

## August 29, 2022 – Economic Commentary

Chairman Powell's remarks at the Federal Reserve conference at Jackson Hole last Friday should not have been a surprise to anyone. Although there is ample evidence that the US economy has slowed down and that upward pressure on prices is easing, both the slowdown and inflation deceleration is in the early stages and not as widespread as the Fed might want to see. As has been mentioned before, the ongoing strength in US labor markets essentially provides the Federal Reserve with the opportunity to continue to do what it feels it must in order to convincingly push inflation rates towards 2%. Thus, further interest rate increases loom and the likelihood of interest rates staying at higher levels (3.5-4%) for longer has increased. This week's economic news, with a heavy emphasis on employment data, will contribute to a greater understanding of the state of the US economy as the Fed approaches its next decision point, the FOMC meeting on September 21.

### Data to Watch:

1. ADP Employment Change for August, released Wednesday, August 31
2. US ISM Manufacturing Purchasing Managers Index for August, released Thursday, September 1
3. US NonFarm Payrolls and US Unemployment Rate for August, released Friday, September 2

### Suggested Reading:

[Apple plans to cut iPhone14 production lag between China, India - Bloomberg](#)

[Companies Pulled Back on Orders for Big Ticket Items in July](#)

[A Supplier of Rare Earth Turns to Greenland in a Bid to Cut Reliance on Russia](#)

[Fed Rate Hikes Won't Bring Down Inflation as long as Government Spending Stays High](#)

### Disclosures

*Investment Commentary Sources: Bloomberg and Morningstar*

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