

Summary: While citing the economy’s “strong underlying momentum,” Jerome Powell reiterated the Federal Reserve’s commitment to subduing inflation, even if it’s painful. Although national activity strengthened in July, S&P Global’s composite Purchasing Managers’ Index indicated that output weakened in August, and the latest data confirmed that real GDP contracted in the first two quarters of 2022. Sales of new single-family homes fell sharply.

Federal Government Indicators and Reports

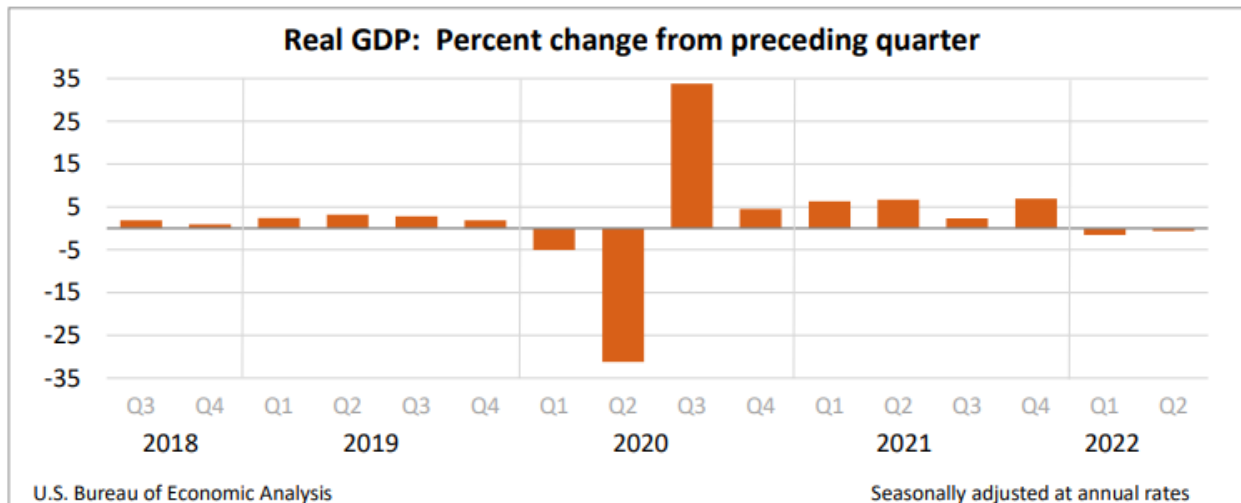
U.S. Census

Wednesday, [Durable Goods](#): “New orders for manufactured durable goods in July decreased less than \$0.1 billion or virtually unchanged to \$273.5 billion. . . . This decrease, down following four consecutive monthly increases, followed a 2.2 percent June increase.” New orders for nondefense capital goods, excluding aircraft, increased 0.4 percent.

Friday, [International Trade](#): “The international trade deficit was \$89.1 billion in July, down \$9.5 billion from \$98.6 billion in June. Exports of goods for July were \$181.0 billion, \$0.4 billion less than June exports. Imports of goods for July were \$270.0 billion, \$9.9 billion less than June imports.”

Bureau of Economic Analysis

Thursday, [Gross Domestic Product](#): “Real gross domestic product (GDP) decreased at an annual rate of 0.6 percent in the second quarter of 2022. . . . In the first quarter, real GDP decreased 1.6 percent.”



Friday, [Personal Income and Outlays](#): “Personal income increased \$47.0 billion (0.2 percent) in July. . . . Personal outlays increased \$27.0 billion in July. . . . From the preceding month, the [personal consumption expenditures] price index for July decreased 0.1.”

Bureau of Labor Statistics

Wednesday, [County Employment and Wages](#): “From March 2021 to March 2022, employment increased in 349 of the 355 largest U.S. counties.” Over that same period, employment increased 7.8 percent in Davidson, leading Tennessee’s six most populous counties, while Shelby increased 2.6 percent.

Thursday, [Total Factor Productivity](#): In 2020, “total factor productivity—defined as output per unit of combined inputs—fell in 60 of the 86” manufacturing industries examined by the Bureau of Labor Statistics.

Department of Labor

Thursday, [Initial Claims](#): “In the week ending August 20, the advance figure for seasonally adjusted initial claims was 243,000, a decrease of 2,000 from the previous week's revised level.”

Economic Indicators and Confidence

Federal Reserve

Monday, [National Activity Index](#): “Led by improvements in production-related indicators, the [index] rose to +0.27 in July from -0.25 in June.”

Friday, [Jerome Powell Speech](#): “While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to households and businesses. These are the unfortunate costs of reducing inflation. But a failure to restore price stability would mean far greater pain. . . . While the latest economic data have been mixed, in my view our economy continues to show strong underlying momentum.”

S&P Global

Tuesday, [Composite Purchasing Managers' Index](#): “U.S. private sector firms signaled a sharper fall in business activity during August. . . . The rate of contraction also outpaced anything recorded outside of the initial pandemic outbreak since the series began nearly 13-years ago.”

S&P Global Flash US PMI Composite Output Index



*Manufacturing only pre-October 2009

Source: S&P Global, US Bureau of Economic Analysis

University of Michigan

Friday, [Consumer Sentiment](#): “The final August reading continued the early month improvement in consumer sentiment, rising 13.0 percent above July but remaining 17 percent below a year ago. . . . Hopefully this tentative improvement will continue, as overall sentiment remains extremely low by historical standards.”

Mortgages and Housing Markets

U.S. Census

Tuesday, [New Residential Sales](#): “Sales of new single-family houses in July 2022 were at a seasonally adjusted annual rate of 511,000. . . . This is 12.6 percent below the revised June rate of 585,000 and is 29.6 percent below the July 2021 estimate of 726,000.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 1.2 percent from one week earlier.” MBA’s Associate Vice President Joel Kan said “Mortgage applications continued to remain at a 22-year low, held down by significantly reduced refinancing demand and weak home purchase activity.”