

**ECONOMIC RELEASES LAST WEEK & POSSIBLE EFFECTS ON 3Q 2017 GDP**

Hello everyone. Thank you for joining us again here at Seifried & Brew for our weekly briefing. I am Jamie Sumner, Chief Analyst. For this week's briefing, we just want to go over a couple of releases from last week. We had a plethora of releases that came out, but we will only go over a select few.

The main one here we see, the **GDP**, (Slide 2) the third release came out for second quarter 2017 at that 3.1% (up by 0.1%). This continues to be strong, supported by **consumer spending** as well as **business investments**, with non-residential fixed investments picking up 6.7% quarter over quarter. So that's very strong and that should hopefully follow into the next quarter, the third quarter numbers that will be coming out for the advance release on October 27th. So, look for that. We are anticipating a fairly strong quarter once again.

When we look at also **personal incomes** that came out (Slide 3), this was kind of a mixed report in here. We had a positive number in personal income month-over-month, up 0.2%, while consumer spending was only up 0.1%. So, a little lower than the expectations. And now the bad news here would be the **inflation**. That inflation number came in with that PCE 1.4% year-over-year, well below the Fed's target of that 2%. And then we look at that **core inflation**, just 1.3%. So, both of those inflation numbers showing much lower than where that target is.

When we look at **durable goods** in here (Slide 4), we can see month-over-month pretty strong, up 1.7% for new orders. However, when we look at that core number, non-defense/x-aircraft, you can see it's up 0.9%. That's actually pretty strong; the consensus was a 0.3% increase, so that 0.9% is very positive. That should build us into that **third quarter GDP** number. If you recall in the last release the prior month, the new orders were actually down 6.8%, so this positive 1.7% is a reverse in that trend.

For the **inventories** (Slide 5), another positive release in here. We are looking at the inventories up on the retail side, up 0.7%, and on the wholesale side, up 1%. Again, we start to see the building up of inventories for this August release (important as we look into the third quarter GDP and we see where that inventory number should pick us up a little bit on that investment side).

That is what we have for you this week. Next week we will take a look at the **employment situation report** as well as review over some of those **housing numbers** that came out. We look forward to seeing you next week. Have a great week everyone.

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