Macroeconomic Current

Key Data and High-Frequency Indicators of Economic Activity

Wescott
STRATEGIC ADVISORS

in partnership with

EQUIFAX

Market Pulse

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Updated:

July 17, 2026

Summary for July 17, 2026

Key economic data this week paint a picture of a U.S. economy with a bit more underlying strength, even as significant headwinds remain. Best news first: the June CPI report that showed a bigger-than-expected 0.4% M/M decline in headline inflation, driven by a 9.7% M/M plunge in the gasoline index. Also out this week was the June retail sales report, which posted a higher-than-expected 0.2% M/M jump, boosted by increased spending at nonstore retailers (+1.9% M/M) and on motor vehicles & parts (+1.9% M/M). June's industrial production data out this morning revealed stable but healthy manufacturing activity, with continuing recovery in motor vehicle production. At the same time, however, reignited tensions around the Strait of Hormuz are sending oil prices rising again. Though they remain well below the highs reached in March, this uptick in oil prices has pushed gasoline to near $4 a gallon yet again, which is a major strain for many consumers. Overall, our outlook for the U.S. economy is hopeful but guarded. We believe there is considerable underlying strength in key sectors, like AI capex and consumer spending, but we worry that inflation may reaccelerate in July. As such, we think that at least one Fed rate hike in the coming months continues to be very likely.

	Growth & Recession	Business & Finance	Labor Market	Consumers	Housing	Inflation	Industry & Manufac.
Latest Highlights	Growth forecasts for Q2 have improved a bit in recent weeks as recession risks remain low	Bond markets are signaling nervousness about the increasing potential for rate hikes amidst renewed hostilities with Iran	The labor market appears mostly stable, though in a weaker position than in recent years	Consumer spending remains a strength of the U.S. economy, but gasoline prices nearing $4 a gallon again is a risk	Price increases and rising mortgage rates continue to confound buyers as builder sentiment slid further	Headline CPI fell 0.4% M/M in June, more than expected, with a substantial drop in the gasoline index driving the decline	Manufacturing activity continues to be solid as June industrial production held steady and motor vehicle assemblies ticked up
Emerging Risks & Opportunities?	—	Small business optimism rose in June as expectations for business conditions and sales improved	—	Retail sales excluding gasoline stations jumped 0.7% M/M in June	! Although housing starts rose in June, permits fell 3.0% M/M	—	—

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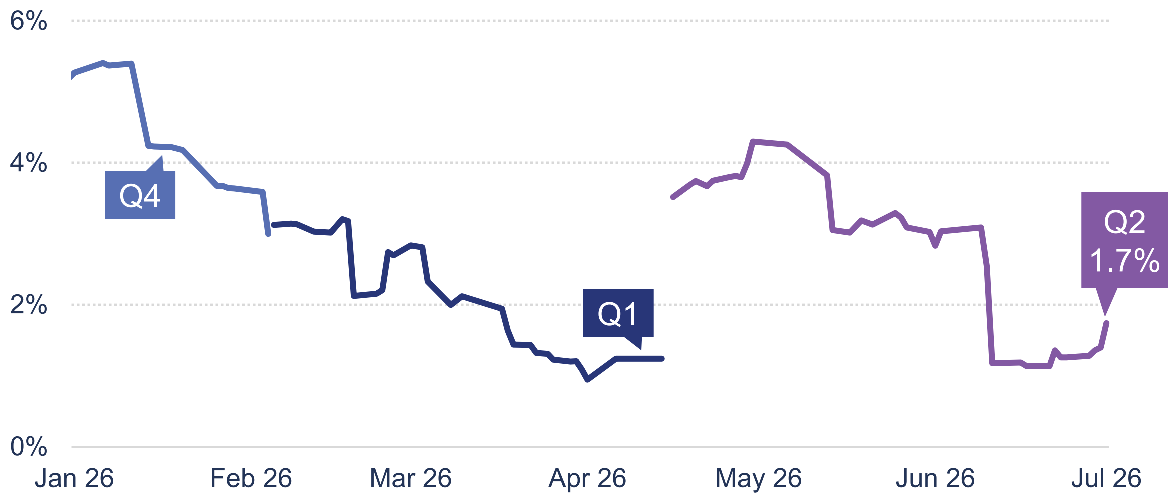
Growth Forecasts

Quarter-over-Quarter Growth | The latest GDPNow estimate from the Atlanta Fed suggests that GDP will expand at an annual rate of 1.7% in Q2 2026. This latest reading is revised up from 1.4%, a reflection of better-than-expected consumer spending (1.68 percentage points of expected growth). This improvement in consumer spending more than offset a slight decline in private inventory investment (-0.14 percentage points of expected growth).

Real GDP "Nowcasting" Over Time

Percent change, seasonally adjusted annual rate

Latest estimate: **Jul 16**



Note: From the Atlanta Fed, GDPNow "provides a 'nowcast' of the official estimate [of the growth rate of real gross domestic product, or GDP] prior to its release by estimating GDP growth using a methodology similar to the one used by the U.S. Bureau of Economic Analysis. It is best viewed as a running estimate of real GDP growth based on available economic data for the current measured quarter." The GDPNow forecast is constructed by aggregating forecasts for 13 subcomponents that comprise GDP, including net exports, personal consumption expenditures, residential investment, nonresidential fixed investment, government spending, and change in private inventories.

Recession Risks

Recession Risks | The National Bureau of Economic Research (NBER) weighs the health of various metrics when declaring a recession, including the five listed below. Currently, 2 of these measures – retail sales and consumer spending – are experiencing growth. As long as consumers keep spending, general recession risks remain low, but we are continuing to keep an eye on real income growth which will be important for consumers to sustain their spending.

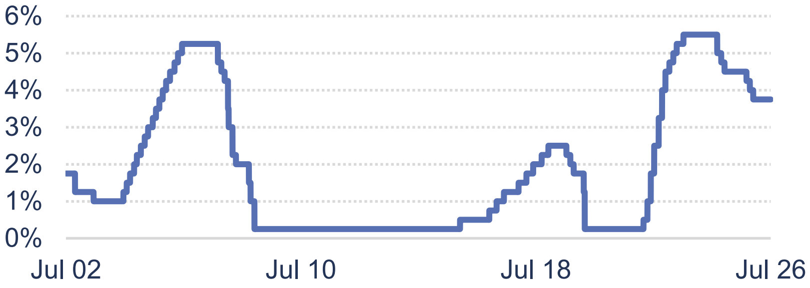
Key Indicator		M/M change	Y/Y change
Employment (Total nonfarm payroll employment, BLS, June, SA)	■	+57K	+506K
Industrial Production (Total Index, Federal Reserve, 2017=100, June, SA)	■	+0.1%	+1.1%
Real Retail Sales (Inflation-adjusted, Census Bureau & St. Louis Fed, June, SA)	▲	+0.6%	+3.1%
Real Personal Income (Inflation-adjusted DPI, BEA, May, SA)	■	+0.3%	+0.0%
Real Consumer Spending (Inflation-adjusted PCE, BEA, May, SA)	▲	+0.3%	+2.1%

Business & Finance

Business and Finance Update | New Fed notes suggest Warsh is more concerned about inflation than perhaps anticipated, a worry increasingly being felt around the world. The yield on 10-year USGs continues to hover in the 4.5-4.6% range. Equity markets are swinging between "risk on" and "risk off" with rolling fluctuations among 3 groups: hyperscalers, AI supply-chainers, and everyone else. New hostilities with Iran inject new uncertainties and the VIX jumped on Friday.

Federal Funds Rate and Projections

Federal Reserve and CME Group, percent, daily



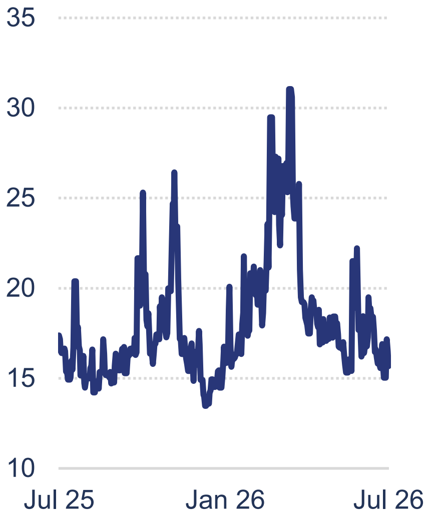
Current target range:
350-375 bps

Future Probabilities

Jul. 29 **350-375**	**90%** No change
Sep. 16 **375-400**	**48%** 25 bps hike

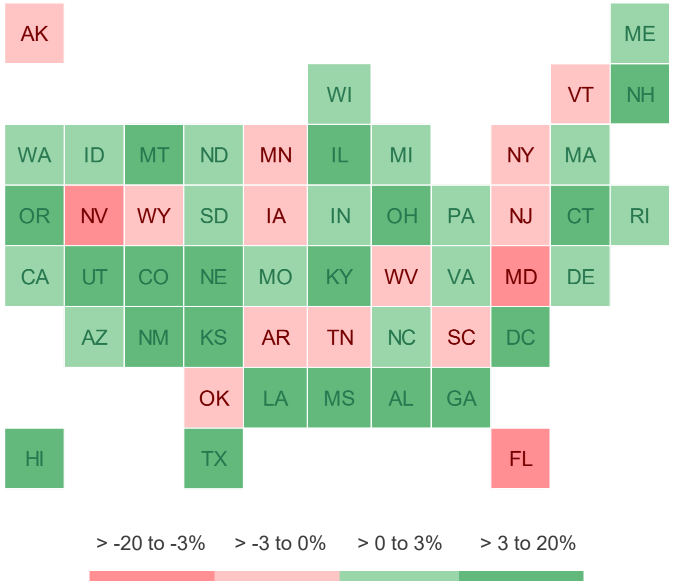
Market Volatility Index (VIX)

CBOE, S&P 500, close, daily



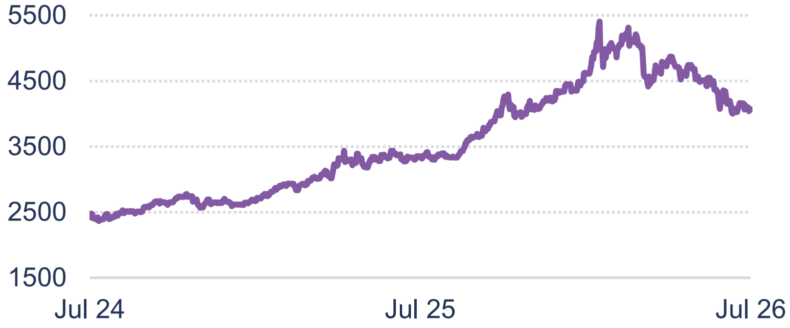
Monthly Growth in Business Applications

Census, M/M, June, seasonally adjusted



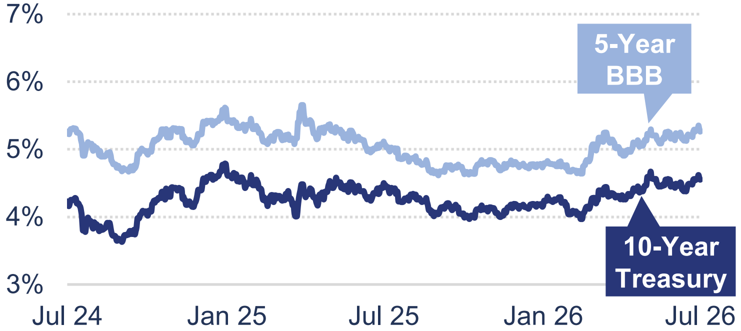
Commodity Prices: Gold

LBMA, world gold price, USD per troy ounce, daily



Bond Yields: 10-Year Treasury and 5-Year BBB

Dept. of Treasury and Macrobond, percent, daily



Nominal Dollar Index vs. 10 Major Currencies

Federal Reserve, index, goods only, daily

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Labor Market

Labor Market Update | The labor market continues to show signs of stability, though it remains in a weaker overall position than a few years ago. Wage growth is still relatively soft for the lowest income earners, small business job openings and hiring plans are lower than they were this time last year, and labor force participation has dropped for both men and women. In better news, initial unemployment claims remain low and job postings for several key sectors are rising.

Unemployment Insurance

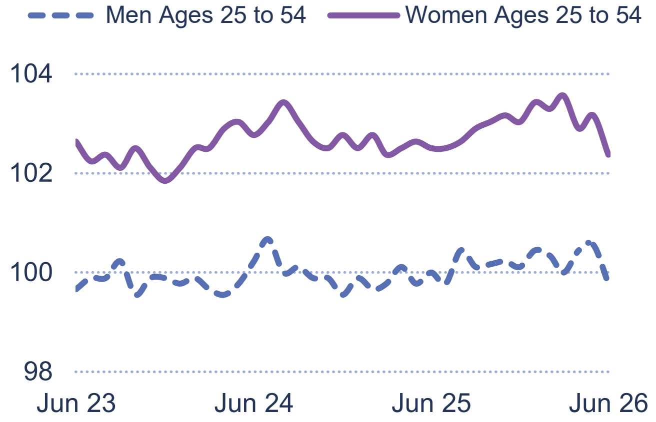
DOL, weekly claims, seasonally adjusted

Released: Jul 16

	Initial	Continued
Latest Estimate	208,000	1,805,000
Prior Week's Estimate (rev.)	216,000	1,821,000
Change	-8,000	-16,000

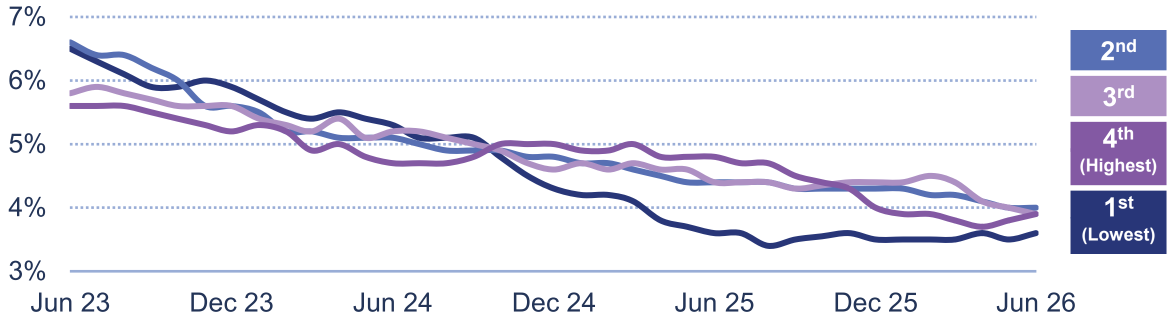
Labor Force Participation Rates

Bureau of Labor Statistics, January 2019 = 100



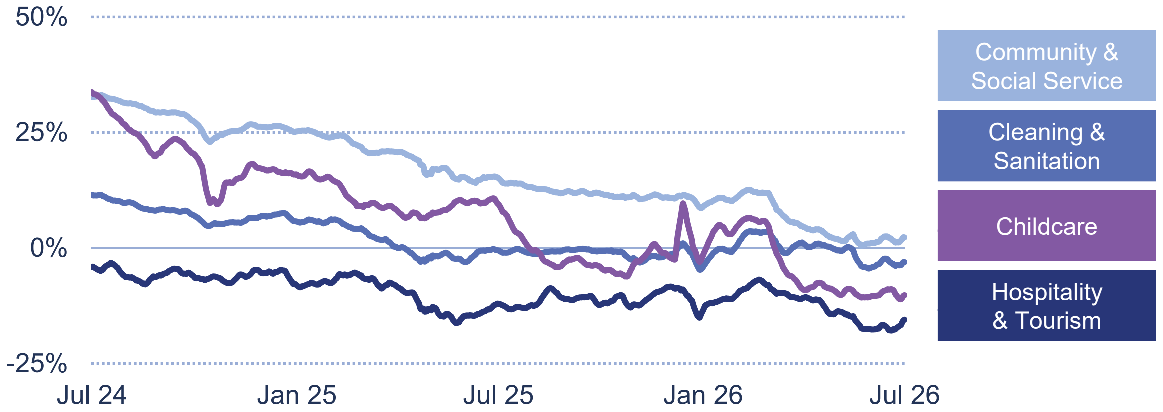
Year-over-year Growth in Hourly Wages, by Wage Quartile

Atlanta Fed, 12-month moving average of median growth



Change in Job Postings by Industry since February 2020

Indeed Hiring Lab, seasonally adjusted, 7DMA



NFIB Small Business Surveys

Seasonally adjusted % of firms with:

	May 2026	Jun 2026	*Prior Year* May 2025	Jun 2025
Job Openings	29%	32%	34%	36%
Plans (Net) for More Employment	9%	11%	12%	13%
Plans (Net) for Higher Compensation	18%	17%	20%	19%

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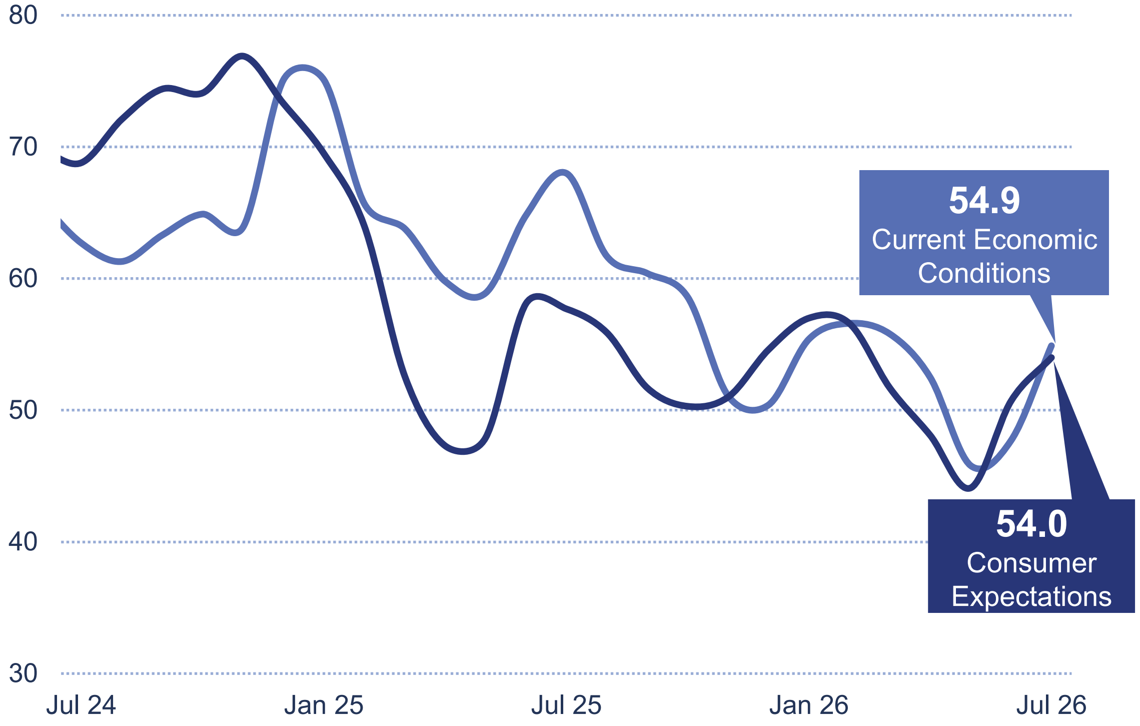
Consumers

Consumers Update | June's retail sales report suggests that consumers keep spending, albeit increasingly in fewer sectors. Retail sales were driven largely by nonstore retailers and motor vehicles. Indeed, June vehicle sales came in higher than initially forecast. Although Visa sees positive momentum for consumer spending, the biggest threat is still gasoline prices, which are once again approaching $4 a gallon. Unsurprisingly, gasoline demand is lower than this time last year.

Consumer Sentiment

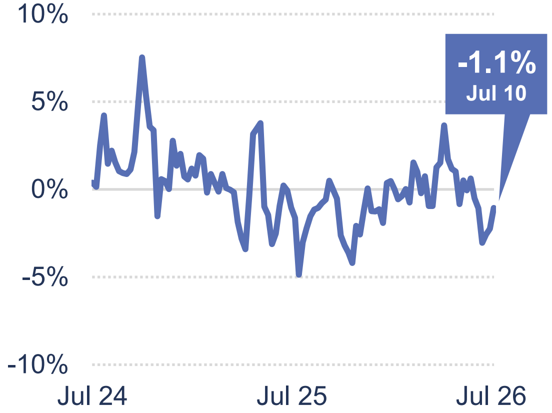
Survey of Consumers, University of Michigan

Release: **Preliminary**



Motor Gasoline Supplied (Demand)

EIA, YoY % Change, 4WMA



Note: Not seasonally adjusted

National Average Gasoline Price

AAA, regular unleaded, USD, daily

Today *July 17*	**$3.98** ▲
Week Ago *July 10*	**$3.88**
Month Ago *June 17*	**$4.03**
Record High *June 24, 2022*	**$5.02**

Light Vehicle Sales

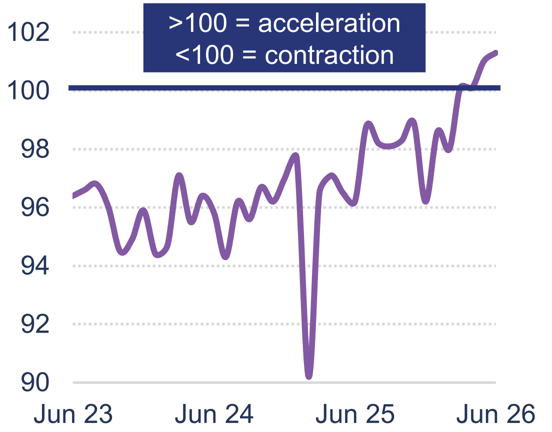
BEA*, millions, SA, annual rate, monthly

Latest Month *June 2026*	**16.5 M**
Prior Month *May 2026*	**16.1 M**
Pre-Pandemic Average *Jan. 2015 – Jan. 2020*	**17.2 M**

** If the BEA figure has not yet been released for the latest month, Cox Automotive's estimate may be substituted instead*

Visa Spending Momentum Index

Diffusion index, vs. one year ago, SA, monthly



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Housing

Housing Update | The housing market continues to be subdued by stiff mortgage rates. Although more houses are selling than this time last year, mortgage applications are declining year-over-year, homebuilder sentiment dipped even further in July, and home price increases accelerated in recent weeks, with Los Angelos and Seattle excepted. Worryingly, mortgage rates are now at their highest reading in nearly a year.

NAHB Housing Market Index

Measure of builder sentiment

Apr: 34	May: 37	Jun: 36	Jul: 34
30-year avg. = 50	*30-year avg. = 51*	*30-year avg. = 51*	*30-year avg. = 51*

Mortgage Applications Index

Mortgage Bankers Association

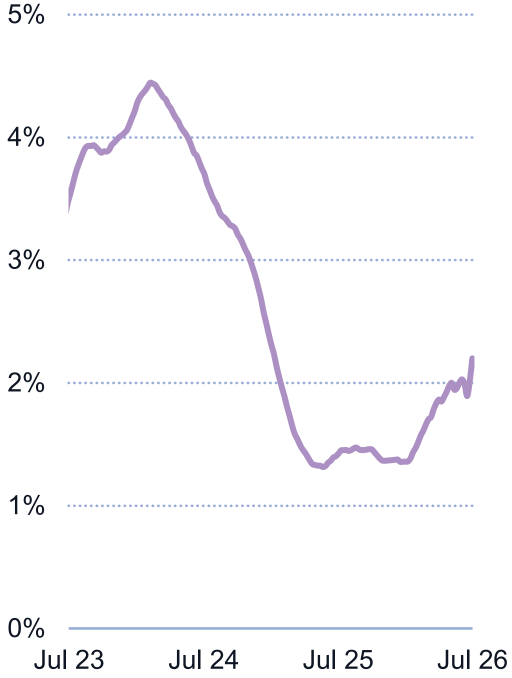
Homes Sold in All Metros

Y/Y % change, Redfin

Jul 12	Latest	Y/Y Change
Active Listings	1,485k	+0.6%
Days on Market	40	+1 day

Redfin Median Home Sale Price

All residential, Y/Y % change, 4WMA



Regional Sale Prices

Redfin, all residential, Y/Y % change, week ending July 12

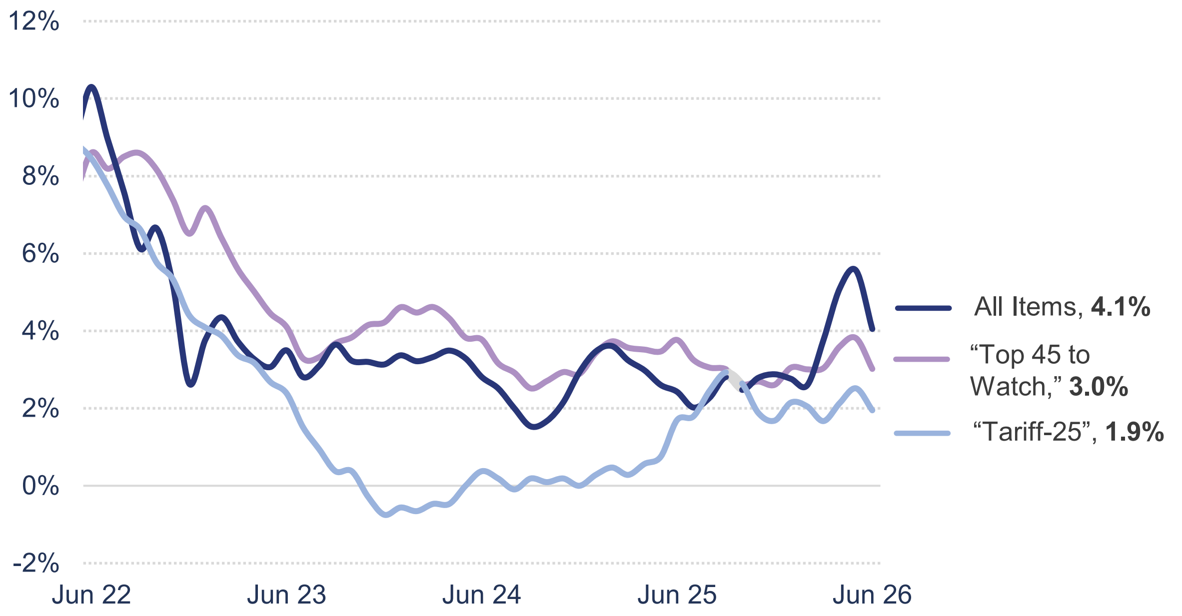
Metro Area	Y/Y % Change
Washington, DC	+1.9%
New York, NY	+4.0%
Los Angeles, CA	-0.3%
Seattle, WA	-4.0%
Dallas, TX	+0.1%
Phoenix, AZ	+0.4%
Atlanta, GA	+2.2%
Chicago, IL	+2.6%
Miami, FL	+0.6%
Denver, CO	+0.6%

Inflation

Inflation Update | The June CPI report was welcome news to both investors and consumers as it showed that prices fell more than expected—driven by lower oil prices. Our "Top 45 to Watch" measure also decelerated in June and is now running at just 3.0% over the past six months. Accordingly, year-ahead inflation expectations fell in July but remain above 4%. Even so, a major concern is that oil prices are creeping back up, which could cause a rebound in inflation in July.

Change in Consumer Prices by Category*

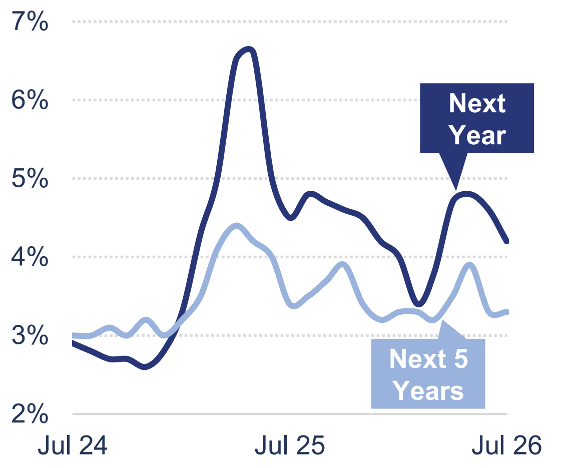
Six-month annualized rates, monthly



** Since August 2021 and March 2025, respectively, we have analyzed monthly data from the Bureau of Labor Statistics and selected from 70+ components of the Consumer Price Index for a "Top Series to Watch" based on our thinking about which goods and services are likely to show longer-term inflation (e.g., electricity, food away from home, pet care) and a series based on our thinking about which goods are most likely to be impacted by tariff-related price increases (e.g., seafood, appliances, new vehicles). Additional data is available upon request.*

Consumer Inflation Expectations

University of Michigan, monthly



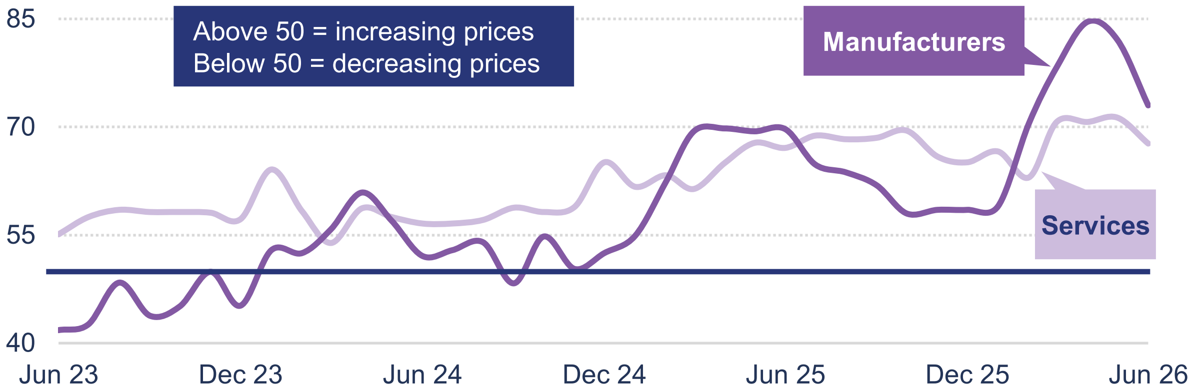
Crude Oil Prices

USD/barrel, 5DMA

Jul 15

Prices Paid by Firms

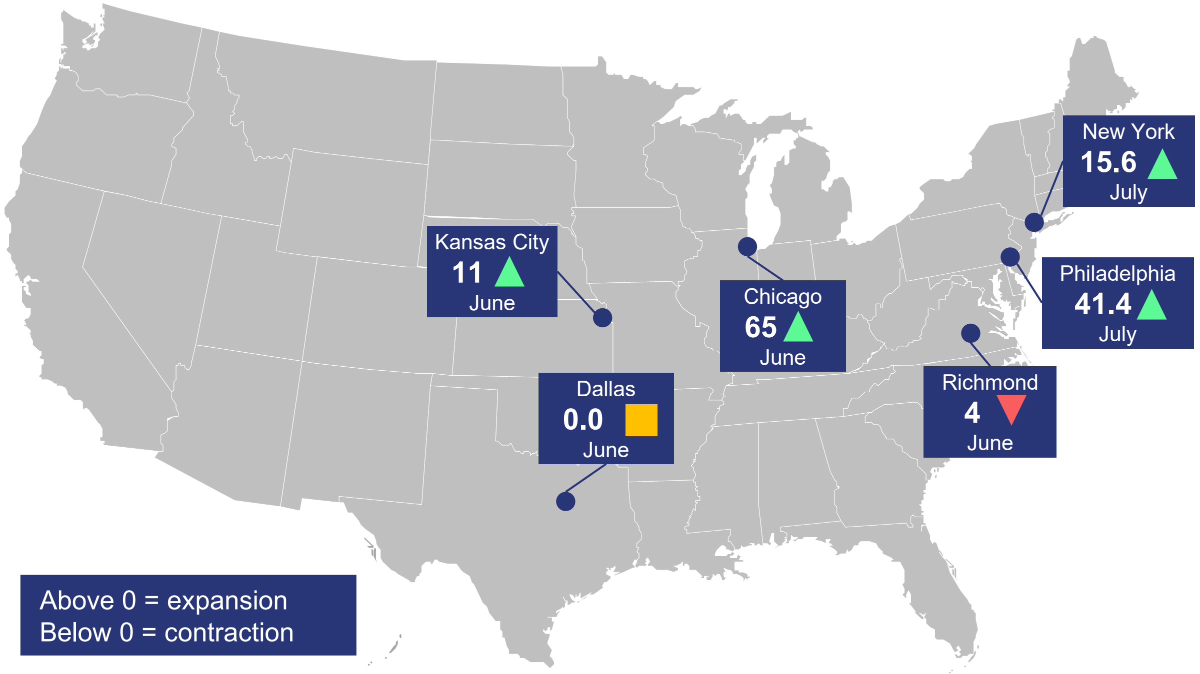
ISM, NMI/PMI, prices, by type of firm, SA, index, monthly



Manufac. & Industry

Manufacturing and Industry Update | The manufacturing sector continues to signal strength as the industrial production manufacturing index held steady in June near its highest reading in almost four years. Motor vehicle assemblies increased for a third consecutive month and all but two Federal Reserve regions reported expanding manufacturing activity in their latest readings. Meanwhile, steel production has been declining in recent weeks but remains at solid levels.

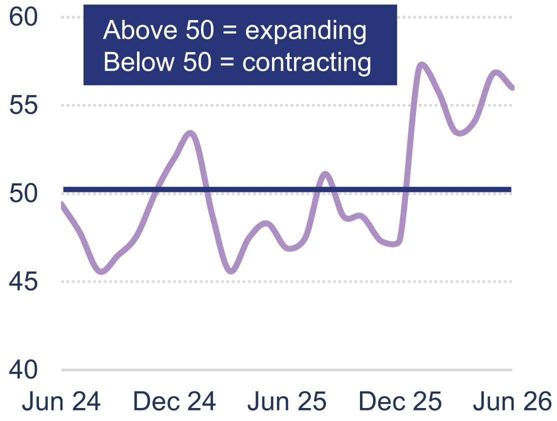
Regional Federal Reserve Bank Manufacturing Indexes
Various Federal Reserve Branches, Diffusion Index



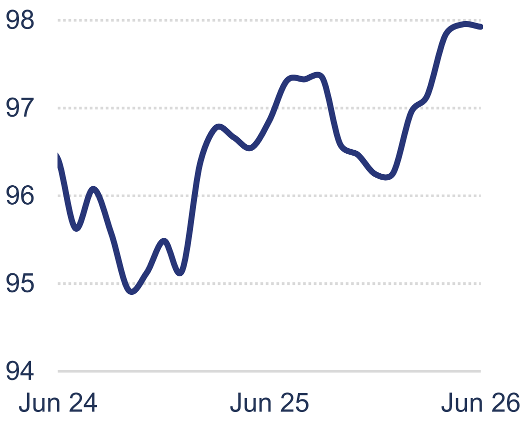
Note: All are diffusion indexes where >0 signals expansion and <0 signals contraction. Magnitude between the Fed branches' measures cannot necessarily be compared. For branches that have multiple measures, only most recent reading for current manufacturing and/or general activity is shown.

Steel Production
AISI, millions, weekly

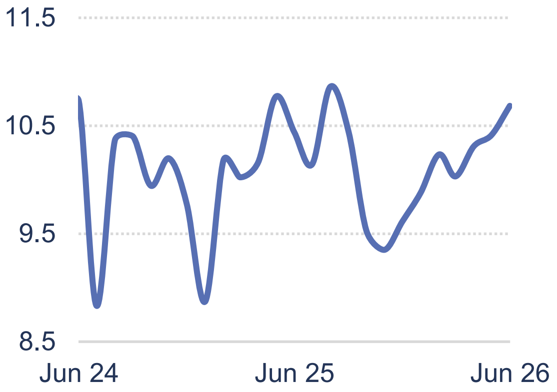
New Orders for Manufacturers
Institute for Supply Management, monthly



Industrial Production: Manufacturing
Federal Reserve, index, SA, monthly



Motor Vehicle Assemblies
Federal Reserve, millions, autos and light trucks, SA, annual rate, monthly



About This Report

The Macroeconomic Current is intended to provide a snapshot of where the U.S. economy currently stands, based on the collective evaluation of a mix of high-frequency, alternative, and traditional indicators of economic activity. It briefly explains how the U.S. economy is faring at present and identifies emerging areas of opportunity or risk for businesses in the current economic environment.

The data tool was constructed around a few key needs and assumptions:

- Regular evaluation of high-frequency data: The economic downturn first associated with the spread of the coronavirus was the fastest in U.S. history, and the slope of the recovery often changed on a daily or weekly basis. Although traditional economic indicators like the unemployment rate and quarterly GDP growth still provide the most accurate read of how the economy is faring, the lag between data collection and release and backward-looking nature of these measures does not allow for an evaluation of the economy as it stands right now, which may be very different from how it looked a month (or even a couple of weeks) ago.

- Qualitative assessment of quantitative measures: The Macroeconomic Current provides qualitative commentary on current quantitative measures. It also summarizes the latest developments across several key interest areas and flags, where appropriate, critical opportunities (or risks).

- Regional trends: As the U.S. has emerged from the pandemic and its recovery, different U.S. regions and states have had markedly different experiences. Several pages contain data at a state-by-state or regional level to get a glimpse of these differential impacts on topics ranging from business health to manufacturing activity.