

**RECENT RELEASES (LAST WEEK)/INFLATION GAUGES OF THE PPI & CPI**

Hello everyone. Thank you once again for joining us here at Seifried & Brew for our weekly briefing. I am Jamie Sumner, Chief Analyst. For this week's briefing, we want to review over some of the releases that came out last week. This week, currently tomorrow, the Fed starts their meeting. We will have their decisions out on Wednesday along with their projections for GDP, unemployment, inflation, and their new dot plot on Wednesday. So, look forward to that. We'll cover that at next week's briefing, so stay tuned for that information.

For this week, though, let's reverse. Let's go back to last week and see what numbers had come out. We had a pretty busy week in some of the economic numbers. Some big numbers came out, and unfortunately, they were under expectations. (Slide 2) First was the **Producer Price Index (PPI)**. So, we're looking at price inflation for companies here. For the producers, month over a month up 0.2%, year-over-year up 2.4%, just under expectations or consensus. When we look at the core, the core here up 0.1%, with the year-over-year up 2.0%. Overall this is not suggesting any type of gain in that inflation number so we're still in this area where inflation is going to be subdued. We follow that up with the **Consumer Price Index/CPI** (Slide 3) and similarly we had here month-over-month at just 0.4% increase, and year-over-year 1.9%. So, we continue to have this under the radar; inflation growth not out of control and nothing to suggest that the Fed would need to continue their actions on increasing that **Fed Funds rate**. On a core level, (this is ex food and energy here) we're at 0.2% up for month-over-month, and year-over-year 1.7% on that core. Again, supporting that notion that inflation just is not an issue at this moment. For **retail sales**, (Slide 4), we had a disappointing number coming in at a contraction here, negative 0.2%, that's negative 2% month-over-month. We take out autos, it was up 0.2%. So, looking at that you know autos had a big play in here; really contracted throughout the month of August here, pulling that overall retail sales number down. (Slide 5) When we look at **industrial production**, again this has continued to be a trend here; we continue to see these negative numbers here, this is where we're off 0.9% in the industrial production here. When we look at all the numbers that have come out and the Atlanta Fed factors that enter (Slide 6) their **GDP Now** report we can see the tremendous drop we had from the 3% up here (where they said it was last reported) down to that 2.2%. So, we see some of these numbers coming in and making these negative corrections to this overall forecasted **3rd quarter GDP**. So that's pulled that off a little bit there, by that 0.8%; that's a fairly significant number but we're still above that 2% forecast in here. So, we'll see how the Fed interprets some of this information when they come out on Wednesday with their statement and their projections. So, it should look to be an interesting week, and as we look to find out if they are going to begin their unwinding of that balance sheet. Well, that's what we have for you this week. We hope everyone has a great week. We'll see you back here next Tuesday. Have a great week.

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