

## November 20, 2023 – Economic Commentary

Last week's much better than expected inflation numbers in the US have conclusively turned investor attention away from the Fed and placed it squarely on how soft the soft landing may be. Specifically, the question this week - and almost every week to come in what remains of 2023 - will be about the US consumer's ability to sustain US economic growth, ideally in the 2.5-3% range. Early estimates of fourth quarter economic growth rates continue to run closer to 2% than to 3%, and consumer data from holiday spending that has already started will have much to say about the overall direction of the economy going into 2024.

In Europe, where it is not a holiday week, there will be a raft of speeches by European Central Bankers, none more significant than that by President Christine Lagarde on Friday. With Eurozone inflation in October measured at 2.9%, talk is already mounting regarding a rate cut sooner rather than later in the hopes of moving European economic growth out of the doldrums. Lagarde has been unified with Fed Chairman Powell in wishing to avoid an incautious declaration of victory over inflation, and any near-term action seems unlikely. Nevertheless, the economic situation in Europe is very different than in the United States. Here, too, the financial strength of the consumer is going to be critical in the coming weeks.

### Data to Watch:

1. Federal Open Market Committee (FOMC) minutes from Nov.1 meeting, released Tuesday, Nov. 31
2. US Durable Goods Orders for October, released Wednesday, Nov. 22
3. S&P Global US Purchasing Managers Index (preliminary) for November, released Friday, Nov. 25

### Suggested Reading:

1. [Dubai's Costly Water World](#)
2. [The Pay Raise People Say They Need to Be Happy](#)
3. [China needs to pull 'multiple levers' for property turnaround, say analysts](#)

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