

Economic Update, September 16, 2022
Submitted by Michael Mount

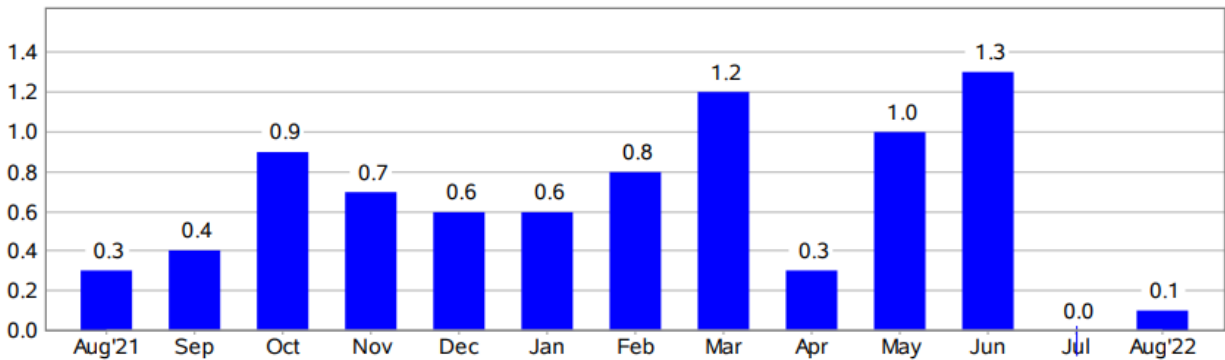
Summary: The news this week was mostly good, with retail sales growth remaining resilient. Monthly inflation numbers stayed low this month, and initial claims for unemployment insurance decreased somewhat. The University of Michigan reports that the short-term economic outlook improved, but the long-term outlook worsened. The Federal Reserve is set to make an interest rate decision next week on September 21, and [economists expect](#) a rise of 75 basis points.

Federal Government Indicators and Reports

Bureau of Labor Statistics

Tuesday, [Consumer Price Index](#): The index “rose 0.1 percent in August on a seasonally adjusted basis after being unchanged in July, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 8.3 percent before seasonal adjustment.”

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Aug. 2021 - Aug. 2022
Percent change



Wednesday, [Producer Price Indexes](#): The index “fell 0.1 percent in August. . . . On an unadjusted basis, the index for final demand moved up 8.7 percent for the 12 months ended in August.”

Thursday, [Import and Export Prices](#): “Prices for U.S. imports declined 1.0 percent in August following a 1.5-percent decrease in July. . . . U.S. export prices fell 1.6 percent in August, after declining 3.7 percent the previous month.”

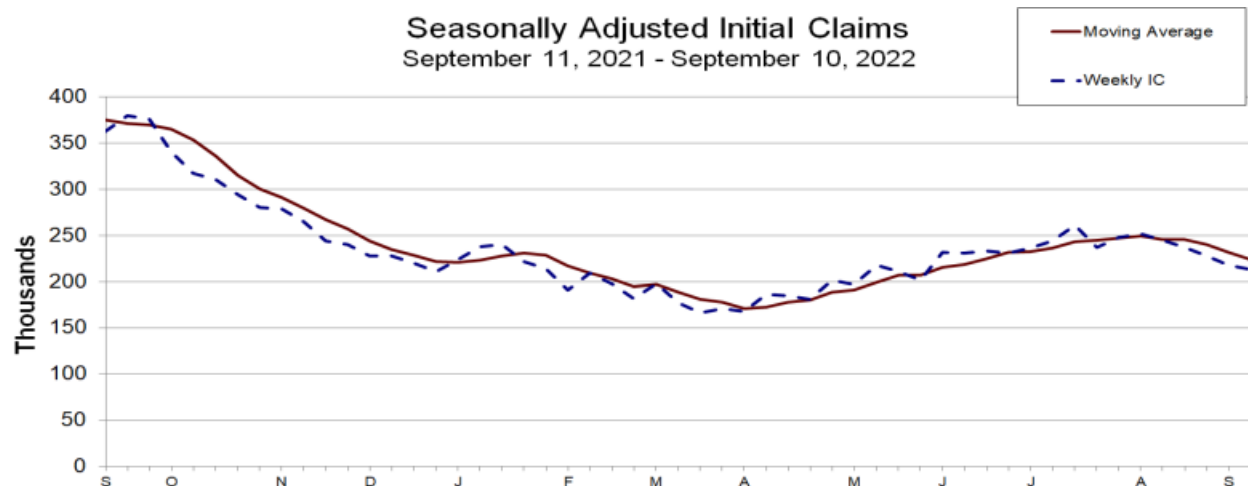
US Census

Thursday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for August 2022 . . . were \$683.3 billion, an increase of 0.3 percent from the previous month, and 9.1 percent above August 2021.”

Thursday, [Business Inventories](#): “Manufacturers’ and trade inventories for July, adjusted for seasonal and trading day differences but not for price changes, were estimated at an end-of-month level of \$2,434.3 billion, up 0.6 percent from June 2022 and were up 18.4 percent from July 2021.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending September 10, the advance figure for seasonally adjusted initial claims was 213,000, a decrease of 5,000 from the previous week’s revised level. The previous week’s level was revised down by 4,000 from 222,000 to 218,000.”



Economic Indicators and Confidence

Federal Reserve

Monday, [Consumer Inflation Expectations](#): “Inflation expectations continued to decline across all horizons. . . . Home price growth expectations fell sharply. . . . Consumers were more optimistic about their future household income and financial situations.”

Thursday, [Industrial Production](#): “Industrial production decreased 0.2 percent in August. Manufacturing output edged up 0.1 percent after increasing 0.6 percent in July. The index for mining was unchanged, and the index for utilities decreased 2.3 percent.”

National Federation of Independent Businesses

Tuesday, [Small Business Optimism](#): The index “rose 1.9 points in August to 91.8. . . . Twenty-nine percent of owners reported that inflation was their single most important problem in operating their business.”

Investor’s Business Daily

Tuesday, [Economic Optimism](#): The index “jumped 6.6 points to 44.7 in September, as recession worries eased.”

University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment was essentially unchanged in September, just 1.3 index points above August. The one-year economic outlook continued lifting from the extremely low readings earlier in the summer, but these gains were largely offset by modest declines in the long run outlook.”

Mortgages and Housing Markets

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 1.2 percent from one week earlier.” Joel Kan, MBA’s associate vice president of economic and industry forecasting, said that there is “volatility in capital markets due to uncertainty about the Fed’s next policy moves.”