

Monthly Economic Indicators And Charts

July 2019

Richard F. Moody- Chief Economist
Steve Pfitzer – Investor Relations

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Not Whether, But When

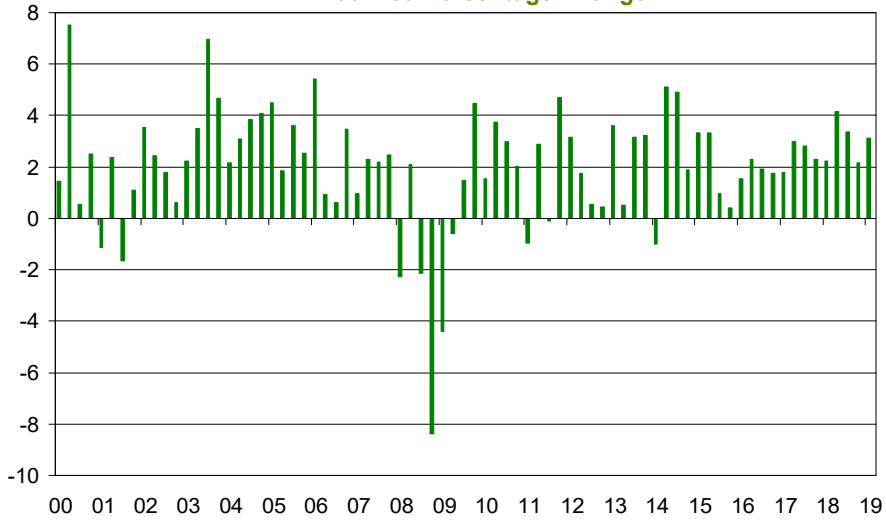
- After annualized growth of 3.1 percent in Q1, Q2 real GDP growth is tracking at less than a 2.0 percent pace. While global business sentiment has soured considerably under the cloud of uncertainty about the course of trade policy and the high frequency U.S. economic data have been all over the map, our view remains the same – the U.S. economic expansion has further to run, but the downside risks have become more pronounced over recent months.
- After a gain of just 72,000 jobs in May, total nonfarm employment rose by 224,000 jobs in June. While total job growth was overstated by a reported increase of 29,000 jobs in the local government sector, private sector payrolls rose by 191,000 jobs and hiring was more broad based across the private sector than in any month this year. While the jobless rate ticked up to 3.7 percent, that reflects a higher participation rate, which we will never complain about.
- The ISM Manufacturing Index slipped to 51.7 percent in June, the lowest level since September 2016 but nonetheless indicating further expansion in the factory sector. The ISM Non-Manufacturing Index dipped to 55.1 percent, which is consistent with a continued broad based expansion in the services sector. Orders for core capital goods posted a solid increase in May. Taken as a whole, the body of U.S. economic data point to decelerating growth, but thus far that deceleration is consistent with what our baseline forecast has for some time anticipated.
- After a decidedly dovish shift at the June FOMC meeting, at which the Committee effectively moved to an easing bias, market participants see a Fed funds rate cut at this month's FOMC meeting as a done deal. While we see nothing in the data that warrants a rate cut at present, the FOMC may opt to move pre-emptively. Subdued inflation effectively gives the FOMC the green light to cut the funds rate when it sees fit. The disagreements over FOMC policy are more about timing than direction; our baseline forecast continues to anticipate 25-basis point cuts in the funds rate at the September 2019 and December 2019 FOMC meetings.

ECONOMIC/FINANCIAL DATA HIGHLIGHTS – July 2019

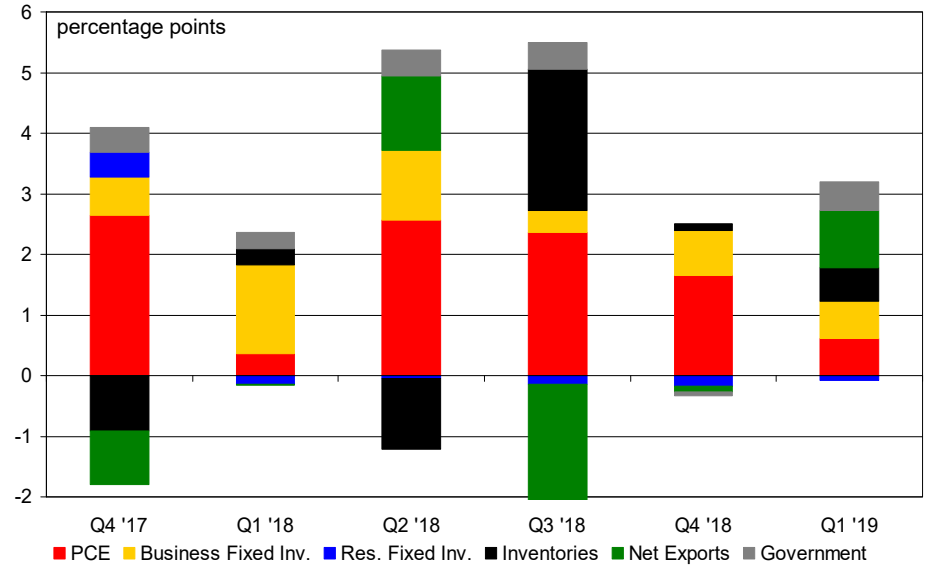
<u>Indicator:</u>	<u>Last Observation:</u>	<u>Reported As:</u>	<u>Value:</u>	<u>% Change Year Ago, or Year Ago Value:</u>
Real GDP	Q1 2019 (3 rd est.)	Annualized % change	3.13%	3.20%
Payroll Employment	June 2019	Monthly change, thousands of jobs	224	1.50%
Private Sector Employment	June 2019	Monthly change, thousands of jobs	191	1.65%
Unemployment Rate	June 2019	% of labor force	3.7%	4.0%
“U6” Unemployment/Underemployment	June 2019	% of labor force	7.2%	7.8%
Unemployed 27 Weeks or More	June 2019	Millions of people	1.414	1.467
Aggregate Private Sector Earnings	June 2019	Monthly % change	0.36%	4.63%
Real Personal Disposable Income	May 2019	Monthly % change	0.29%	2.34%
Real Personal Disposable Income ex-Transfers	May 2019	Monthly % change	0.34%	1.92%
Real Personal Consumption Expenditures	May 2019	Monthly % change	0.25%	2.68%
Personal Savings Rate	May 2019	% of disposable personal income	6.10%	6.60%
Consumer Price Index – Total	May 2019	Monthly % change	0.08%	1.79%
Consumer Price Index – Core	May 2019	Monthly % change	0.11%	1.99%
Producer Price Index – Final Demand	May 2019	Monthly % change	0.08%	1.90%
Producer Price Index – Core Final Demand	May 2019	Monthly % change	0.17%	2.26%
Single Family Housing Permits	May 2019	Seasonally adjusted annual rate	815,000	843,000
Multi-Family Housing Permits	May 2019	Seasonally adjusted annual rate	479,000	458,000
Single Family Housing Starts	May 2019	Seasonally adjusted annual rate	820,000	937,000
Multi-Family Housing Starts	May 2019	Seasonally adjusted annual rate	449,000	395,000
Industrial Production	May 2019	Monthly % change	0.37%	2.05%
ISM Manufacturing Index	June 2019	Index value, %	51.7%	60.0%
ISM Manufacturing New Orders Index	June 2019	Index value, %	50.0%	63.5%
ISM Non-Manufacturing Index	June 2019	Index value, %	55.1%	58.7%
ISM Non-Manufacturing New Orders Index	June 2019	Index Value, %	55.8%	63.2%
Federal Funds Rate Target Range Mid-Point	July 5, 2019	Percent	2.375%	1.875%
One-Month LIBOR Rate	July 5, 2019	Percent	2.36%	2.10%
3-Month U.S. Treasury Bill Yield	July 5, 2019	Percent	2.22%	1.96%
2-Year U.S. Treasury Note Yield	July 5, 2019	Percent	1.86%	2.55%
10-Year U.S. Treasury Note Yield	July 5, 2019	Percent	2.05%	2.84%
Dollar-Euro Exchange Rate	July 5, 2019	Euros per U.S. dollar	0.8916	0.8549
Dollar-Yen Exchange Rate	July 5, 2019	Yen per U.S. dollar	108.56	110.59
Federal Reserve Broad U.S. Dollar Index	June 28, 2019	Index value, 1997 = 100	127.3274	124.7016

Real GDP

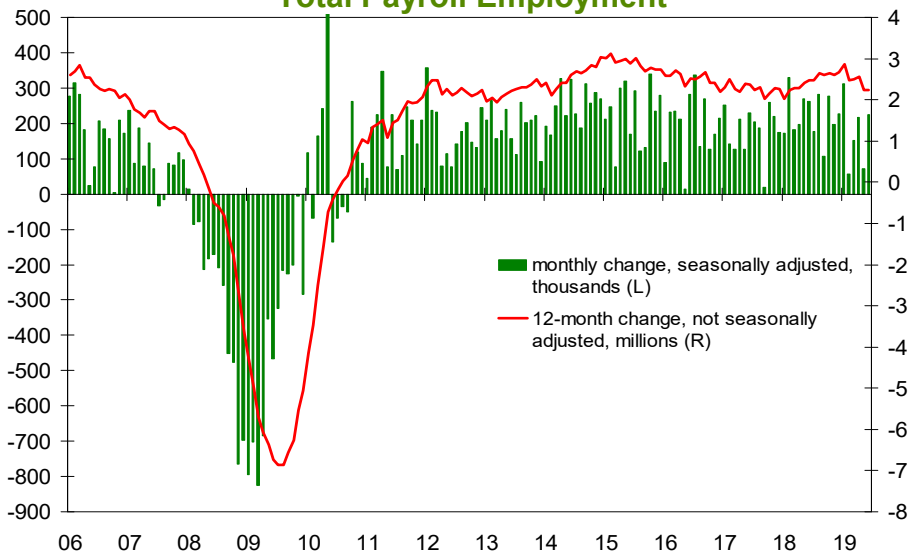
Annualized Percentage Change



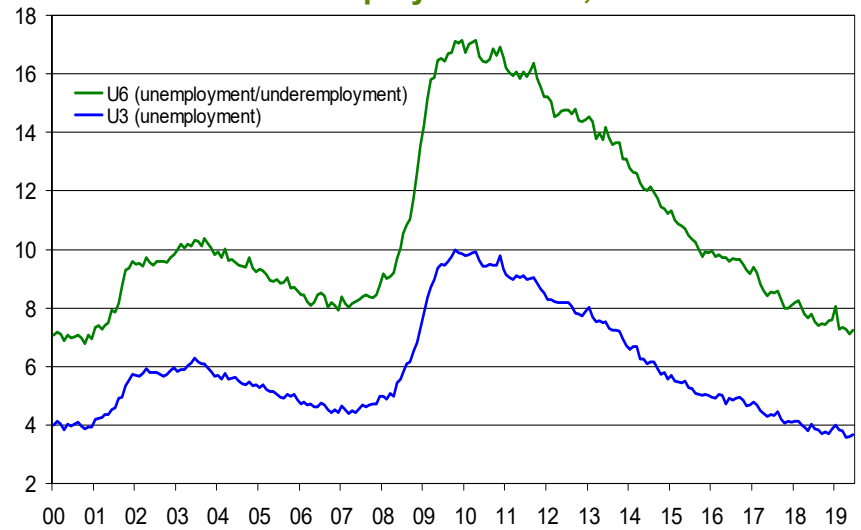
Contribution To Real GDP Growth



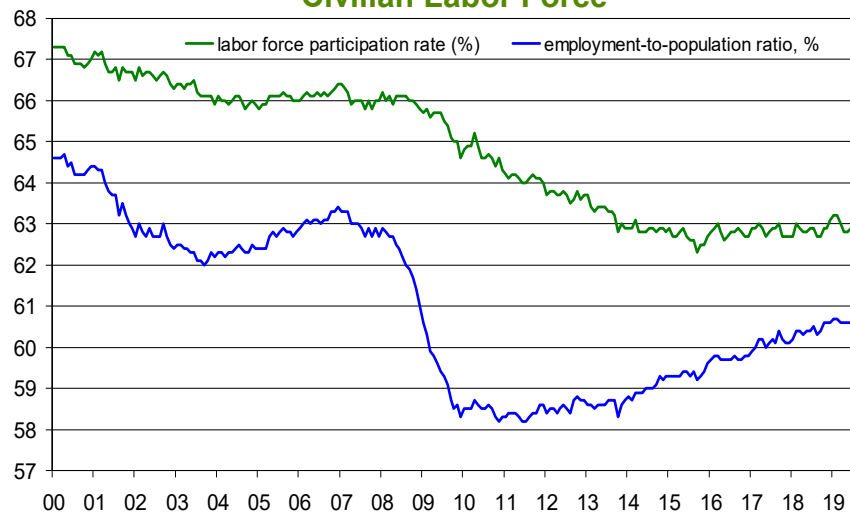
Total Payroll Employment



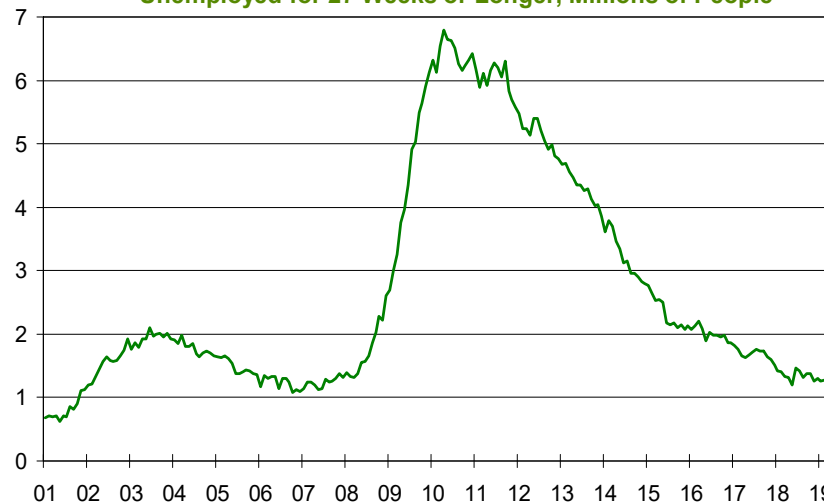
Unemployment Rate, %



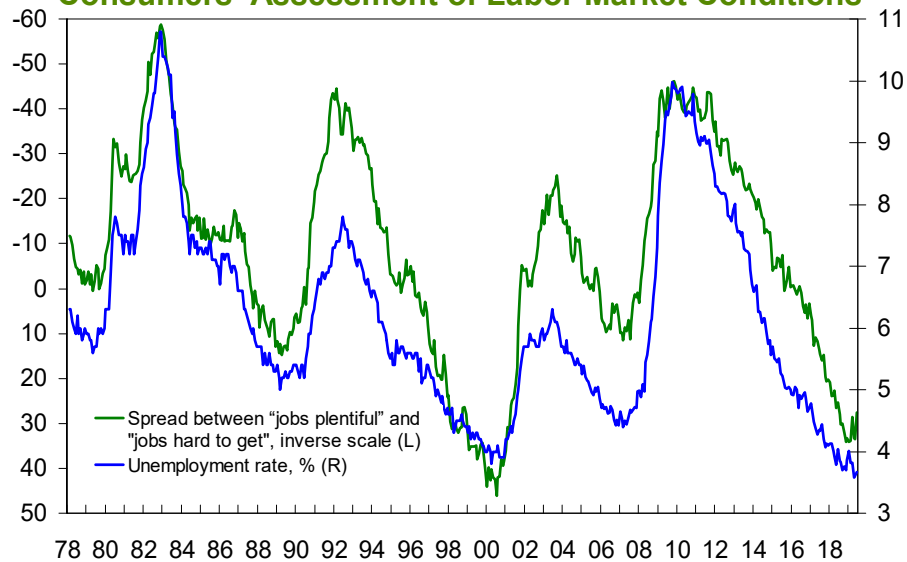
Civilian Labor Force



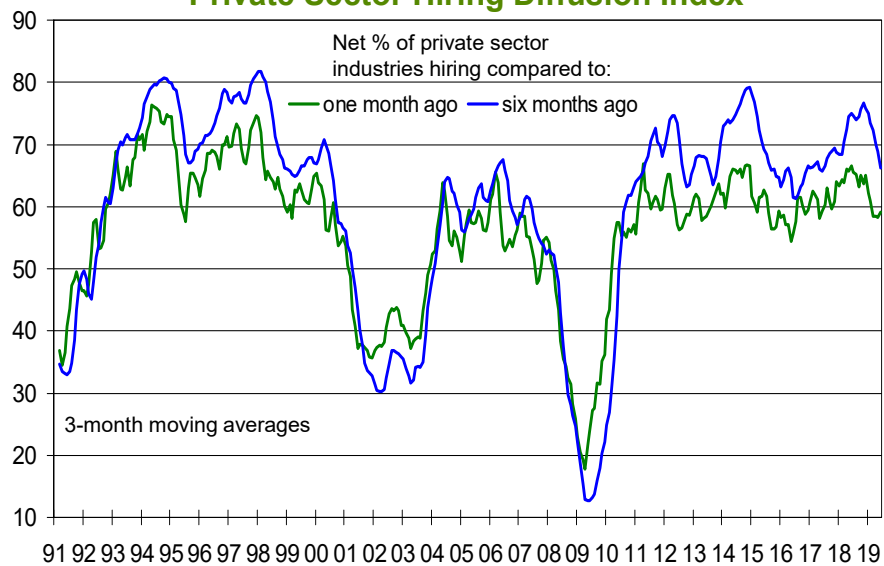
Long-Term Unemployed Unemployed for 27 Weeks or Longer, Millions of People



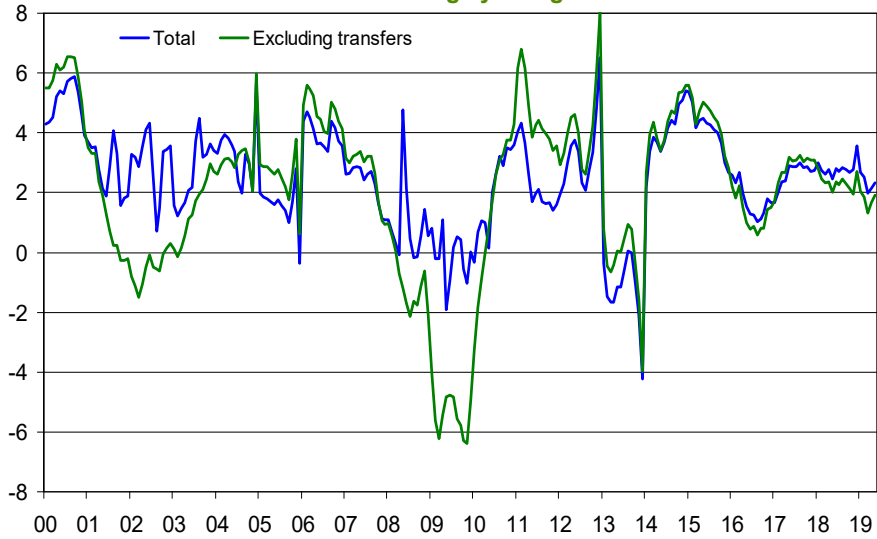
Consumers' Assessment of Labor Market Conditions



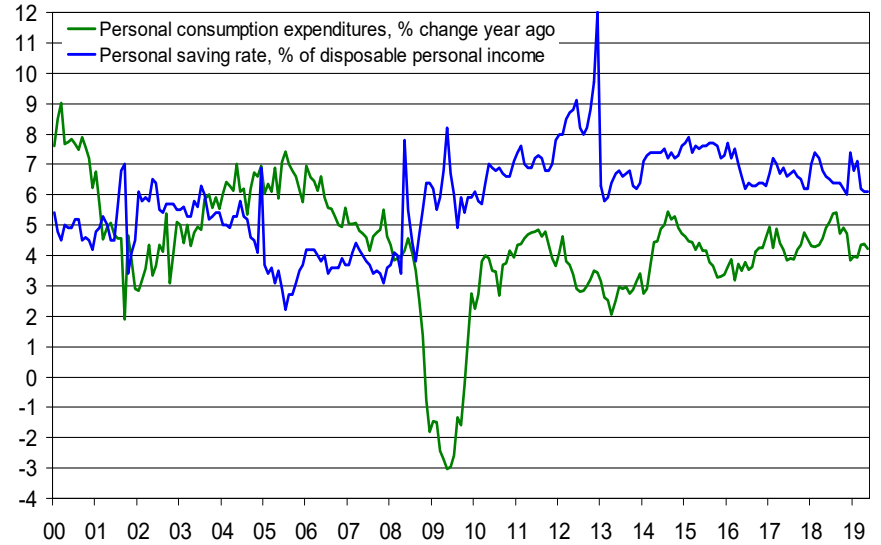
Private Sector Hiring Diffusion Index



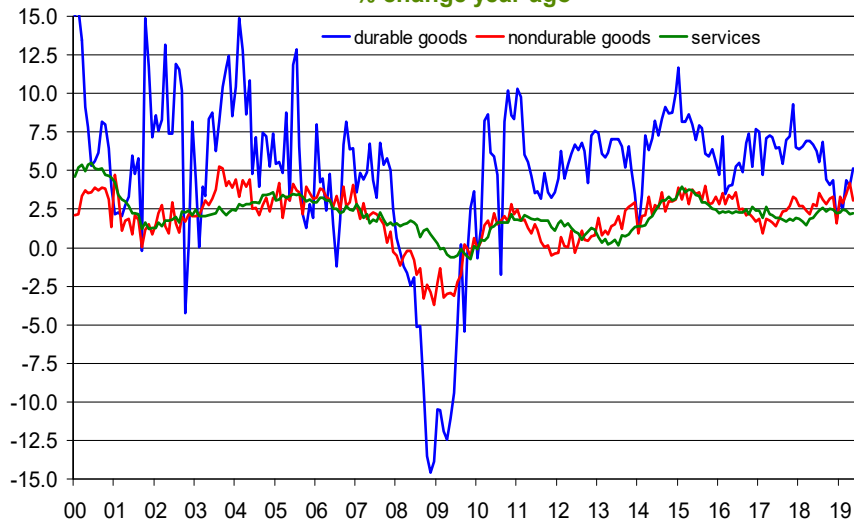
Real Disposable Personal Income
% change year ago



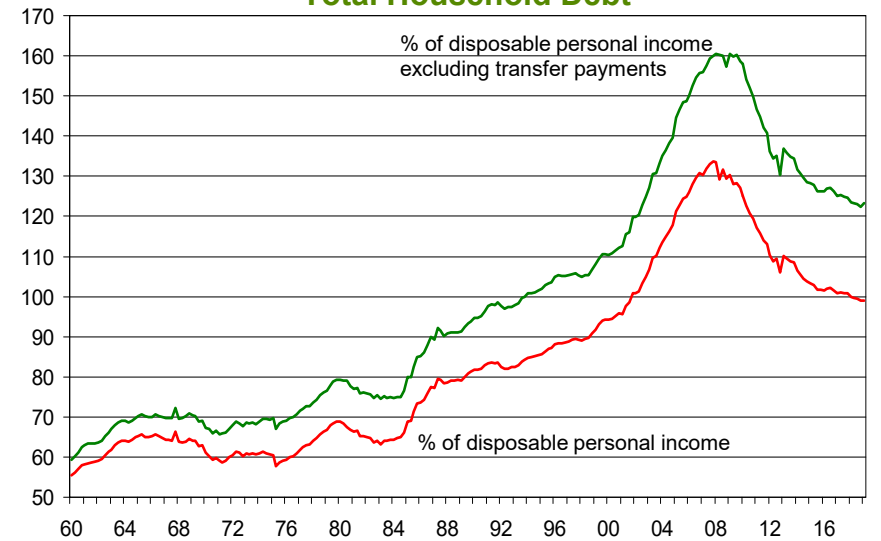
Personal Spending, Saving



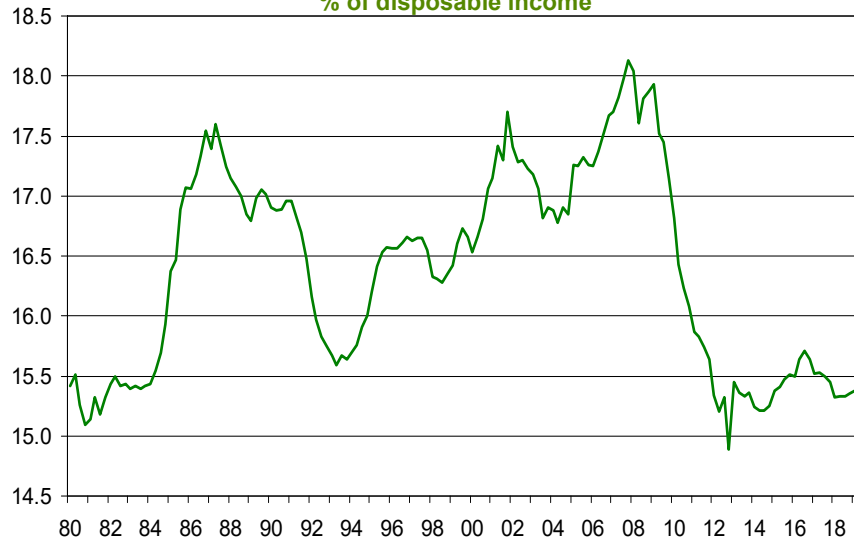
Real Consumer Spending
% change year ago



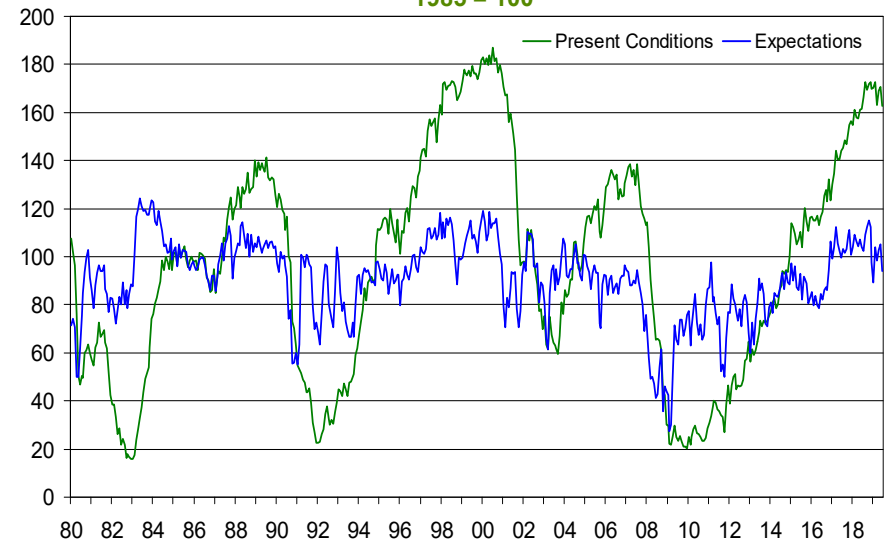
Total Household Debt



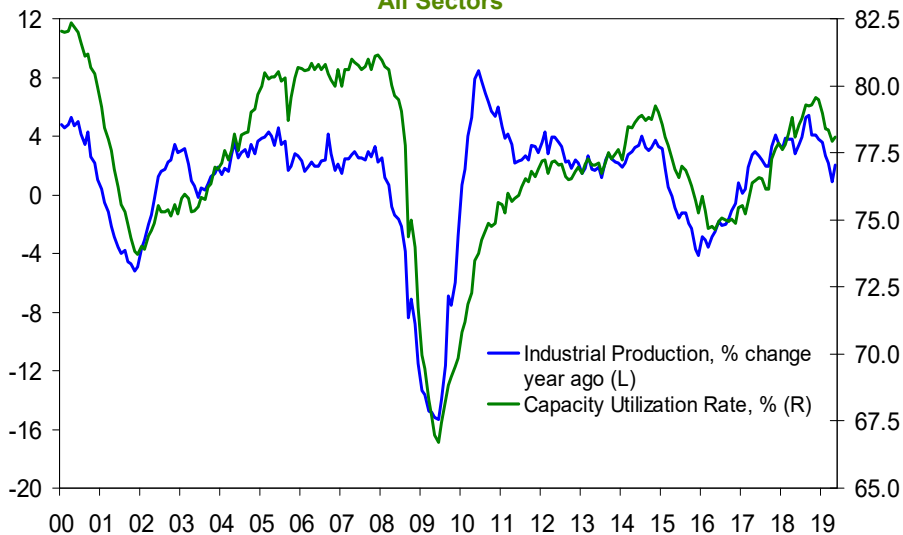
Household Financial Obligations Ratio
% of disposable income



Consumer Confidence Index
1985 = 100



Industrial Production, Capacity Utilization
All Sectors

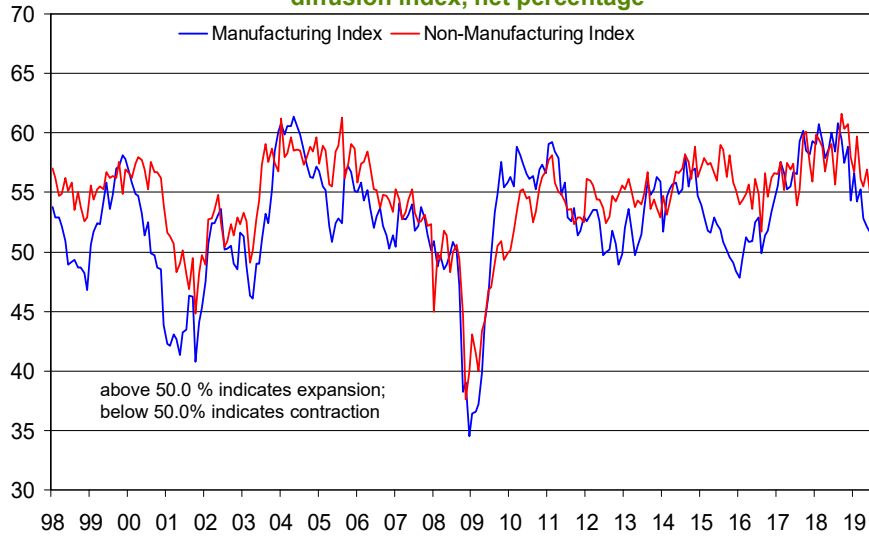


Industrial Production, Capacity Utilization
Manufacturing Sector



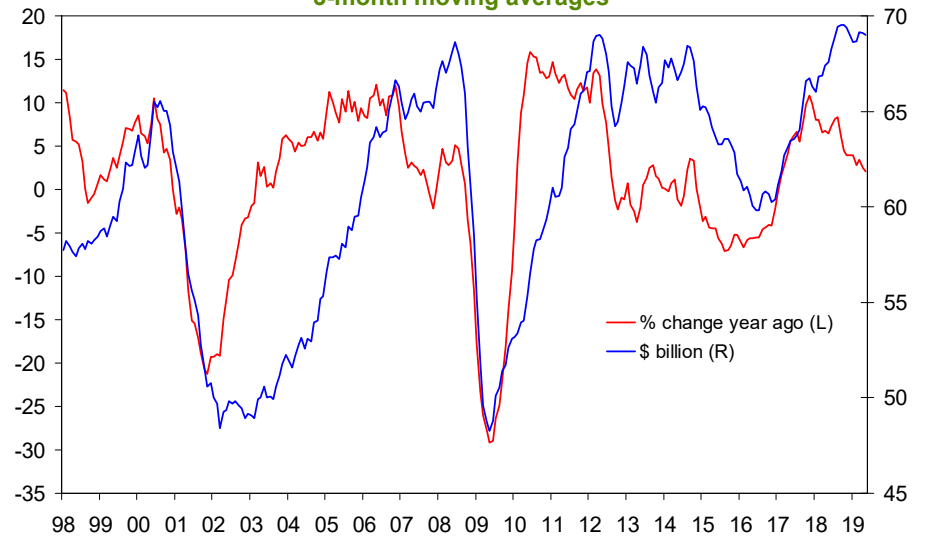
ISM Index

diffusion index, net percentage



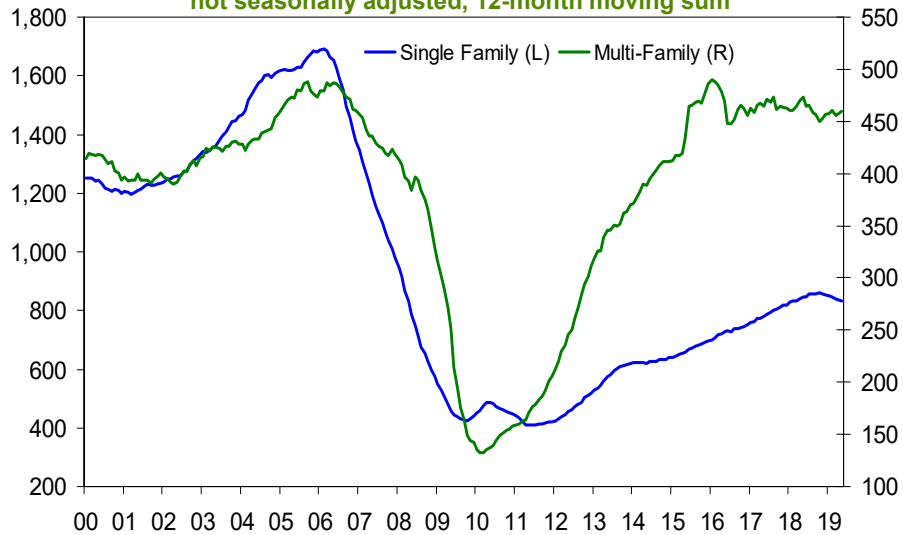
Core Capital Goods Orders

3-month moving averages



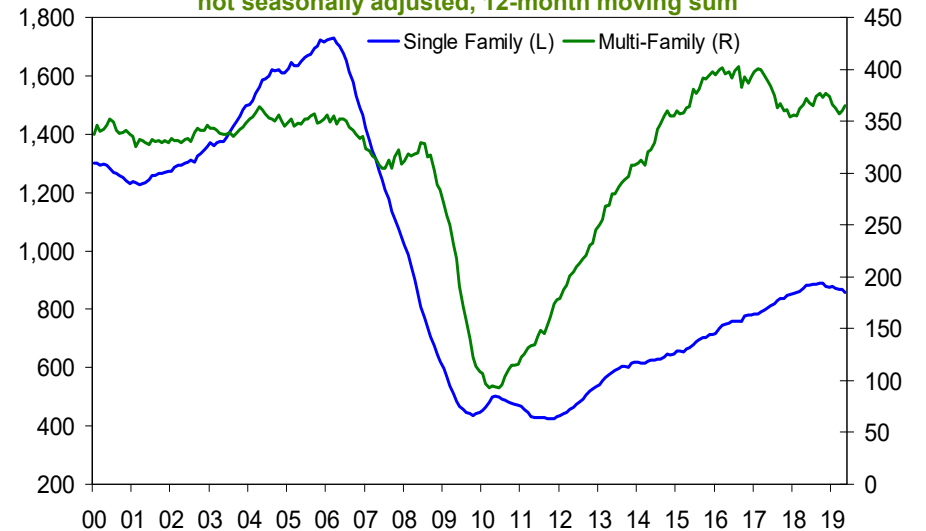
Housing Permits (000's of units)

not seasonally adjusted, 12-month moving sum



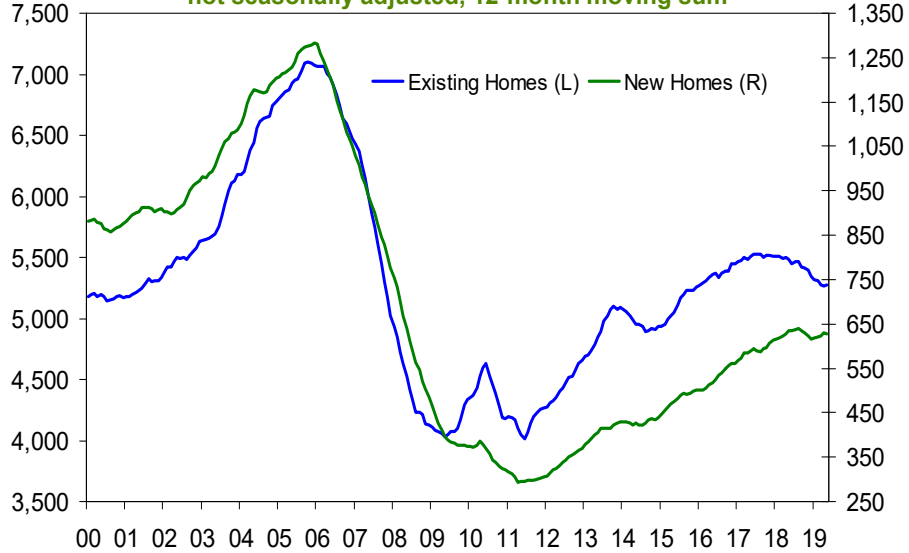
Housing Starts (000's of units)

not seasonally adjusted, 12-month moving sum



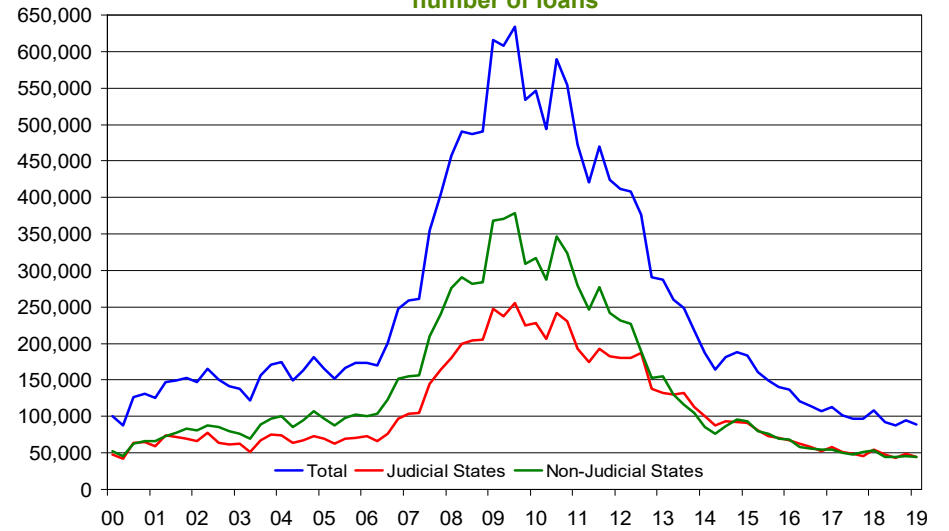
Home Sales (000's of units)

not seasonally adjusted, 12-month moving sum



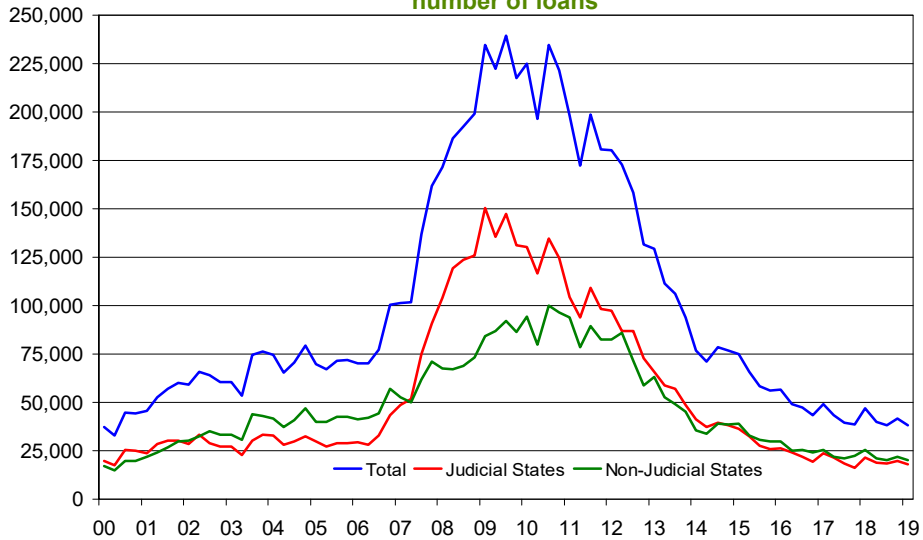
Foreclosure Starts – United States

number of loans



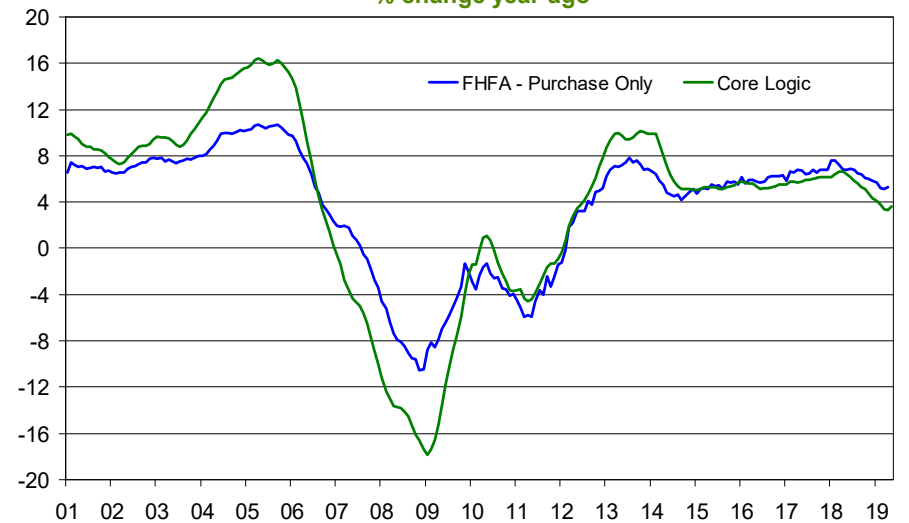
Foreclosure Starts – Regions Footprint

number of loans

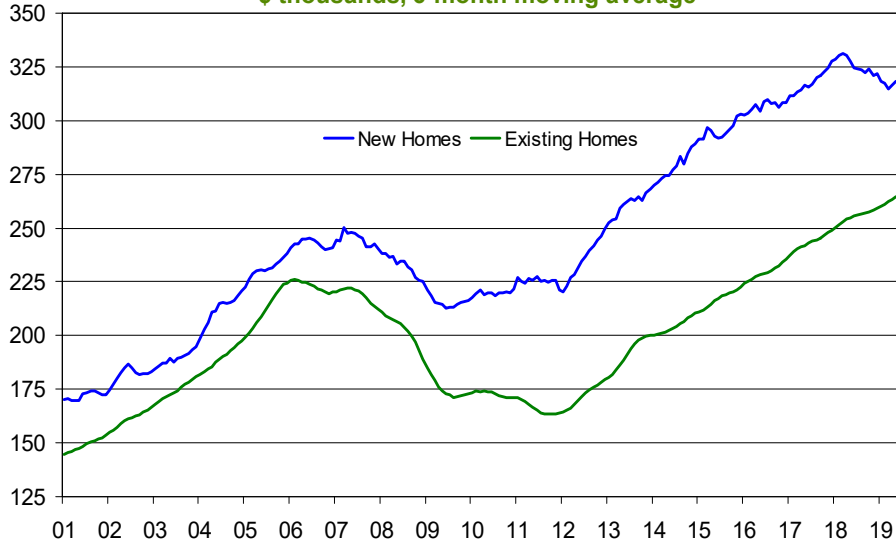


Index of House Prices

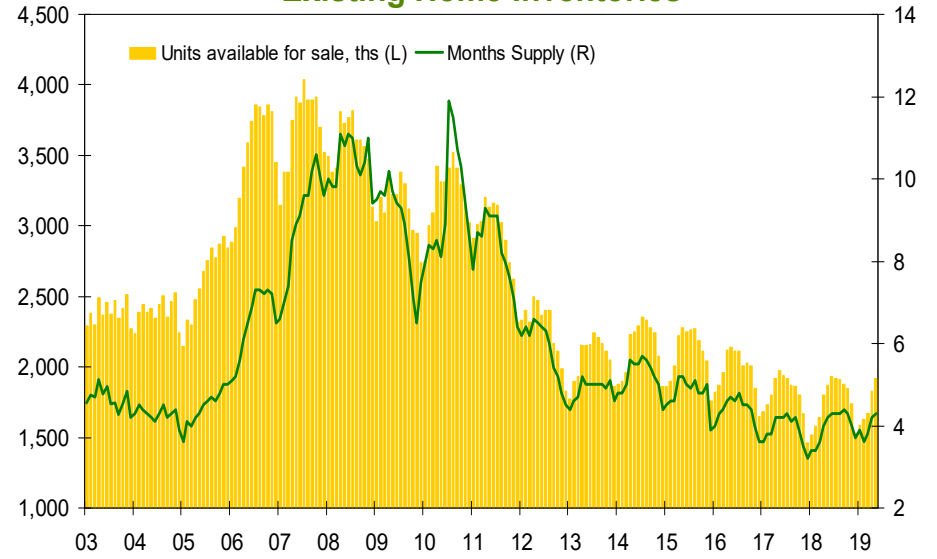
% change year ago



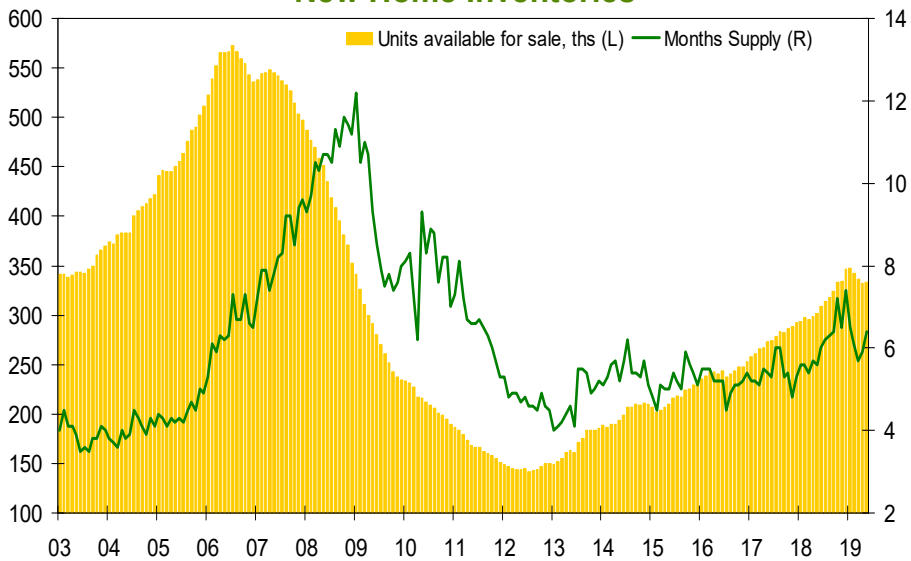
Median Home Prices
\$ thousands, 6-month moving average



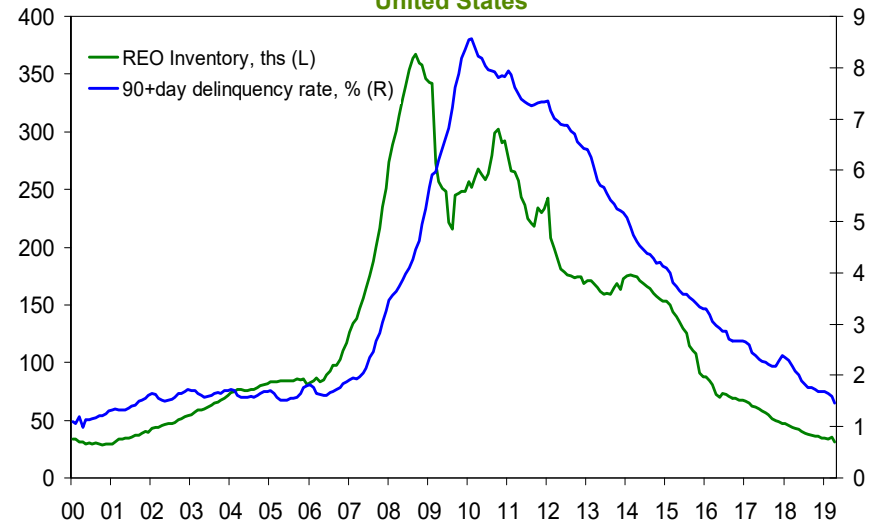
Existing Home Inventories



New Home Inventories

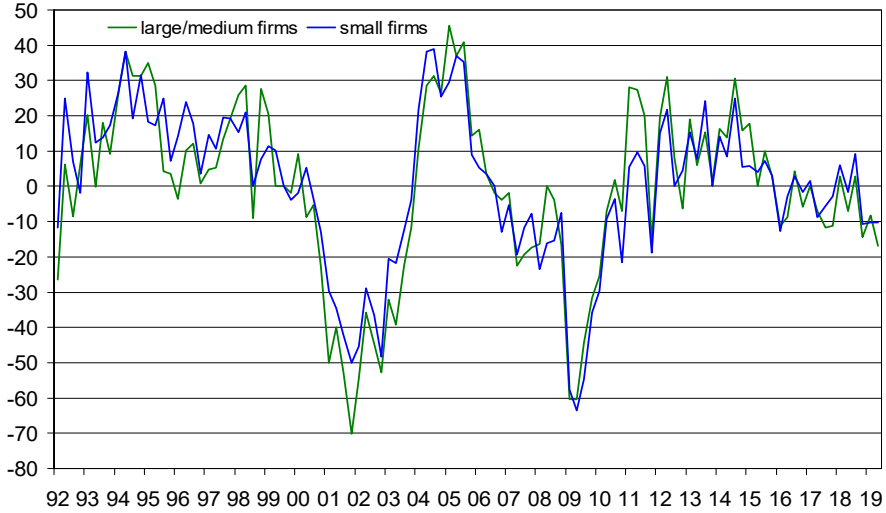


CoreLogic Loan Performance Data
United States



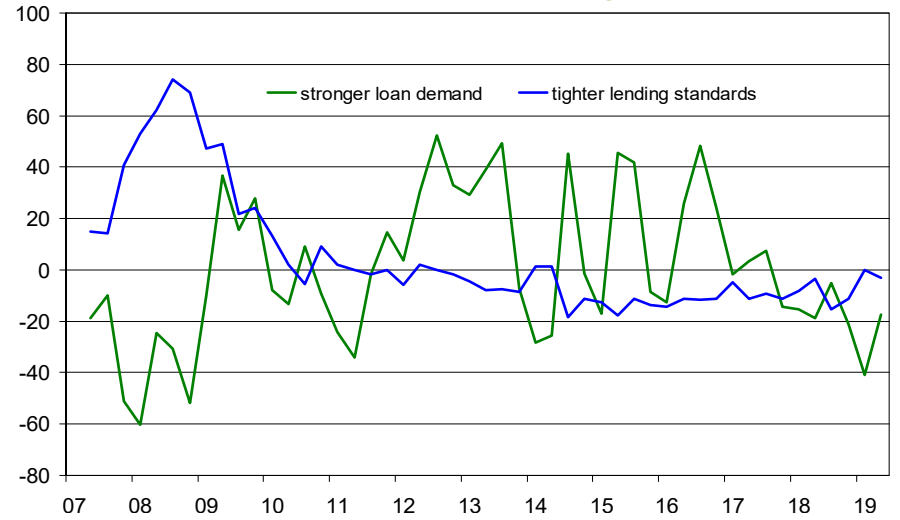
Survey of Senior Lending Officers – C&I Loans

net % of banks reporting rising loan demand from:

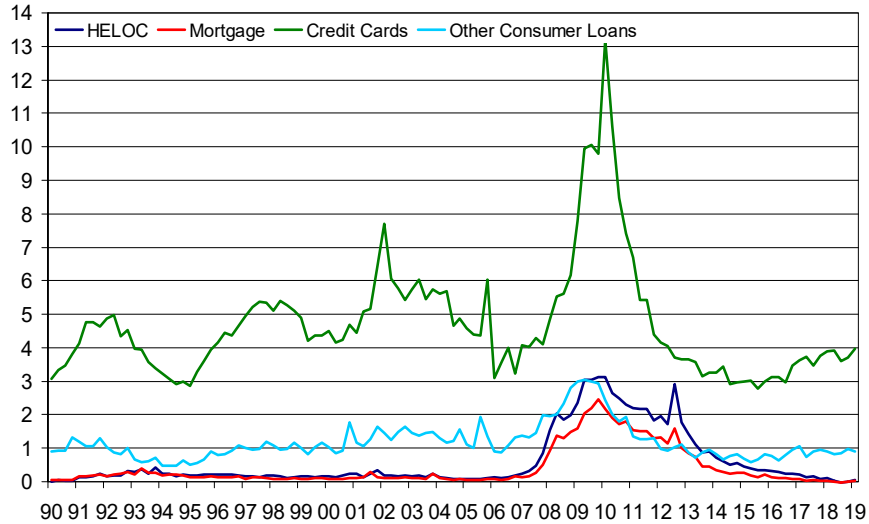


Survey of Senior Lending Officers – Prime Mortgages

net % of banks reporting:

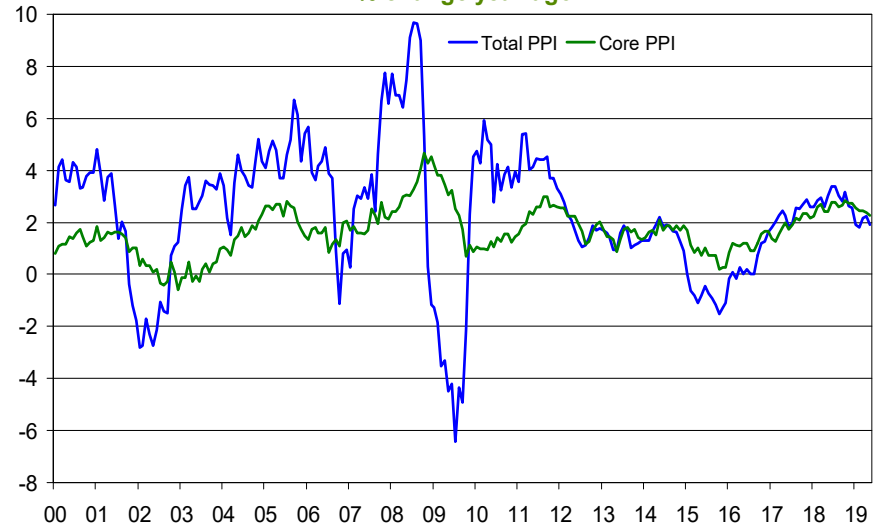


Bank Charge-Off Rates By Loan Type, %

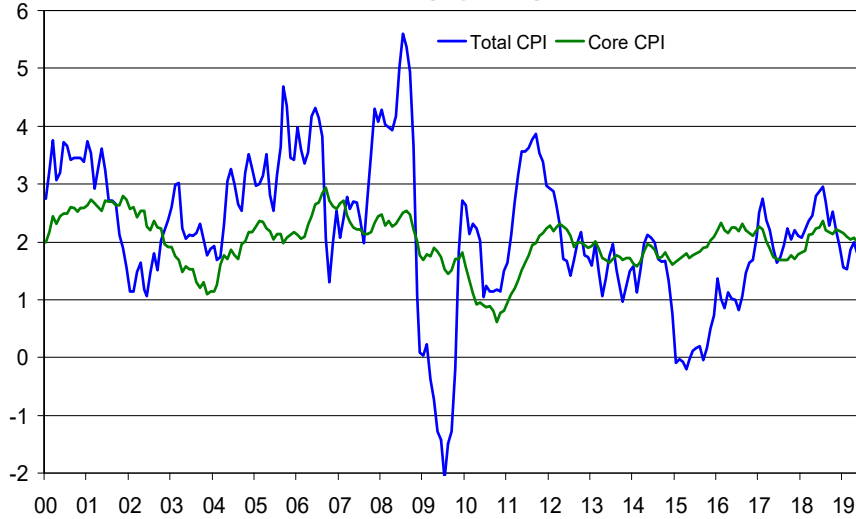


Producer Price Index

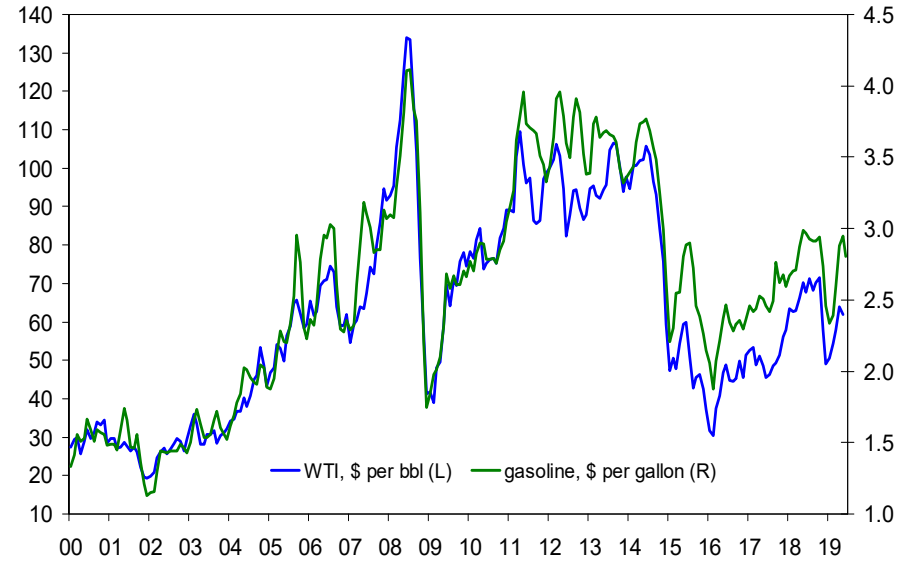
% change year ago



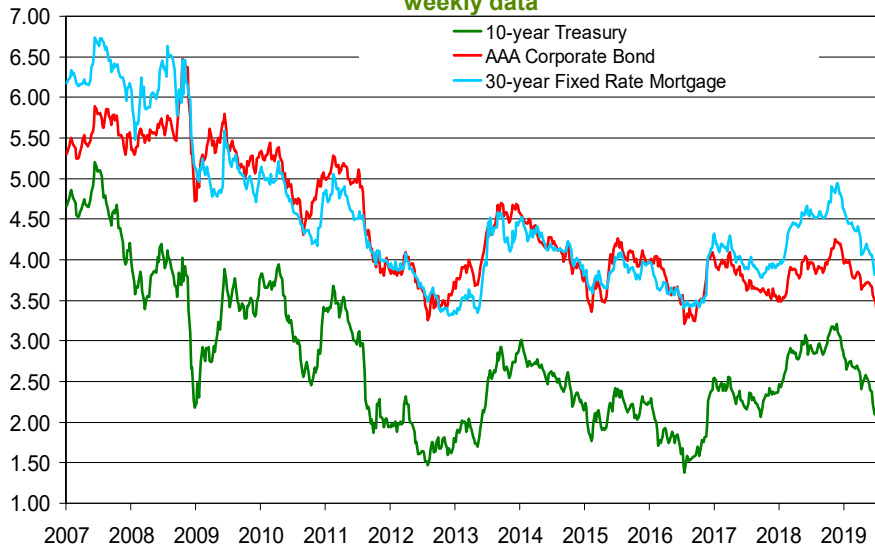
Consumer Price Index
% change year ago



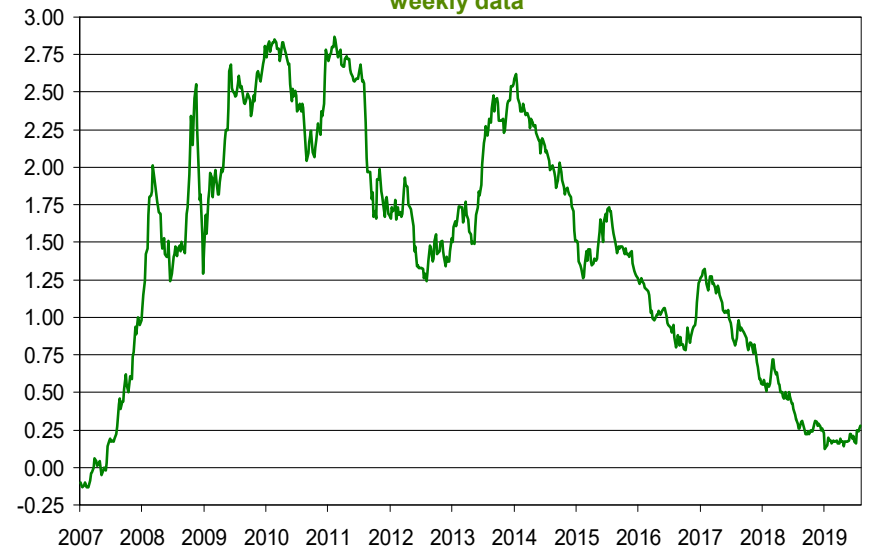
WTI Crude Oil, Retail Gasoline Prices



Selected Interest Rates, %
weekly data

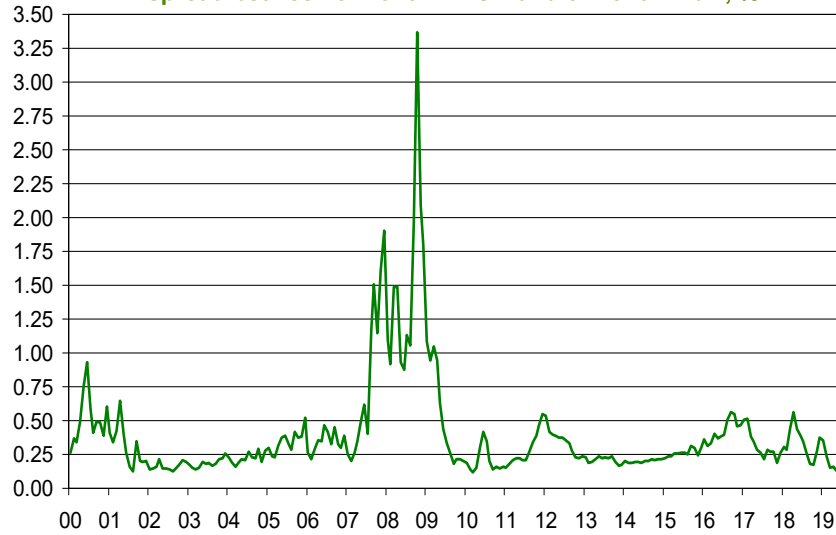


Spread Between Yields On 10-year and 2-year Treasury Notes
weekly data



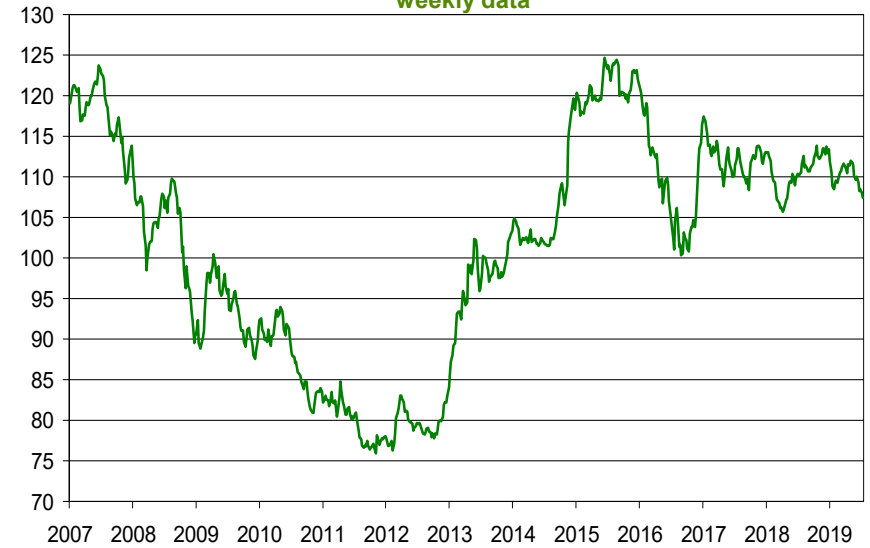
TED Spread

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



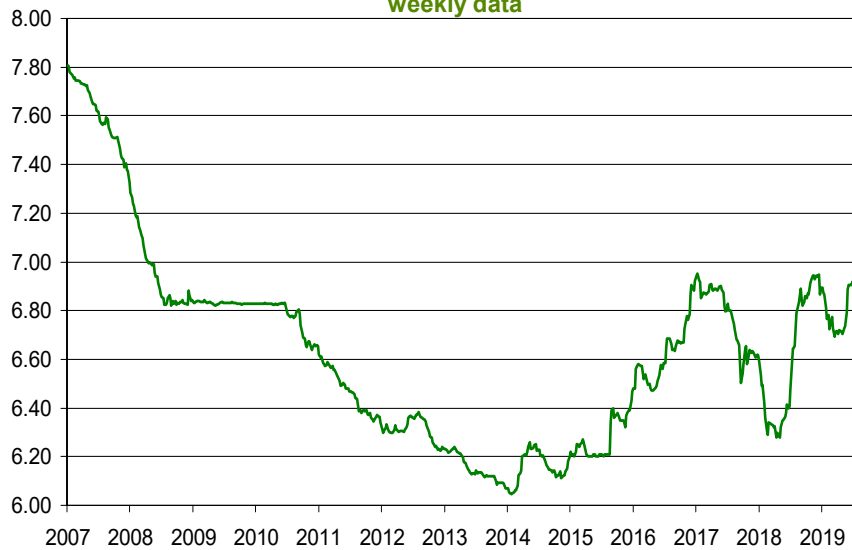
Japanese Yen per U.S. Dollar

weekly data



Chinese Yuan per U.S. Dollar

weekly data



Euros per U.S. Dollar

weekly data

