

Seifried
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Press Release

Release Date: July 26, 2017

For release at 2:00 p.m. EDT

Information received since the Federal Open Market Committee met in June indicates that the **labor market has continued to strengthen** and that **economic activity has been rising moderately** so far this year. Job gains have been solid, on average, since the beginning of the year, and the unemployment rate has declined. **Household spending and business fixed investment have continued to expand**. On a 12-month basis, **overall inflation and the measure excluding food and energy prices have declined** and are running below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

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...The Committee decided to maintain the target range for the federal funds rate at 1 to 1-1/4 percent...

...The Committee expects that economic conditions will evolve in a manner that will warrant gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run...

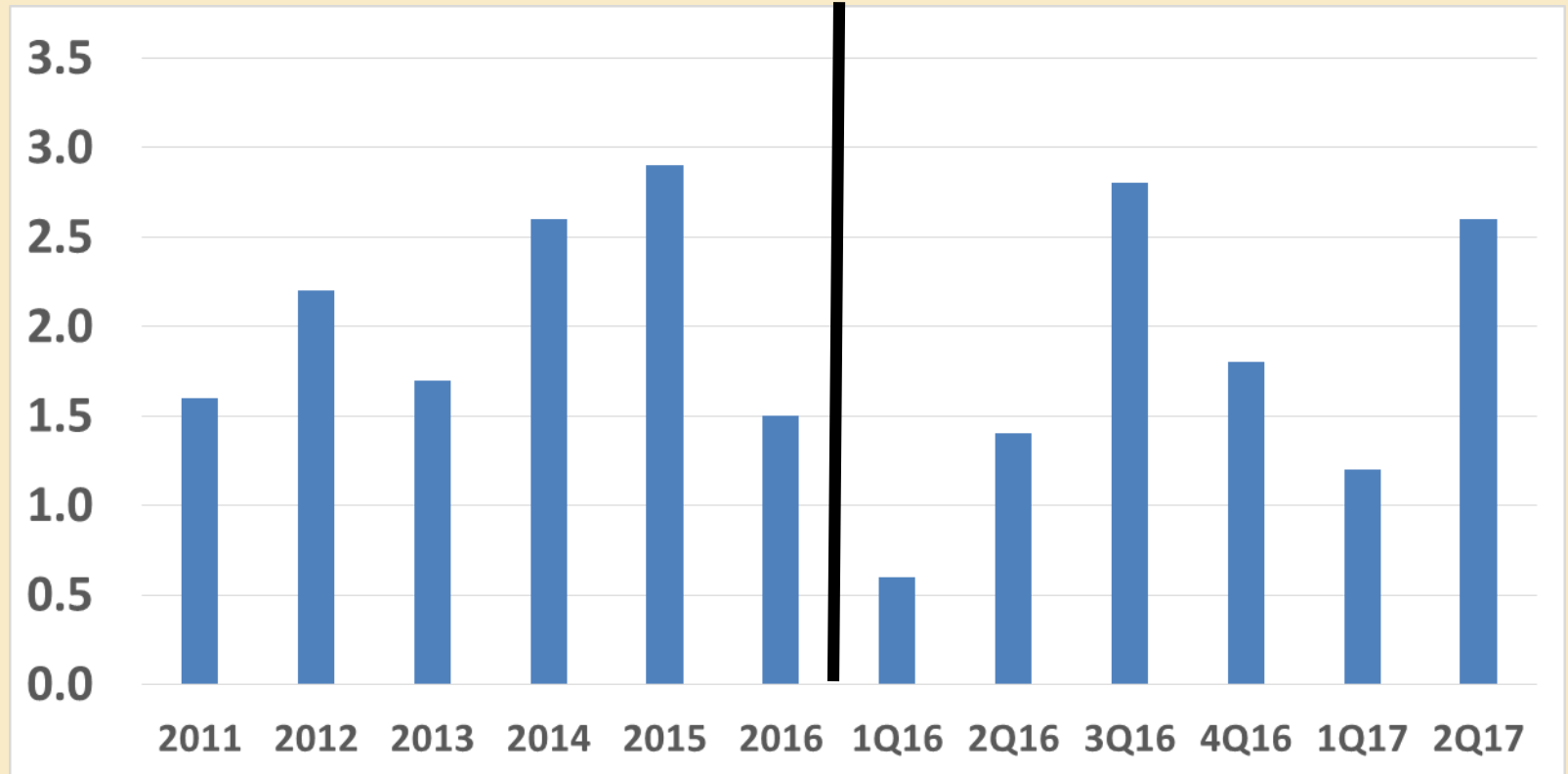
...the Committee is maintaining its existing policy of reinvesting principal payments from its holdings...

...The Committee expects to begin implementing its balance sheet normalization program **relatively soon**, provided that the economy evolves broadly as anticipated...

2Q 2017 GDP

2.6%

Annual GDP Growth Rates:



Contribution to GDP by Component: 2017 (II) vs. 2017 (I)

	Contribution to 2.6% growth 2Q17*	Contribution to 1.2% growth 1Q17
Consumer	1.93	1.32
Investment	0.34	-0.20
Government	0.12	-0.11
Export - Import	0.18	0.22

Source: U.S. Department of Commerce Bureau of Economic Analysis

*Advance Estimate

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