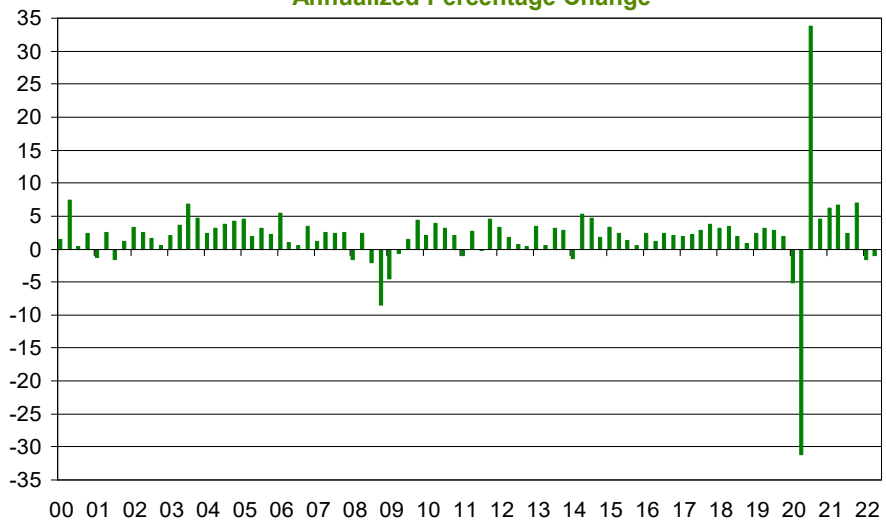
- The BEA’s initial estimate shows real GDP contracted at an annual rate of 0.9 percent in Q2; consumer spending and net exports were supports for real GDP, inventories and business and residential fixed investment were drags. The second straight contraction in real GDP fits an often-used definition of recession but does not meet the standard applied by the National Bureau of Economic Research (NBER). While the pace of economic growth has clearly slowed, none of the indicators used by NBER to determine turns in the business cycle are indicating recession.
- July job growth blew expectations out of the water, as nonfarm payrolls rose by 528,000 jobs while prior estimates to job growth in May and June were revised higher. The unemployment rate fell to 3.5 percent and aggregate private sector labor earnings were up 9.6 percent year-on-year. Though July’s pace of job growth is by no means sustainable, there are no signs that the labor market is on the verge of rolling over as it would were the economy actually in recession.
- The ISM’s monthly surveys of the manufacturing and services sectors show continued expansion in the two broad sectors in July, with the services index coming in much stronger than expected. The ISM’s July surveys show signs of easing of pressures on prices of non-labor inputs and some easing of supply chain constraints, though both remain drags on growth.
- Falling gasoline prices will weigh on the monthly changes in the Consumer Price Index and the PCE Deflator, but headline inflation will nonetheless remain uncomfortably high. Core inflation is likely to accelerate and remain elevated through the fall before beginning to ease.
- The FOMC again raised the Fed funds rate by 75 basis points at their July meeting and effectively abandoned forward guidance, moving into “data dependent” mode. This, along with Chairman Powell noting in his post-meeting press conference that “at some point it will be appropriate to slow down” the pace of rate hikes, was taken as a “dovish pivot” by many market participants, an interpretation which we found highly curious. Several FOMC members publicly pushed back on this interpretation, indicating that they see their work as being “nowhere near almost done.”

ECONOMIC/FINANCIAL DATA HIGHLIGHTS – August 2022

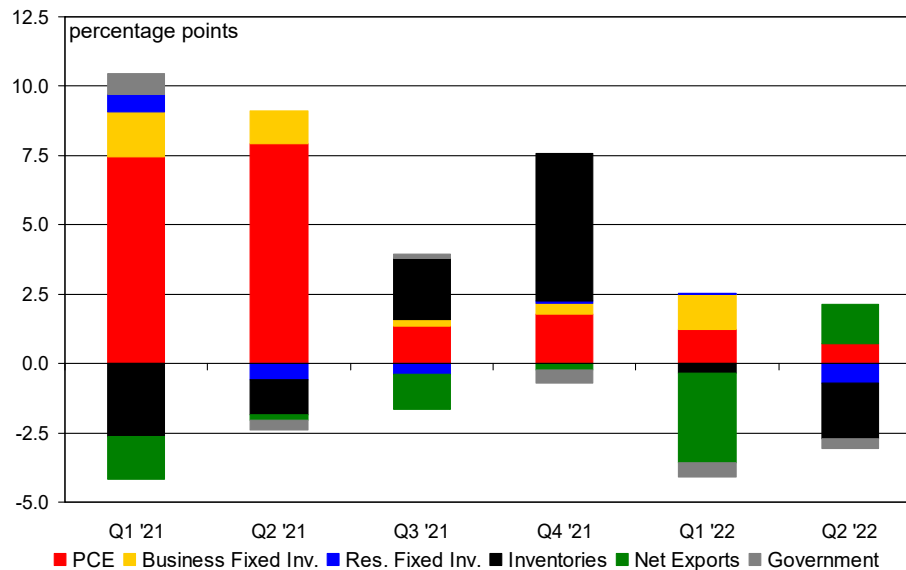
Indicator:	Last Observation:	Reported As:	Value:	% Change Year Ago, or Year Ago Value:
Real GDP	Q2 2022 (1 st est.)	Annualized % change	<0.93%>	1.62%
Total Payroll Employment	July 2022	Monthly change, thousands of jobs	+528	3.96%
Private Sector Payroll Employment	July 2022	Monthly change, thousands of jobs	+471	4.49%
Unemployment Rate	July 2022	% of labor force	3.5%	6.2%
“U6” Unemployment/Underemployment	July 2022	% of labor force	6.7%	9.2%
Unemployed 27 Weeks or More	July 2022	Millions of people	1.067	3.411
Aggregate Private Sector Earnings	July 2022	Monthly % change	0.83%	9.61%
Real Personal Disposable Income	June 2022	Monthly % change	<0.30%>	<3.20%>
Real Personal Income ex-Transfers	June 2022	Monthly % change	<0.28%>	1.36%
Real Personal Consumption Expenditures	June 2022	Monthly % change	0.11%	1.57%
Personal Savings Rate	June 2022	% of disposable personal income	5.10%	9.50%
Consumer Price Index – Total	June 2022	Monthly % change	1.32%	9.05%
Consumer Price Index – Core	June 2022	Monthly % change	0.70%	5.92%
Producer Price Index – Final Demand	June 2022	Monthly % change	1.11%	11.19%
Producer Price Index – Core Final Demand	June 2022	Monthly % change	0.42%	8.28%
Single Family Housing Permits	June 2022	Seasonally adjusted annual rate	967,000	1,091,000
Multi-Family Housing Permits	June 2022	Seasonally adjusted annual rate	718,000	570,000
Single Family Housing Starts	June 2022	Seasonally adjusted annual rate	982,000	1,165,000
Multi-Family Housing Starts	June 2022	Seasonally adjusted annual rate	577,000	499,000
Industrial Production	June 2022	Monthly % change	<0.20%>	4.16%
ISM Manufacturing Index	July 2022	Index value, %	52.8%	59.9%
ISM Manufacturing New Orders Index	July 2022	Index value, %	48.0%	64.9%
ISM Non-Manufacturing Index	July 2022	Index value, %	56.7%	64.1%
ISM Non-Manufacturing New Orders Index	July 2022	Index Value, %	59.9%	63.7%
Federal Funds Rate Target Range Mid-Point	August 5, 2022	Percent	2.375%	0.125%
3-Month LIBOR Rate	August 5, 2022	Percent	2.83%	0.13%
3-Month U.S. Treasury Bill Yield	August 5, 2022	Percent	2.47%	0.05%
2-Year U.S. Treasury Note Yield	August 5, 2022	Percent	3.21%	0.21%
10-Year U.S. Treasury Note Yield	August 5, 2022	Percent	2.83%	1.23%
Dollar-Euro Exchange Rate	August 5, 2022	Euros per U.S. dollar	0.9825	0.8447
Dollar-Yen Exchange Rate	August 5, 2022	Yen per U.S. dollar	135.22	109.75
Federal Reserve Broad U.S. Dollar Index	July 29, 2022	Index value, 1/1/2006 = 100	121.8526	112.5096

Real GDP

Annualized Percentage Change

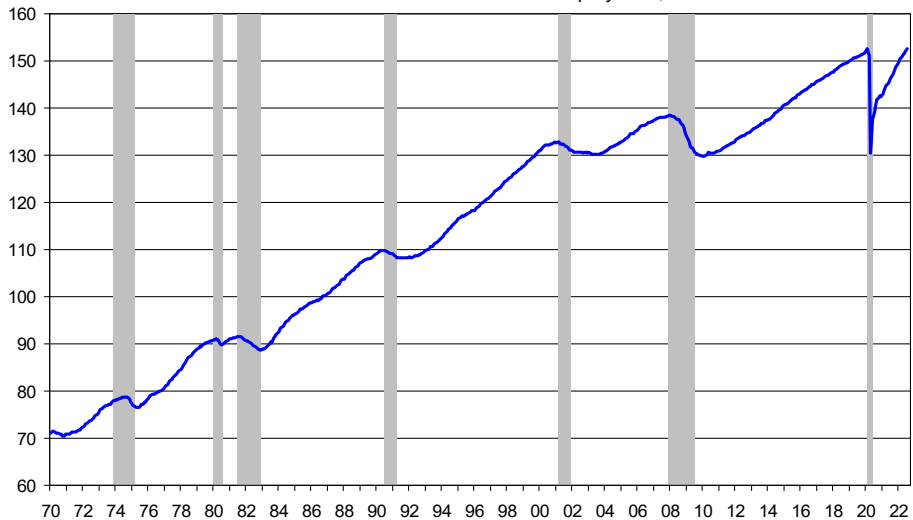


Contribution To Real GDP Growth

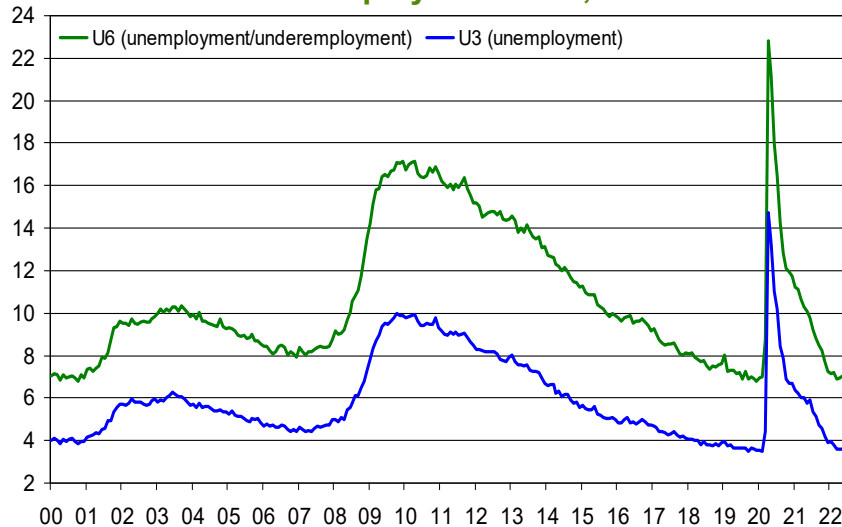


Total Payroll Employment

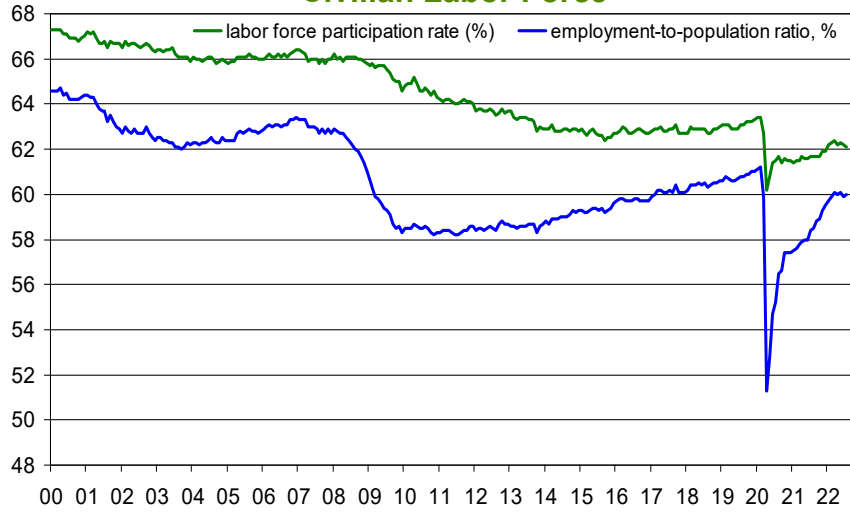
recession Total Nonfarm Employment, millions



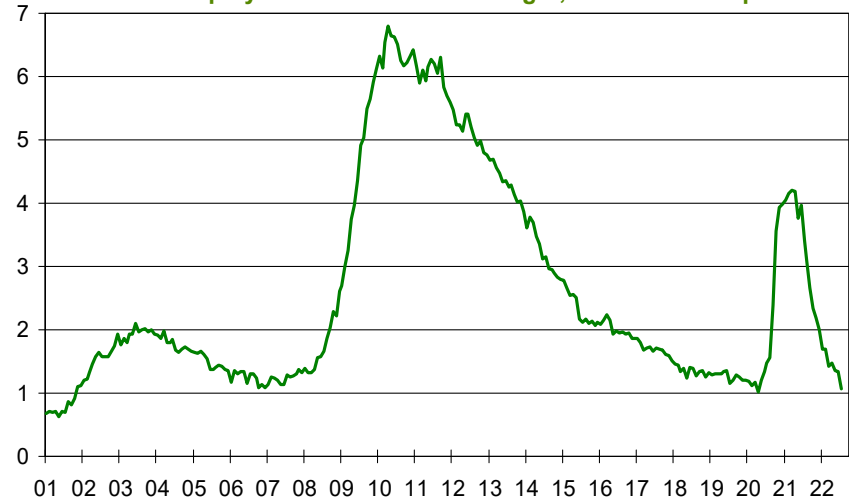
Unemployment Rate, %



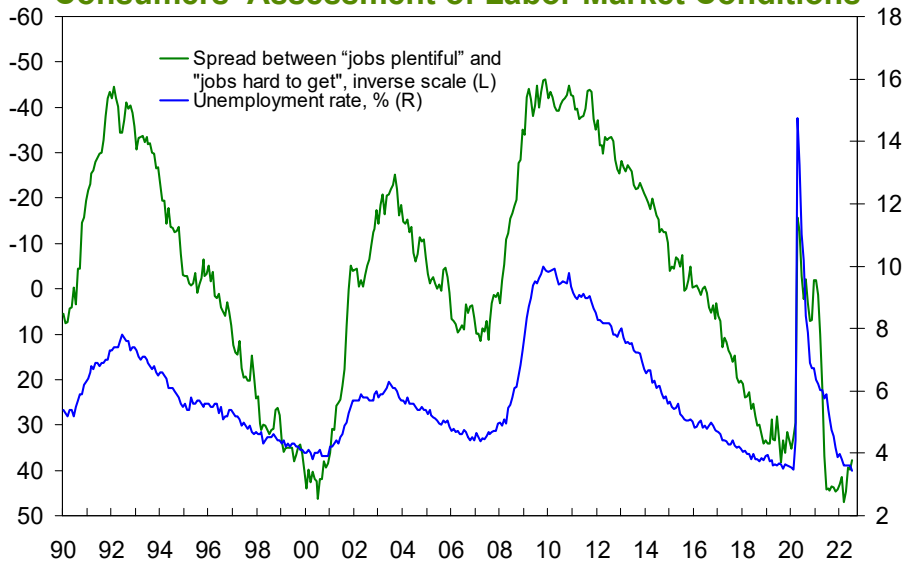
Civilian Labor Force



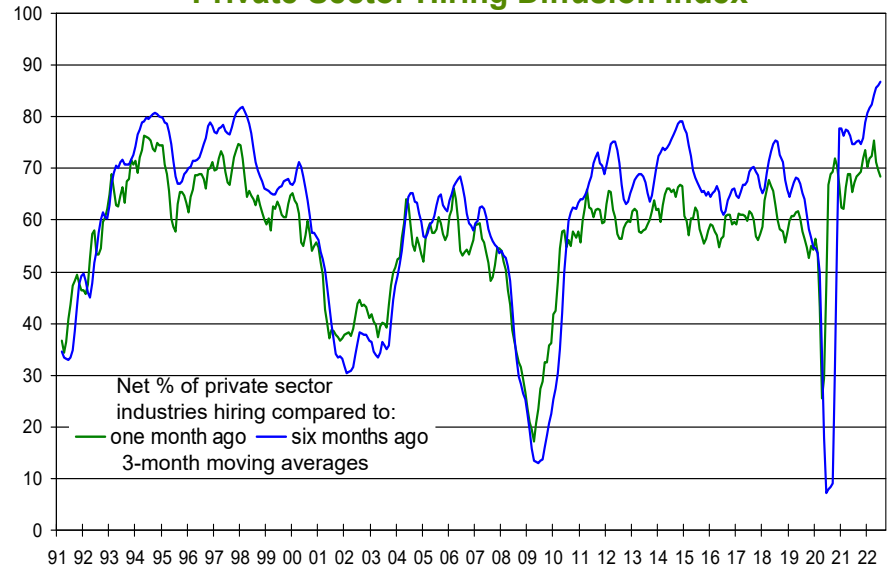
Long-Term Unemployed Unemployed for 27 Weeks or Longer, Millions of People



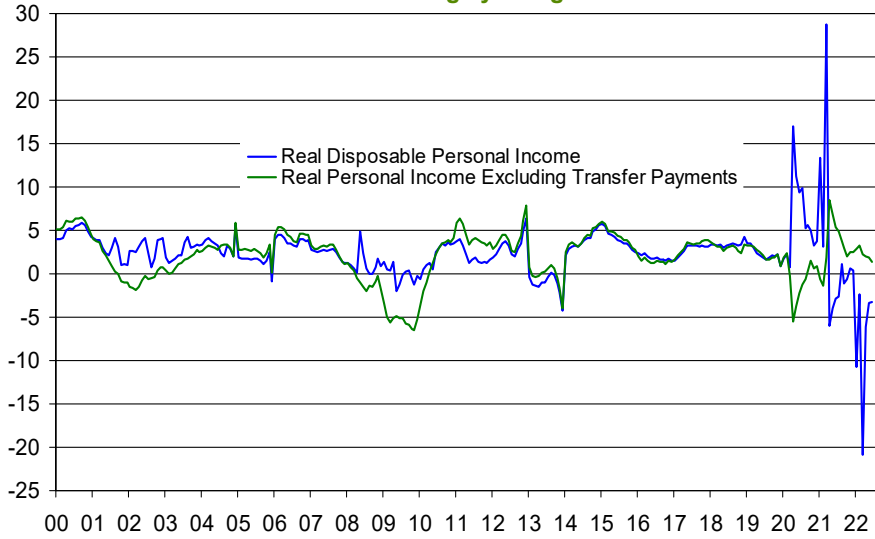
Consumers' Assessment of Labor Market Conditions



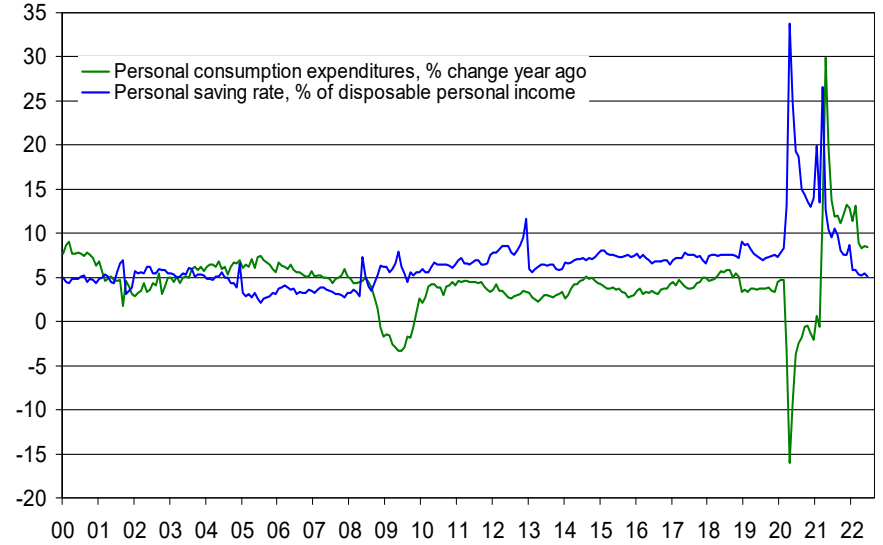
Private Sector Hiring Diffusion Index



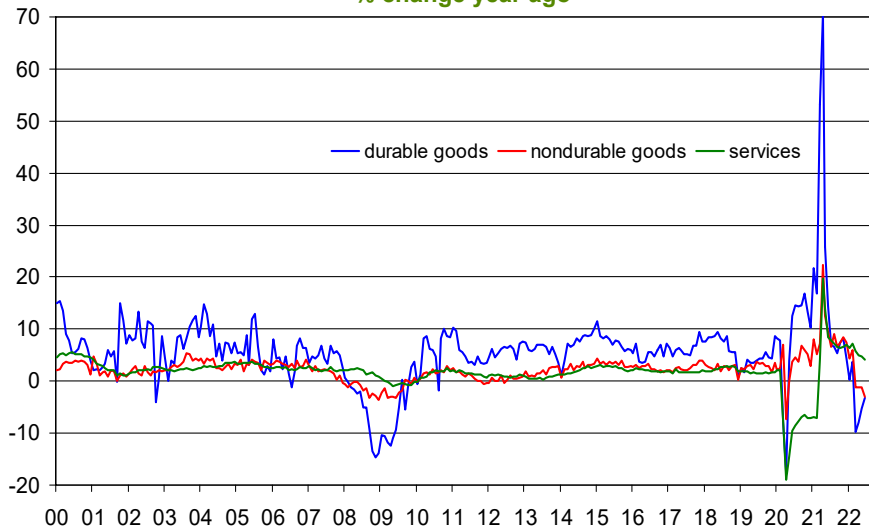
Real Personal Income % change year ago



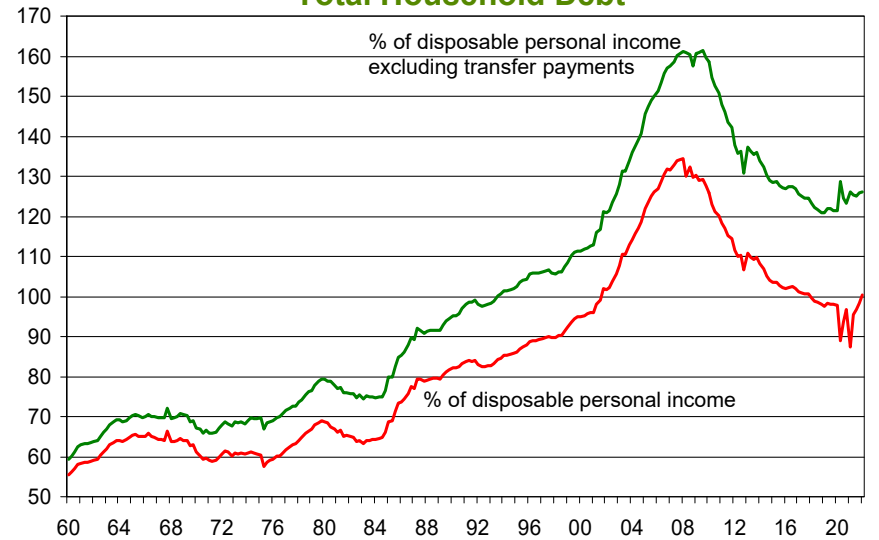
Personal Spending, Saving



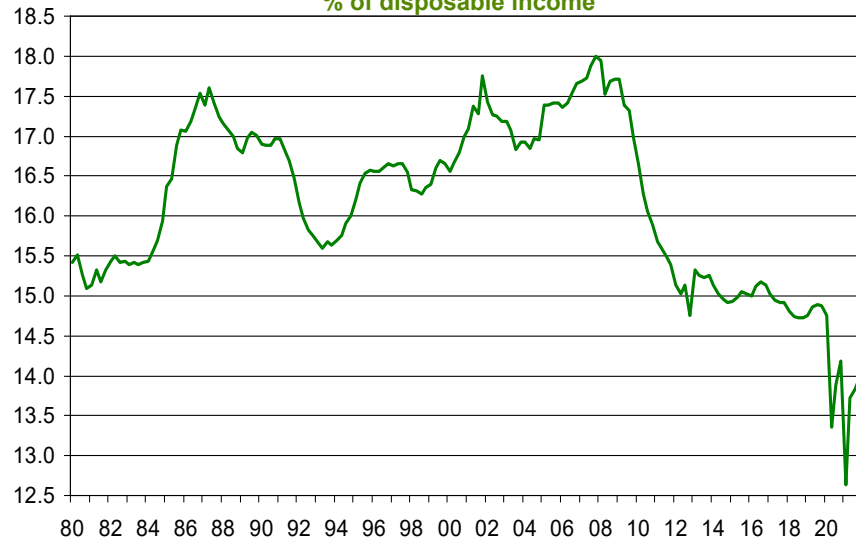
Real Consumer Spending % change year ago



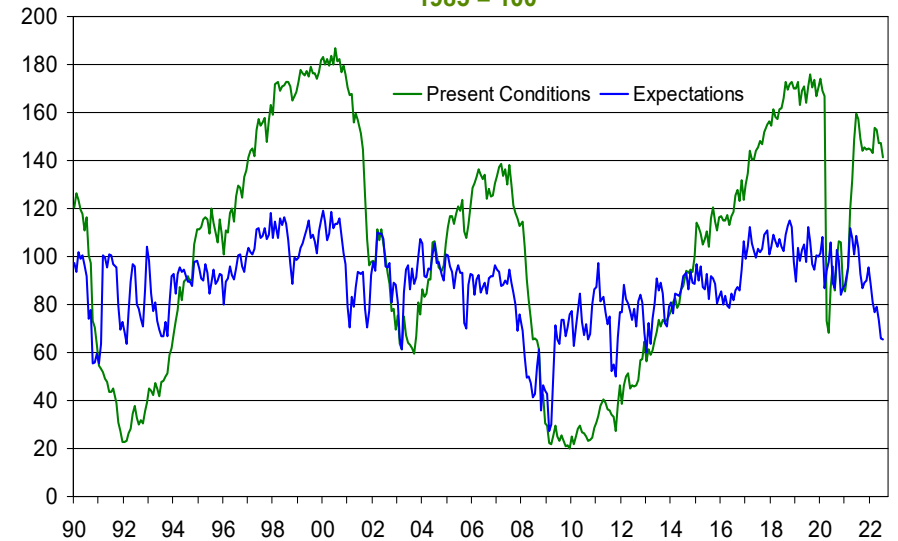
Total Household Debt



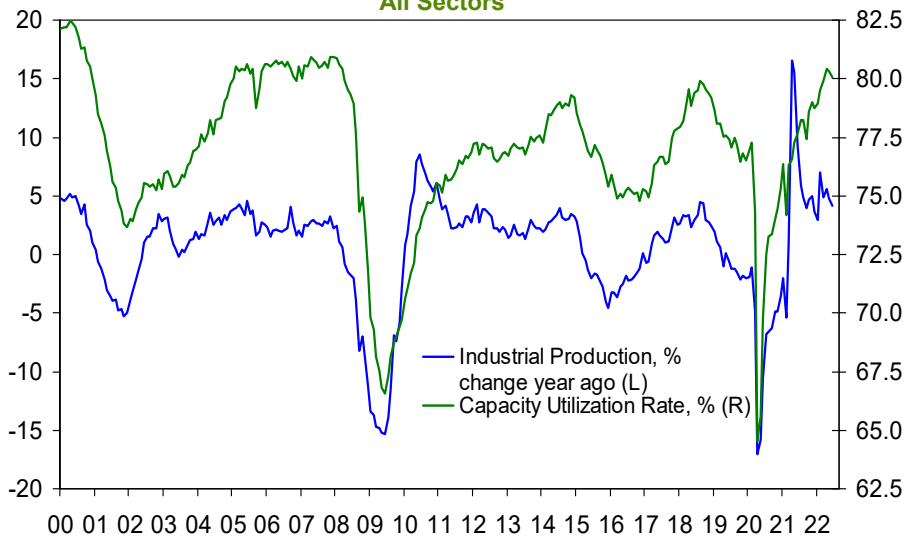
Household Financial Obligations Ratio % of disposable income



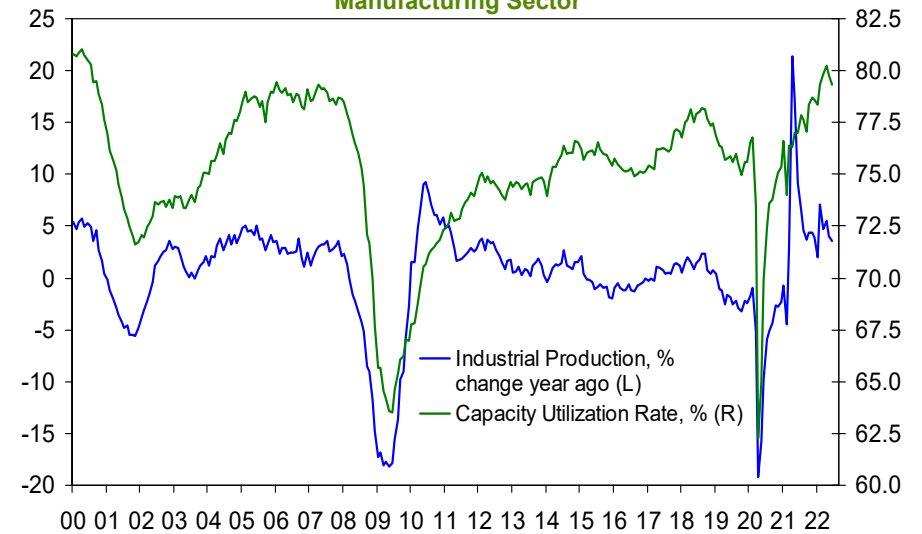
Consumer Confidence Index 1985 = 100



Industrial Production, Capacity Utilization All Sectors

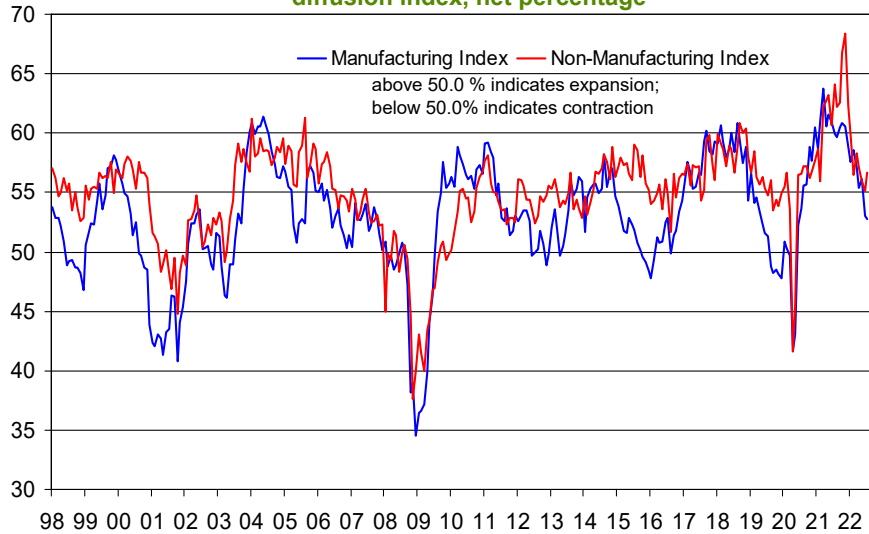


Industrial Production, Capacity Utilization Manufacturing Sector



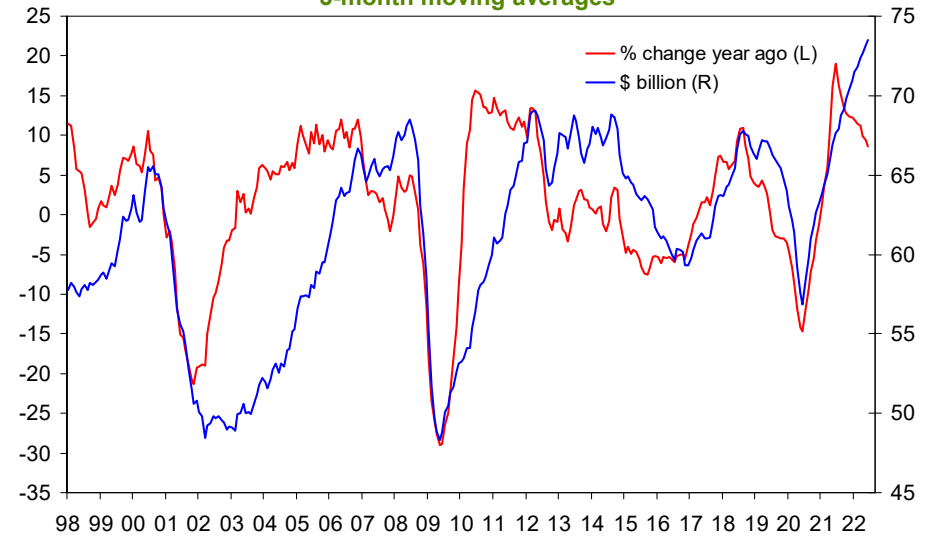
ISM Index

diffusion index, net percentage



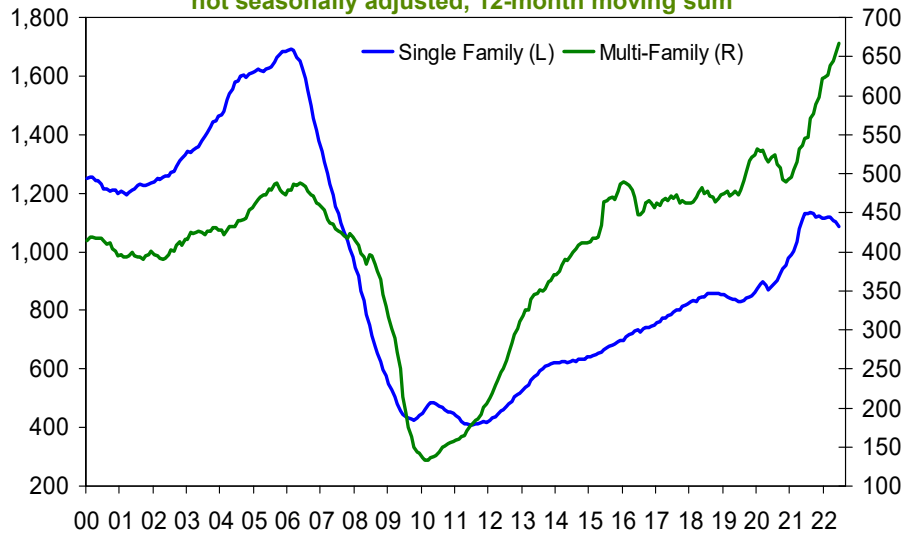
Core Capital Goods Orders

3-month moving averages



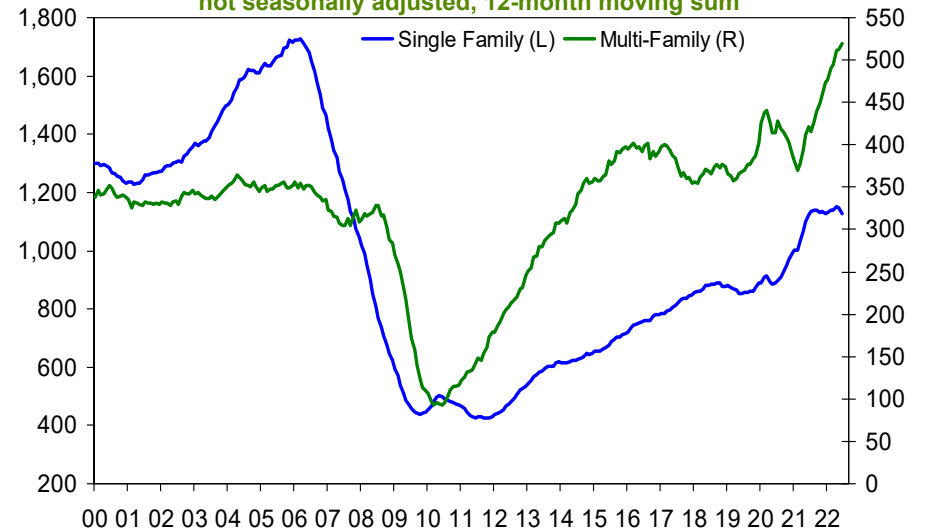
Housing Permits (000's of units)

not seasonally adjusted, 12-month moving sum



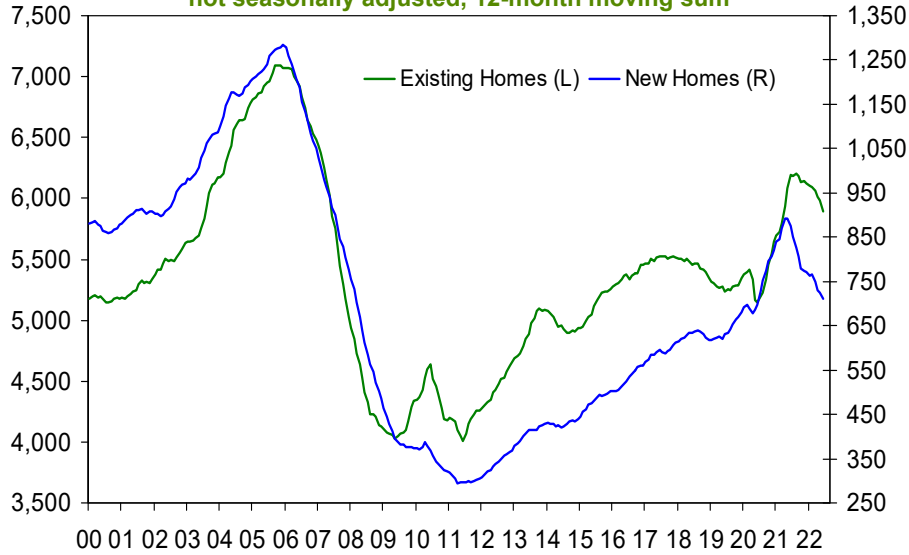
Housing Starts (000's of units)

not seasonally adjusted, 12-month moving sum



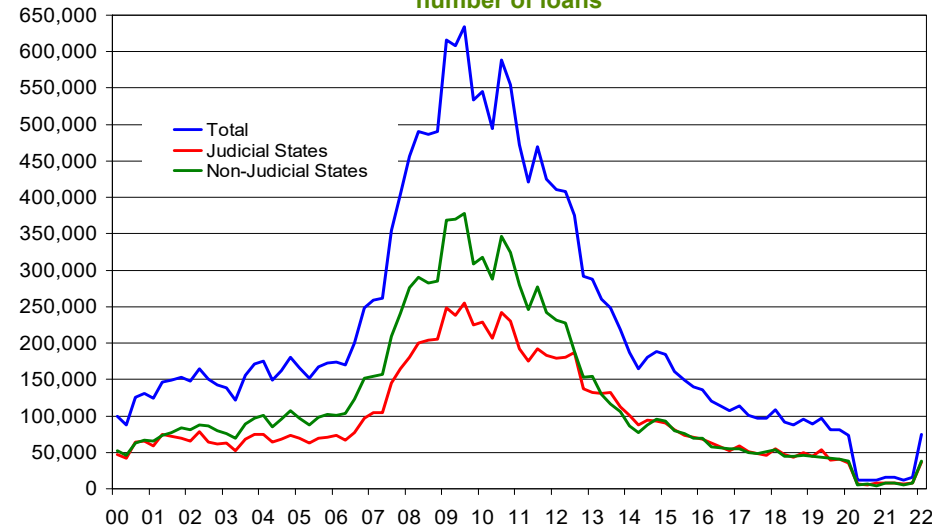
Home Sales (000's of units)

not seasonally adjusted, 12-month moving sum



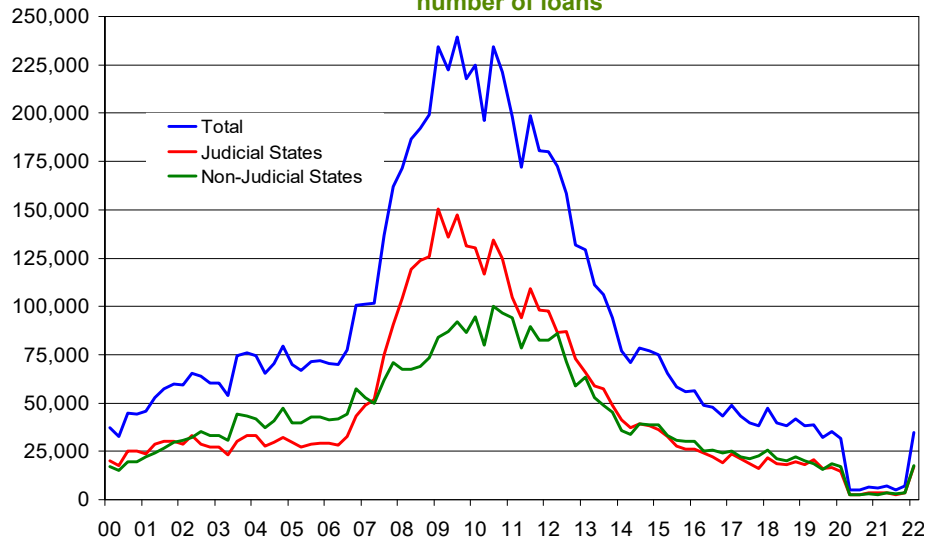
Foreclosure Starts – United States

number of loans



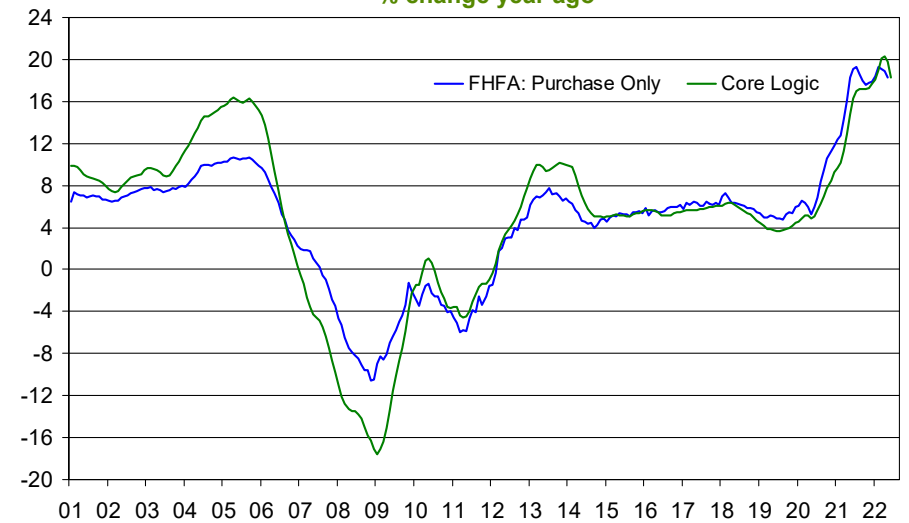
Foreclosure Starts – Regions Footprint

number of loans

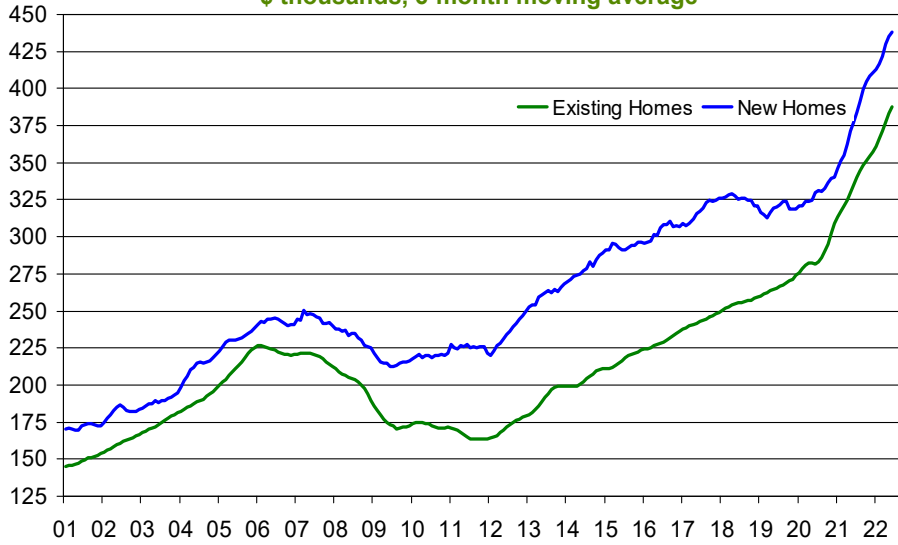


Index of House Prices

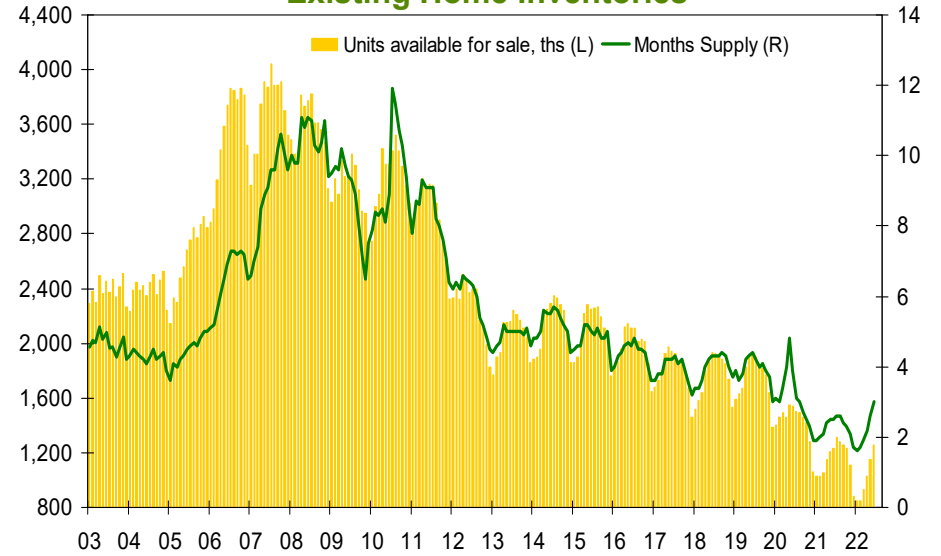
% change year ago



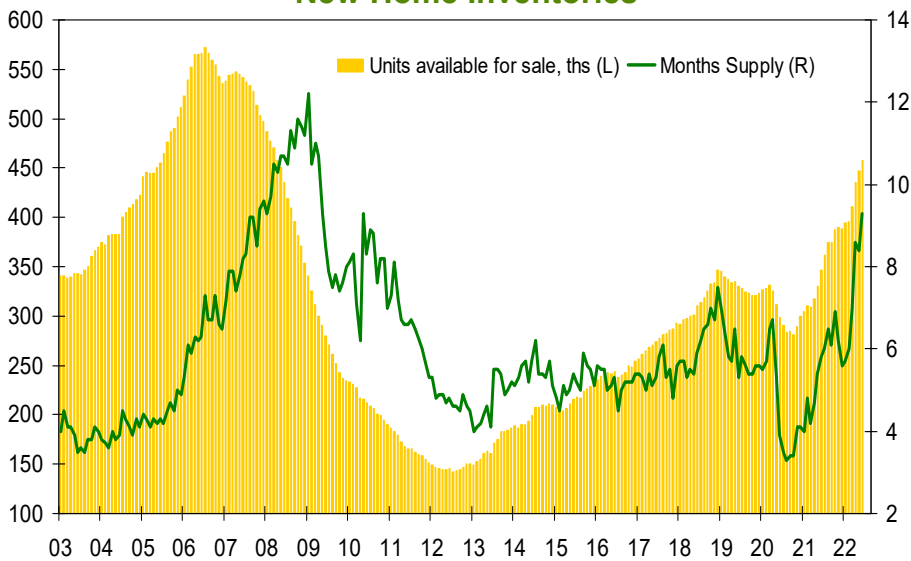
Median Home Prices
\$ thousands, 6-month moving average



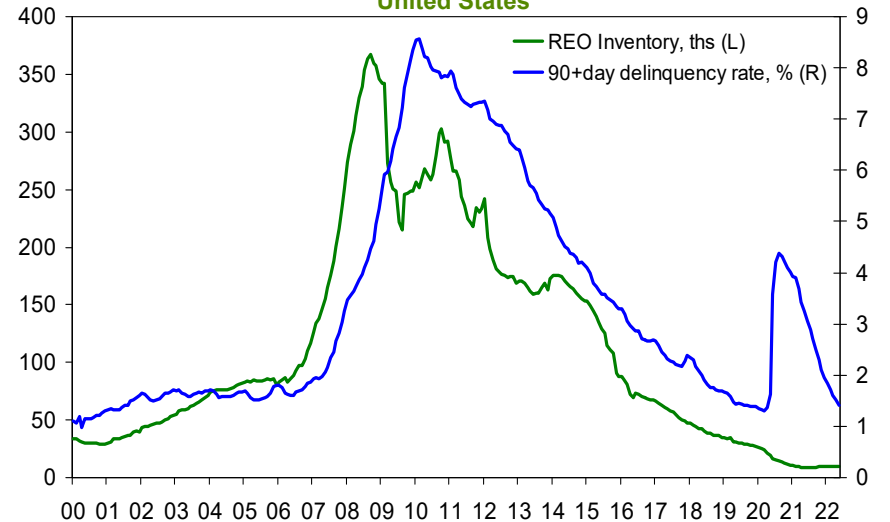
Existing Home Inventories



New Home Inventories

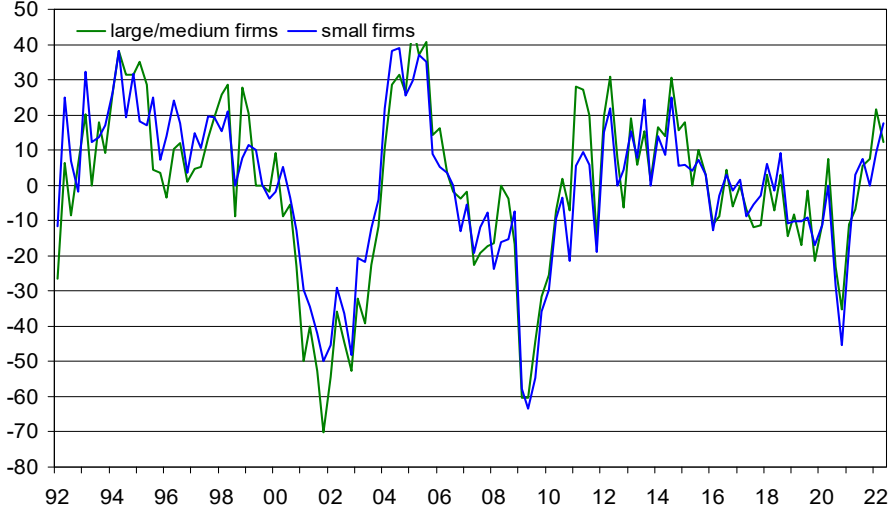


CoreLogic Mortgage Loan Performance Data
United States



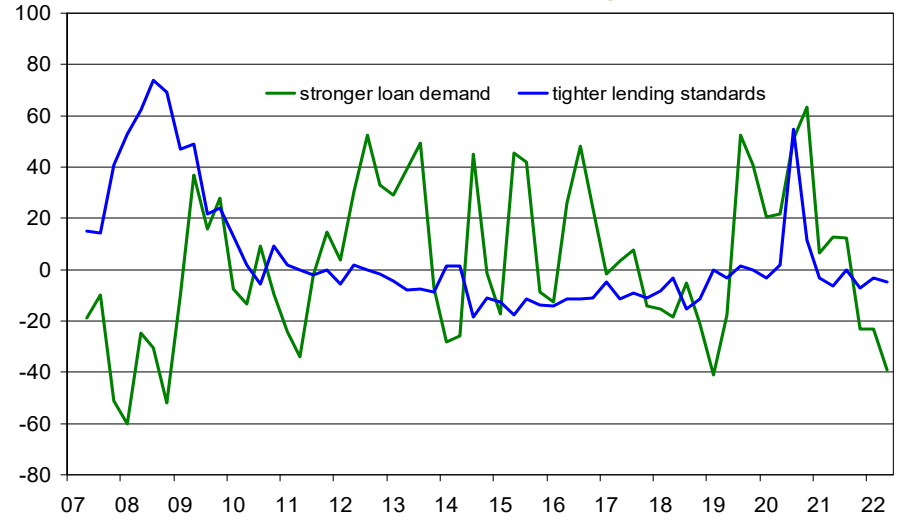
Survey of Senior Lending Officers – C&I Loans

net % of banks reporting rising loan demand from:

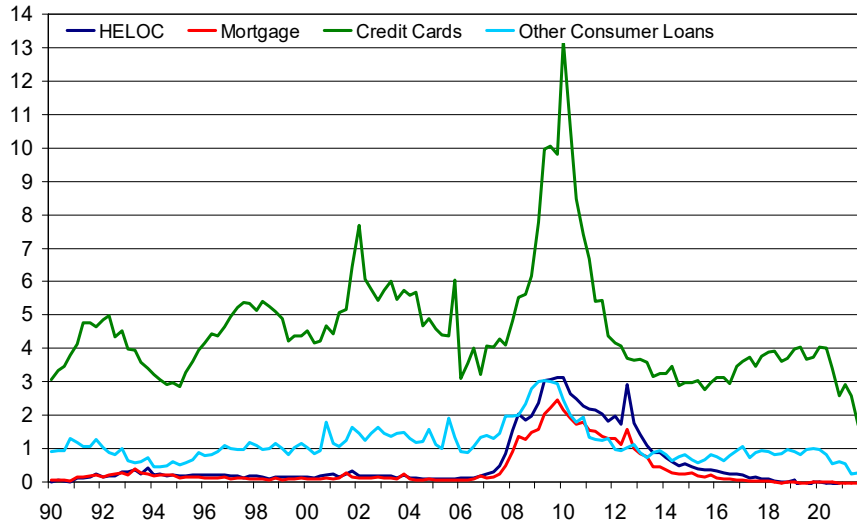


Survey of Senior Lending Officers – Prime Mortgages

net % of banks reporting:

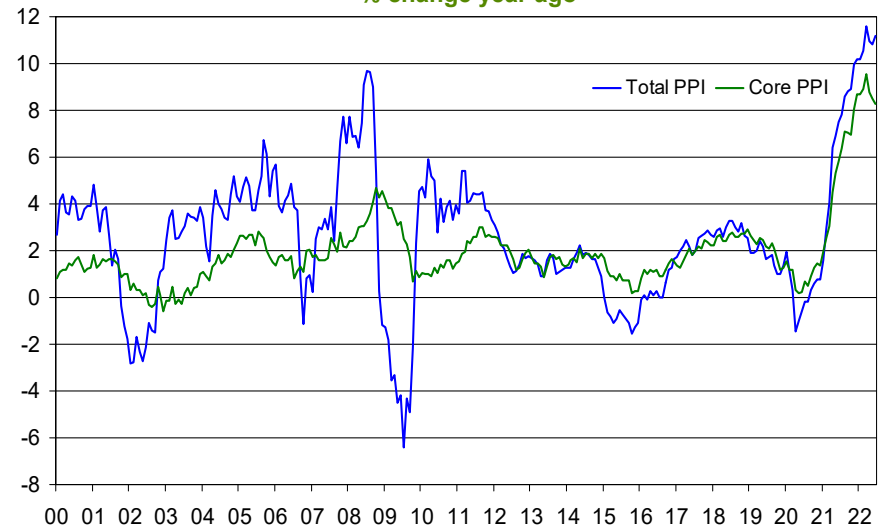


Bank Charge-Off Rates By Loan Type, %

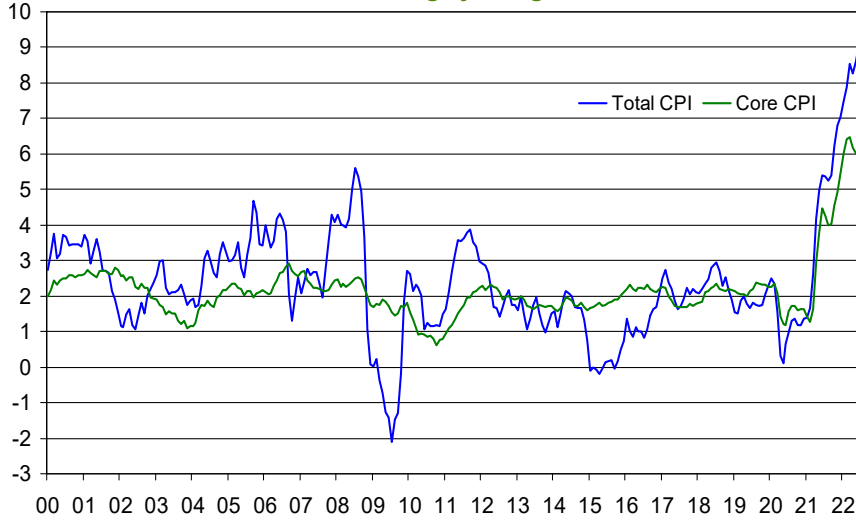


Producer Price Index

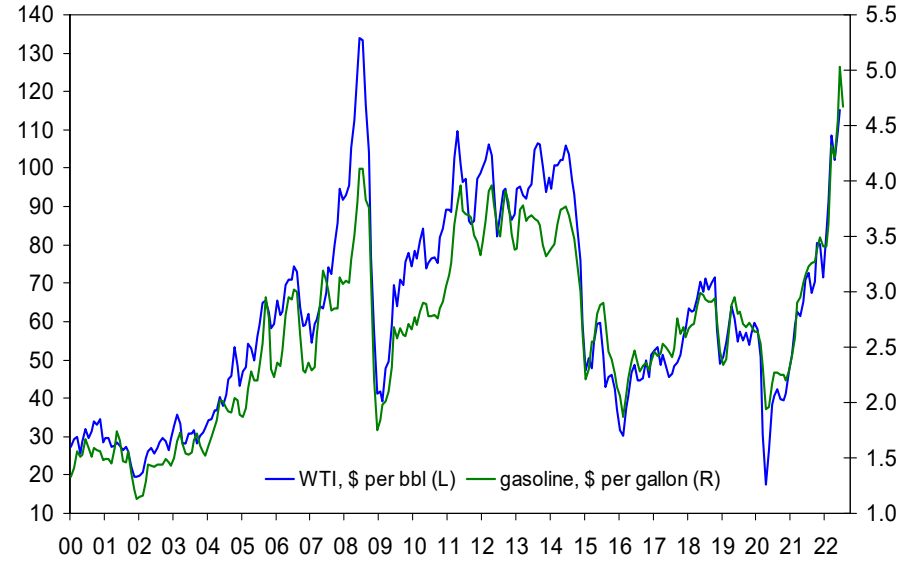
% change year ago



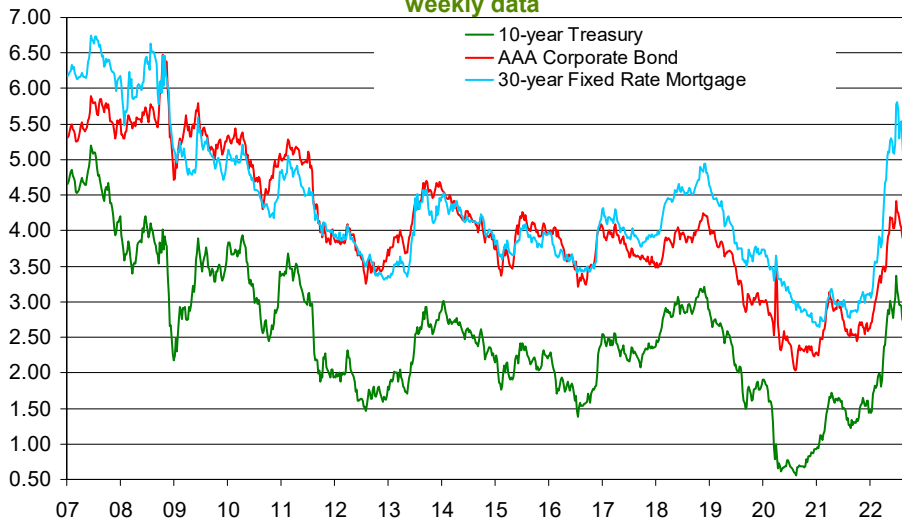
Consumer Price Index % change year ago



WTI Crude Oil, Retail Gasoline Prices



Selected Interest Rates, % weekly data

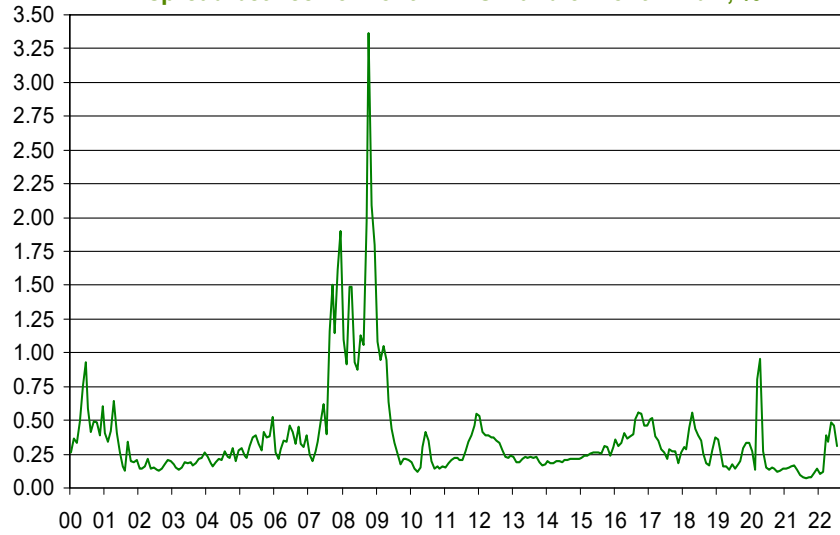


Spread Between Yields On 10-year and 2-year Treasury Notes weekly data



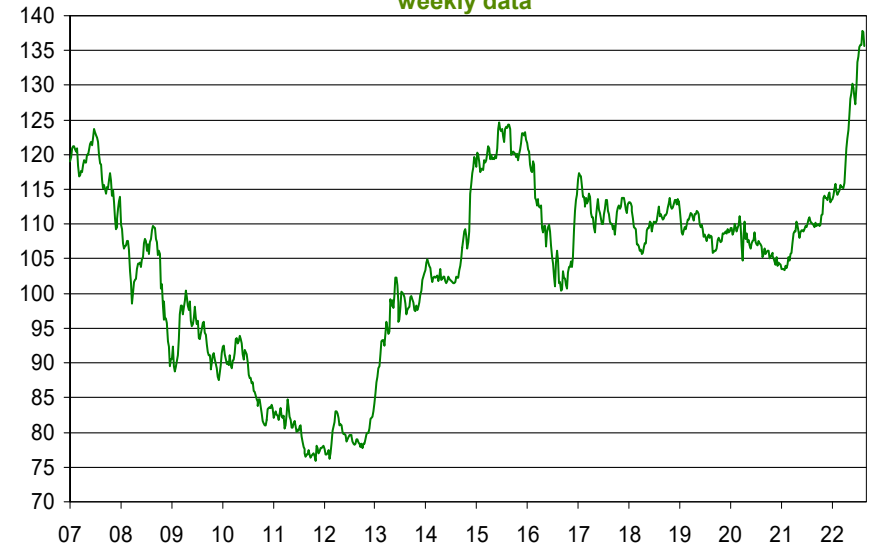
TED Spread

spread between 3-month LIBOR and 3-month T-bill, %



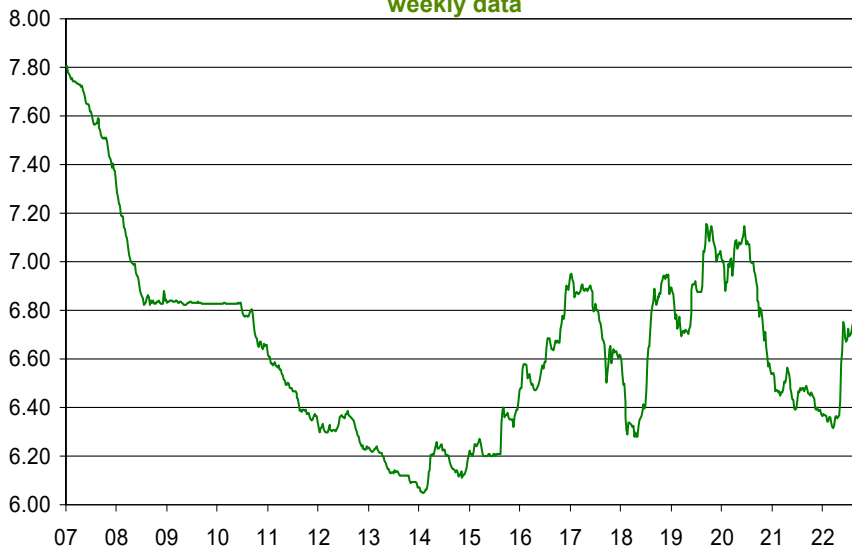
Japanese Yen per U.S. Dollar

weekly data



Chinese Yuan per U.S. Dollar

weekly data



Euros per U.S. Dollar

weekly data

