

August 8, 2022 – Economic Commentary

Friday's blockbuster jobs growth number for July laid to rest the notion that the US has already entered a recession. Other signs of economic slowdown hover, however, most notably in various surveys of purchasing managers and in the housing market, where building and buying are clearly coming off their highs. CEOs in a wide variety of industries continue to state their expectations that a recession is imminent, while at the same time indicating that their own company sales have not slowed appreciably; cost pressures and margin erosion appear to be the bigger problems. With so many economic crosscurrents, this week's inflation numbers for July are especially meaningful. No one rationally expects inflation to rapidly decelerate to 2-3%, taking the pressure off both the Fed and those afore-mentioned company profit margins, but everyone is in the business these days of looking for signs of hope. Recently, business leaders with some view to the price pressures created by supply chain problems (e.g. Elon Musk at the Tesla shareholders meeting last week) have commented that the US may be starting to come off "peak inflation", and the CPI numbers are indeed expected to show a slight moderation in July. Nevertheless, inflation is more likely than not to be high for a number of months to come, encouraging the Fed to persist in its aggressive inflation-fighting interest rate increases.

Data to Watch:

1. National Federation of Independent Business (NFIB) Business Optimism Index for July, released Tuesday, August 9
2. US CPI for July, released Wednesday, August 10
3. US Initial Claims for Unemployment for the week ended August 6, released Thursday, August 11
4. US University of Michigan Consumer Sentiment Survey for August (Preliminary), released Friday, August 12

Suggested Reading:

[How This Economic Moment Rewrites the Rules](#)

[What's in Joe Manchin and Chuck Schumer's Reconciliation Deal on Climate, Health and Tax Policy?](#)

[Some consumers are cutting back on restaurant spending, but CEOs say not all chains are affected](#)

Disclosures

Investment Commentary Sources: Bloomberg and Morningstar

Investment advisory services offered through Robertson Stephens Wealth Management, LLC ("Robertson Stephens"), an SEC-registered investment advisor. Registration does not imply any specific level of skill or training and does not constitute an endorsement of the firm by the Commission. This material is for general informational purposes only and should not be construed as investment, tax or legal advice. It does not constitute a recommendation or offer to buy or sell any security, has not been tailored to the needs of any specific investor, and should not provide the basis for any investment decision. Please consult with your Advisor prior to making any Investment decisions. The information contained herein was carefully compiled from sources believed to be reliable, but Robertson Stephens cannot guarantee its accuracy or completeness. Information, views and opinions are current as of the date of this presentation, are based on the information available at the time, and are subject to change based on market and other conditions. Robertson Stephens assumes no duty to update this information. Unless otherwise noted, any individual opinions presented are those of the author and not necessarily those of Robertson Stephens. Indices are unmanaged and reflect the reinvestment of all income or dividends but do not reflect the deduction of any fees or expenses which would reduce returns. Past performance does not guarantee future results. Forward-looking performance targets or estimates are not guaranteed and may not be achieved. Investing entails risks, including possible loss of principal. Alternative investments are only available to qualified investors and are not suitable for all investors. Alternative investments include risks such as illiquidity, long time horizons, reduced transparency, and significant loss of principal. This material is an investment advisory publication intended for investment advisory clients and prospective clients only. Robertson Stephens only transacts business in states in which it is properly registered or is excluded or exempted from registration. A copy of Robertson Stephens' current written disclosure brochure filed with the SEC which discusses, among other things, Robertson Stephens' business practices, services and fees, is available through the SEC's website at: www.adviserinfo.sec.gov. © 2022 Robertson Stephens Wealth Management, LLC. All rights reserved. Robertson Stephens is a registered trademark of Robertson Stephens Wealth Management, LLC in the United States and elsewhere.