



Weekly Economic News & Updates

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THE WEEK ON THE MARKET

Congratulations to the American futbol team for capturing its second straight World Cup Championship on Saturday! Well done! And, just in time for the team to make it to the first session of this week's two-day Humphrey-Hawkins testimony by Chairman Powell. The runners-up from Holland will have to attend both days.

Both types of inflation, retail and wholesale, will be revealed when the Bureau of Labor Statistics reports the Consumer Price Index on Thursday and the Producer Price Index the day after. Neither will show that the disinflationary trend is reversing. On the day prior to the CPI report, the FOMC minutes from June will be released and it will be interesting to see how the Committee's discussions went back then compared to what Chairman Powell will be telling all the monetary experts in Congress this week.

This afternoon, the Federal Reserve will report Consumer Credit for May and it is actually expected to show slower growth in May compared to April's spurt. Are consumers sensing that the time may have come for exercising caution? Probably not. Small business owners, on the other hand, might be feeling something else. On Tuesday, the National Federation of Independent Businesses is expected to report that its Small Business Optimism Index slipped substantially in June to 103.1 from 105.

Jobs Report Beats Expectations

Analysts polled by Bloomberg thought the economy would add 160,000 net new jobs in June. Instead, the number was 224,000. The headline unemployment rate ticked up 0.1% to 3.7%; the U-6 rate, including the underemployed, also rose 0.1% to 7.2%.⁶

Before the large June gain was announced, traders were confident that the Federal Reserve would adjust interest rates this summer. This latest hiring data called that confidence into question.

More Tariffs Slated for European Goods

The federal government plans to levy new import taxes on \$4 billion of food and beverages coming from the European Union, the Office of the U.S. Trade Representative said last week. This would complement the tariffs on \$21 billion worth of E.U. imports announced in April.⁷

The U.S. and E.U. generate more than \$1 trillion in commerce through trade relationships. European exports to the U.S., however, far outweigh U.S. exports to the E.U.⁷

WEEKLY QUOTE

"All our discontent at what we lack results from lack of gratitude for what we have."
DANIEL DEFOE

WEEKLY TIP

A good, small-business invoice ideally states five things: the timeframe the company gives the client to pay, whether the client is permitted to pay upfront, whether late fees can be charged, the kinds of payments accepted, and if delivery will occur before or after receipt of payment.

WEEKLY RIDDLE

Pronounced as one letter, written with three, there are only two letters in me. I'm read from both ends, and the same either way. What word am I?

Last week's answer:

One is stocking his mind, while the other is minding his stock.

Sources: MarektingPro, Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

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WHAT'S AHEAD

Monday, July 15 will mark the start of the next earnings season. Money-center banks report first, followed by companies from a variety of industries.