

U.S. Economic Outlook

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Outlook Themes

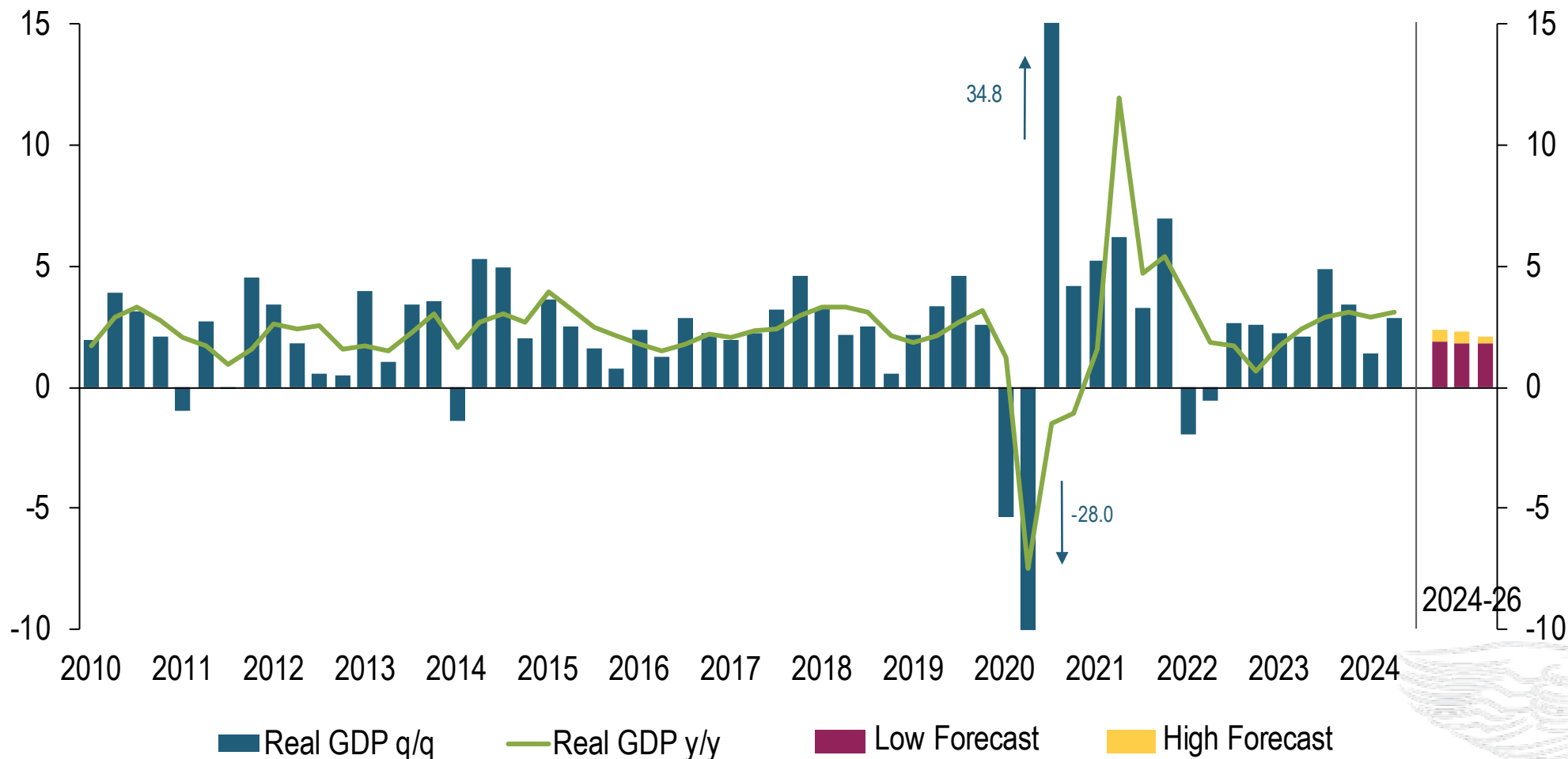
- The U.S. economy continues to expand at a solid pace.
- Labor markets have come into better balance this year due to increases in labor supply and softening labor demand.
- Consumer spending continues to be supported by strong labor markets and healthy household balance sheets.
- Inflation has eased considerably but remains above the FOMC's two percent target. However, recent inflation reports have been encouraging, with broad-based moderation in both goods and services inflation.



The U.S. economy has been resilient despite tight monetary policy and elevated inflation.

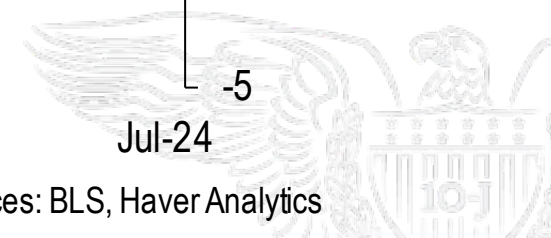
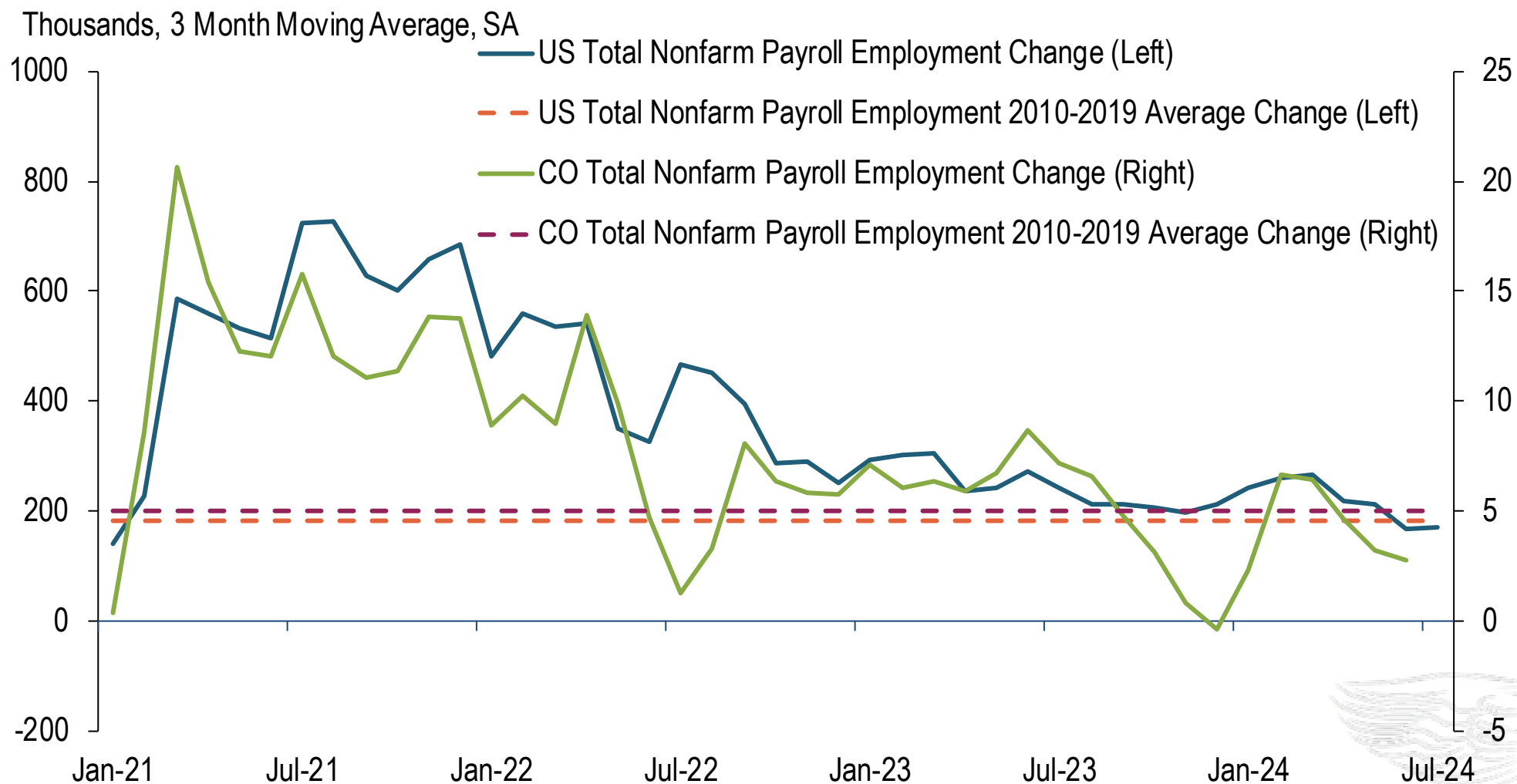
Percent Change

FOMC central tendency projections: June 2024

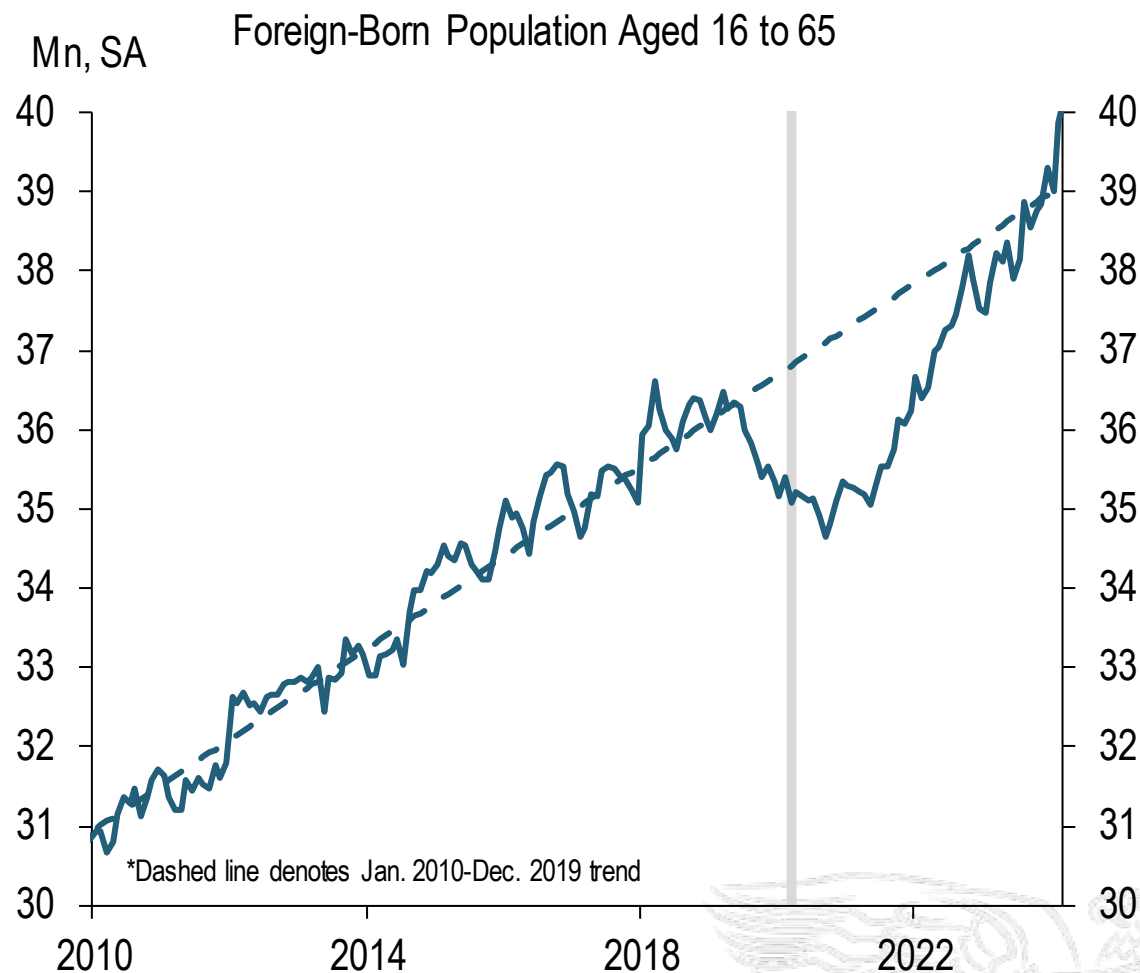
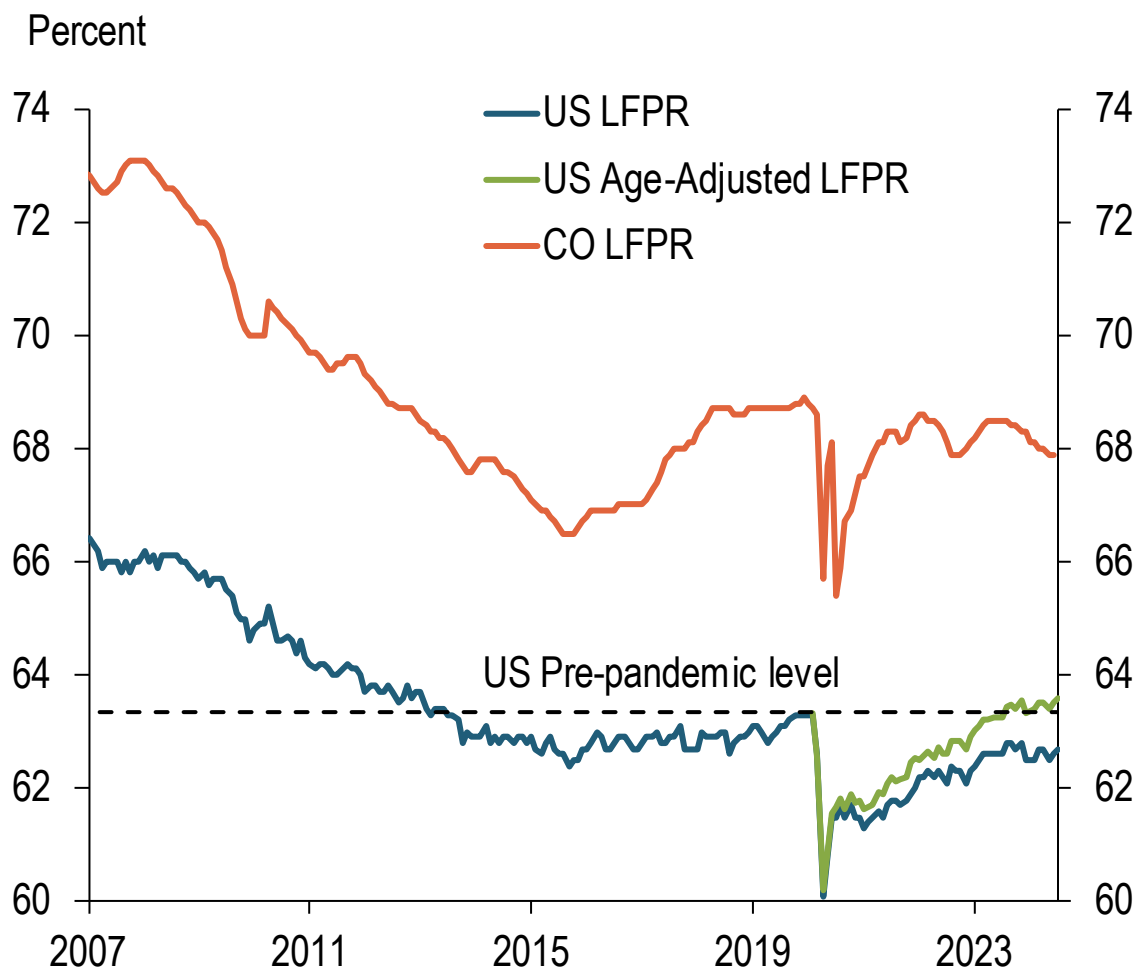


Sources: BEA, NBER, Haver Analytics

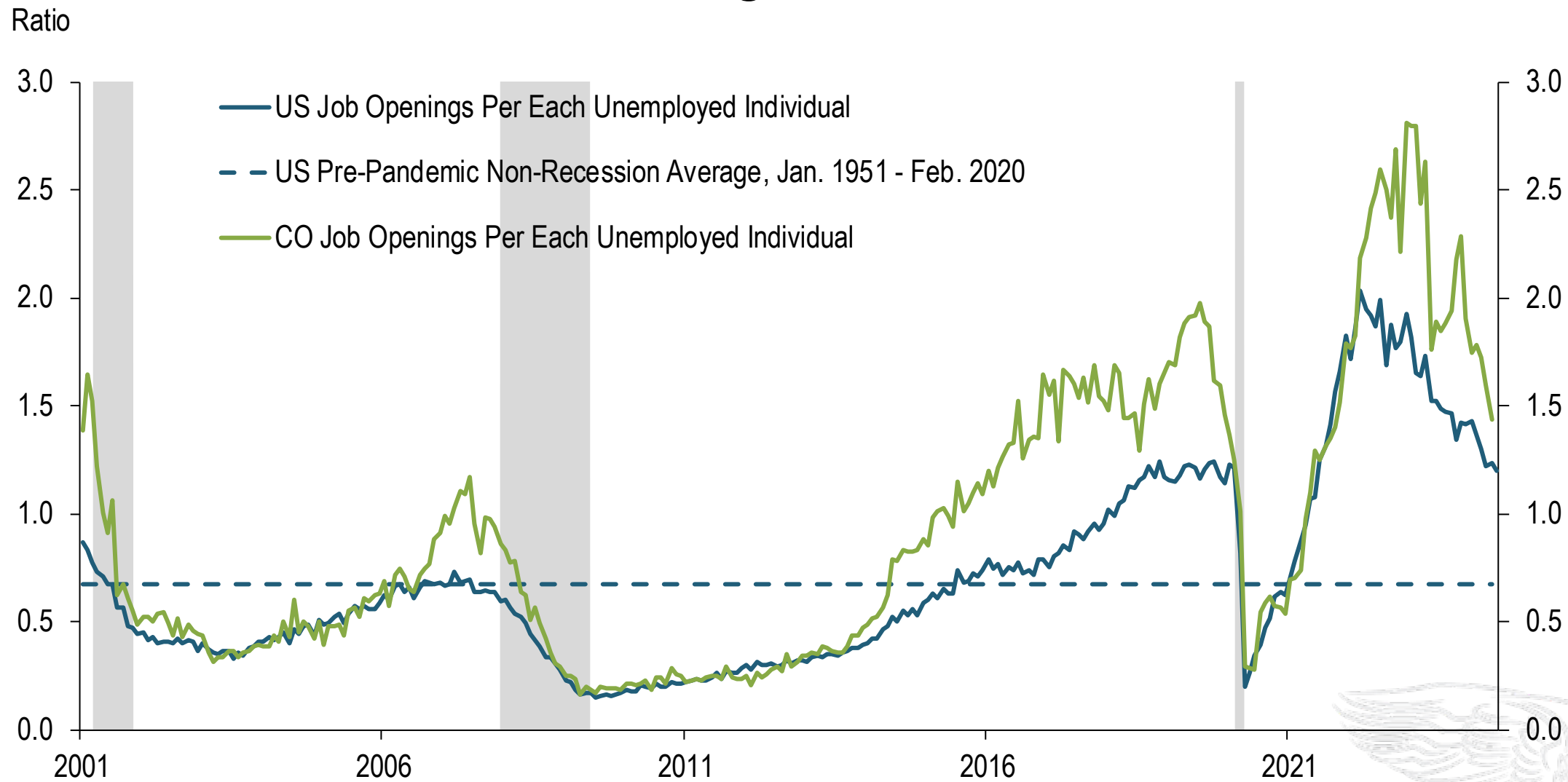
Employment growth has moderated as labor markets have come into better balance.



Increases in labor supply have helped bring the labor market into better balance.



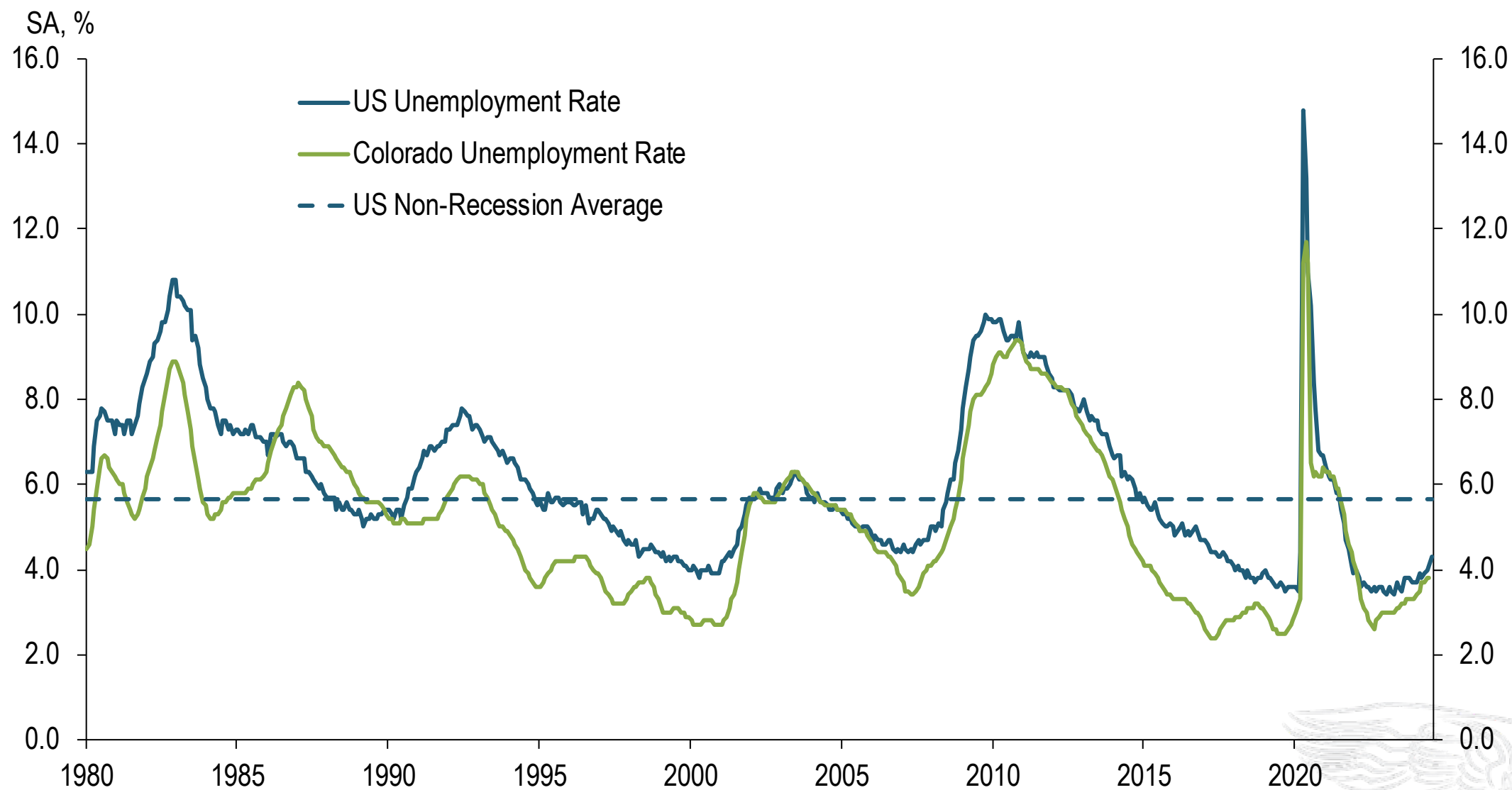
The number of job openings per unemployed individual has come down, but labor markets remain tight.



Sources: BLS, Haver Analytics



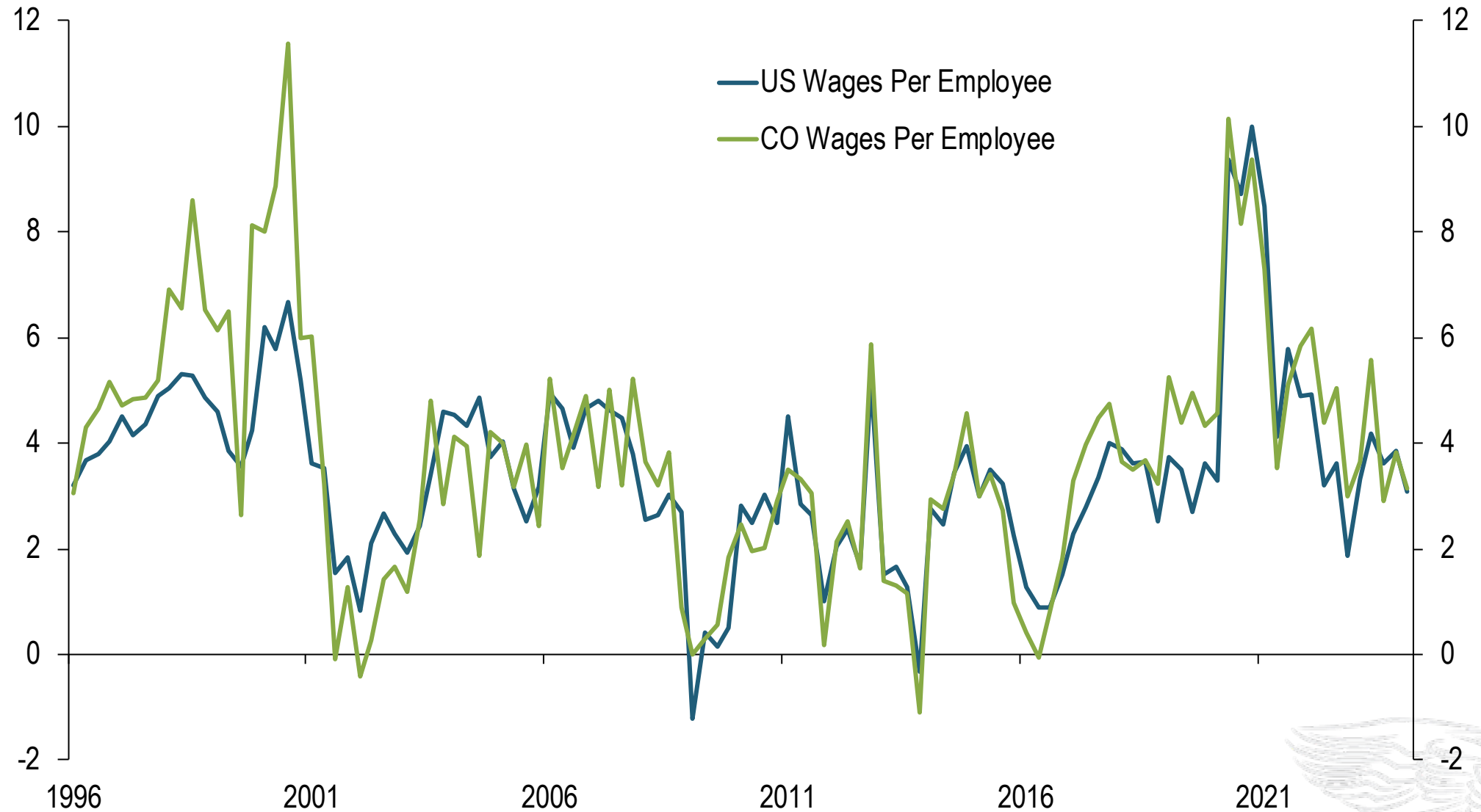
Unemployment rates have moved higher but remain historically low.



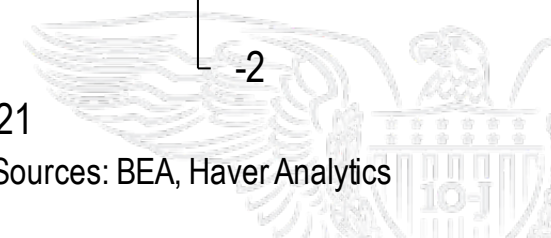
Sources: BLS, Haver Analytics

Wage growth has eased but remains strong.

Year over Year % Change

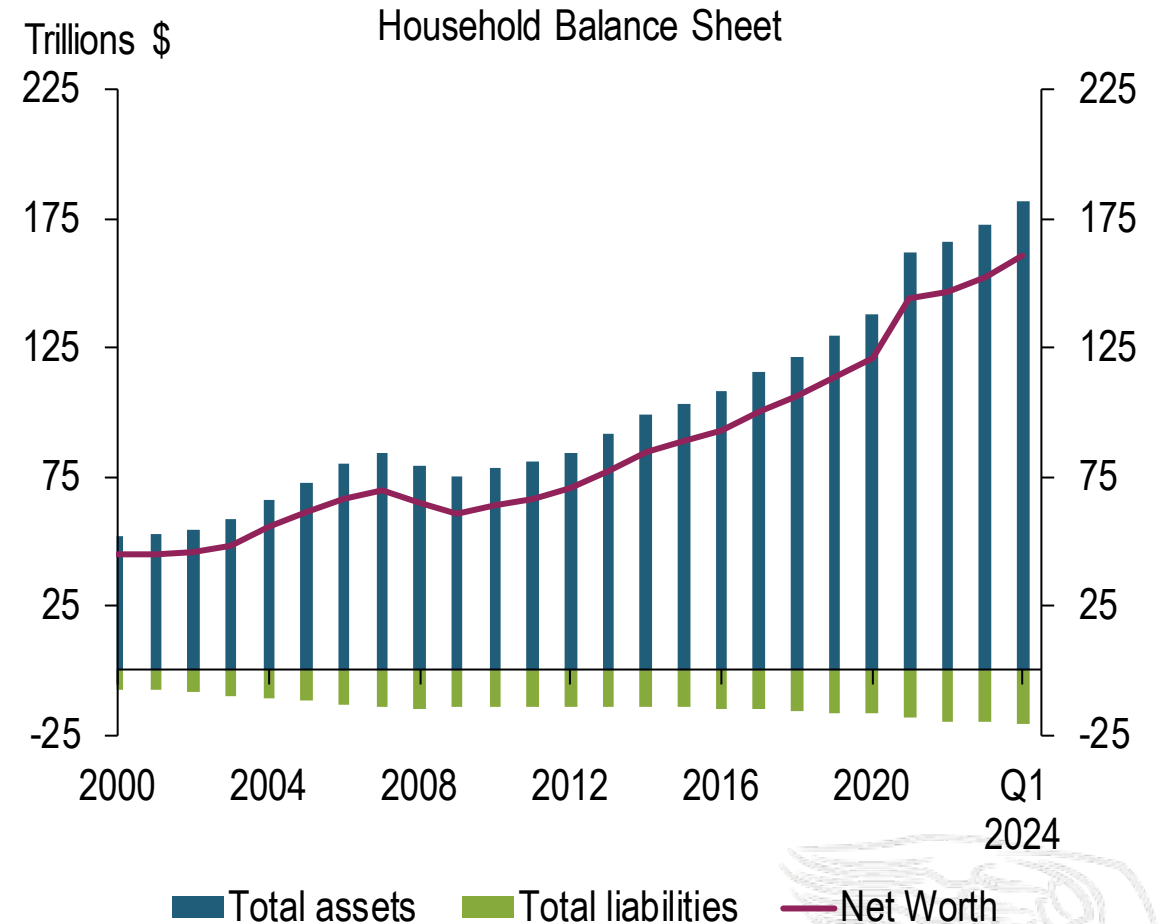
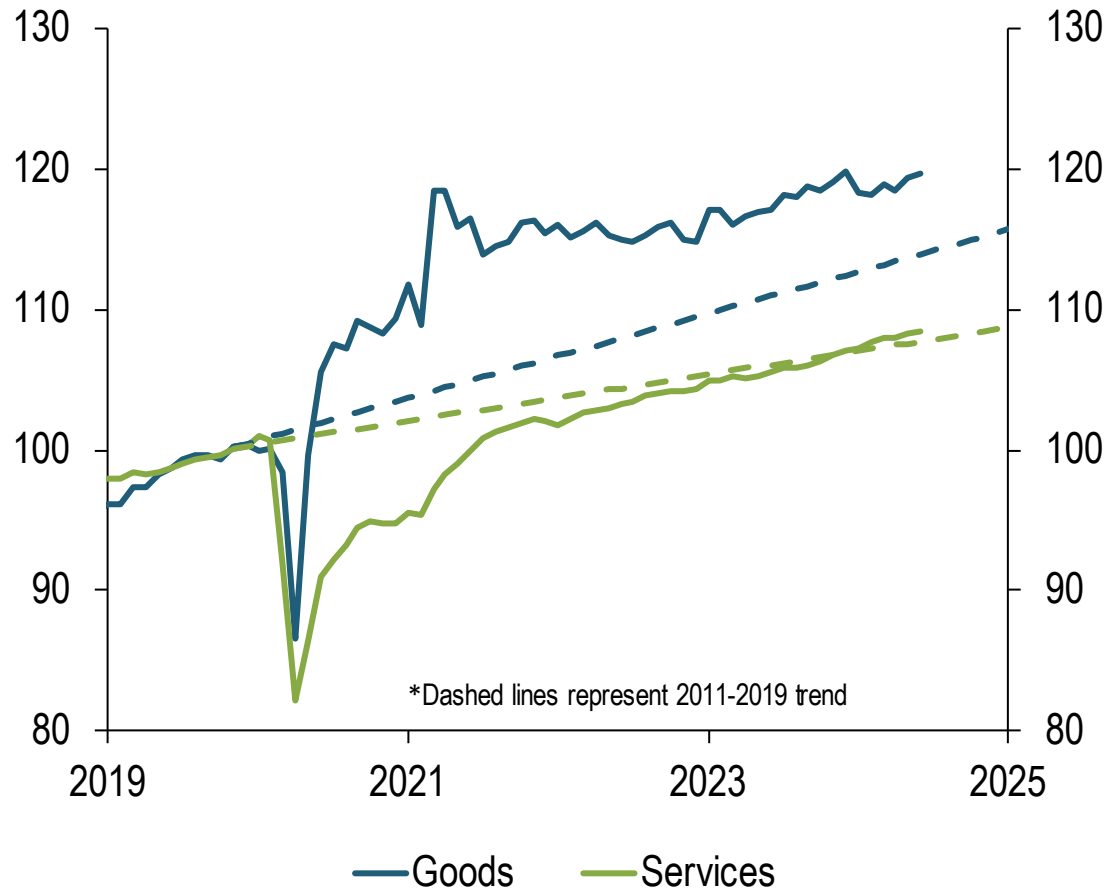


Sources: BEA, Haver Analytics

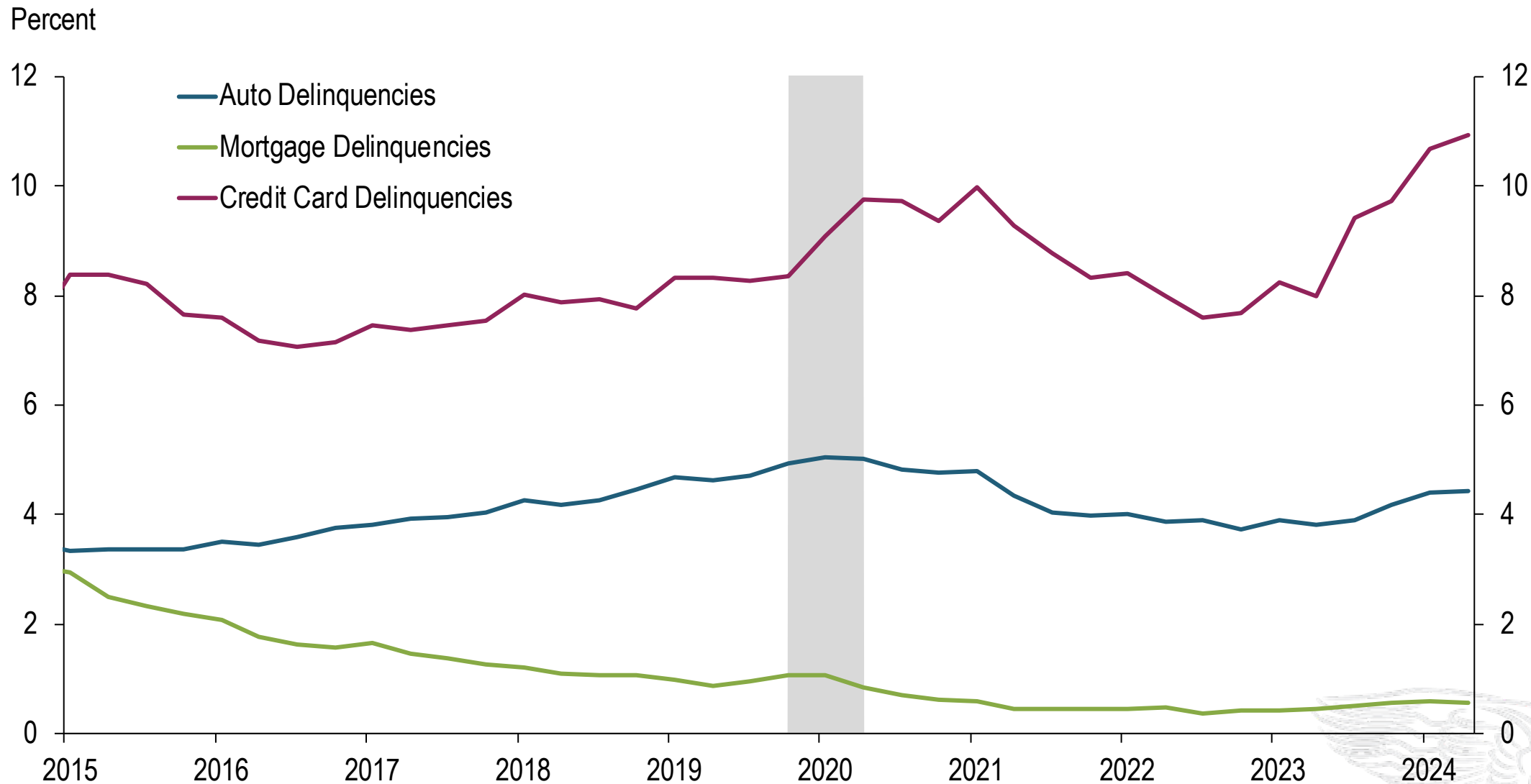


Consumer spending remains elevated, supported by solid labor markets and strong household net worth.

Index, 2019Q4 = 100



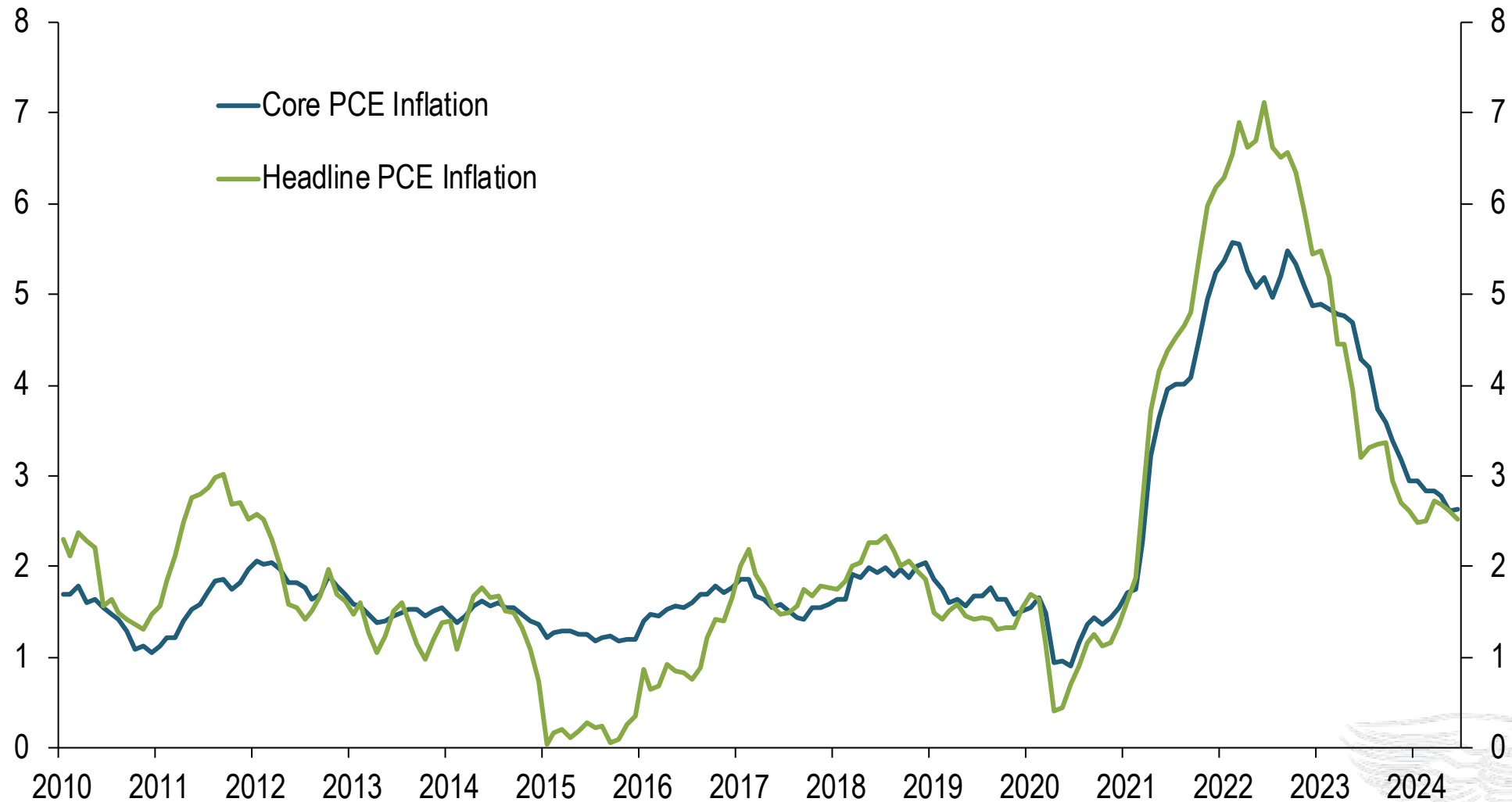
However, credit card delinquencies have moved up, indicating stress for some consumers.



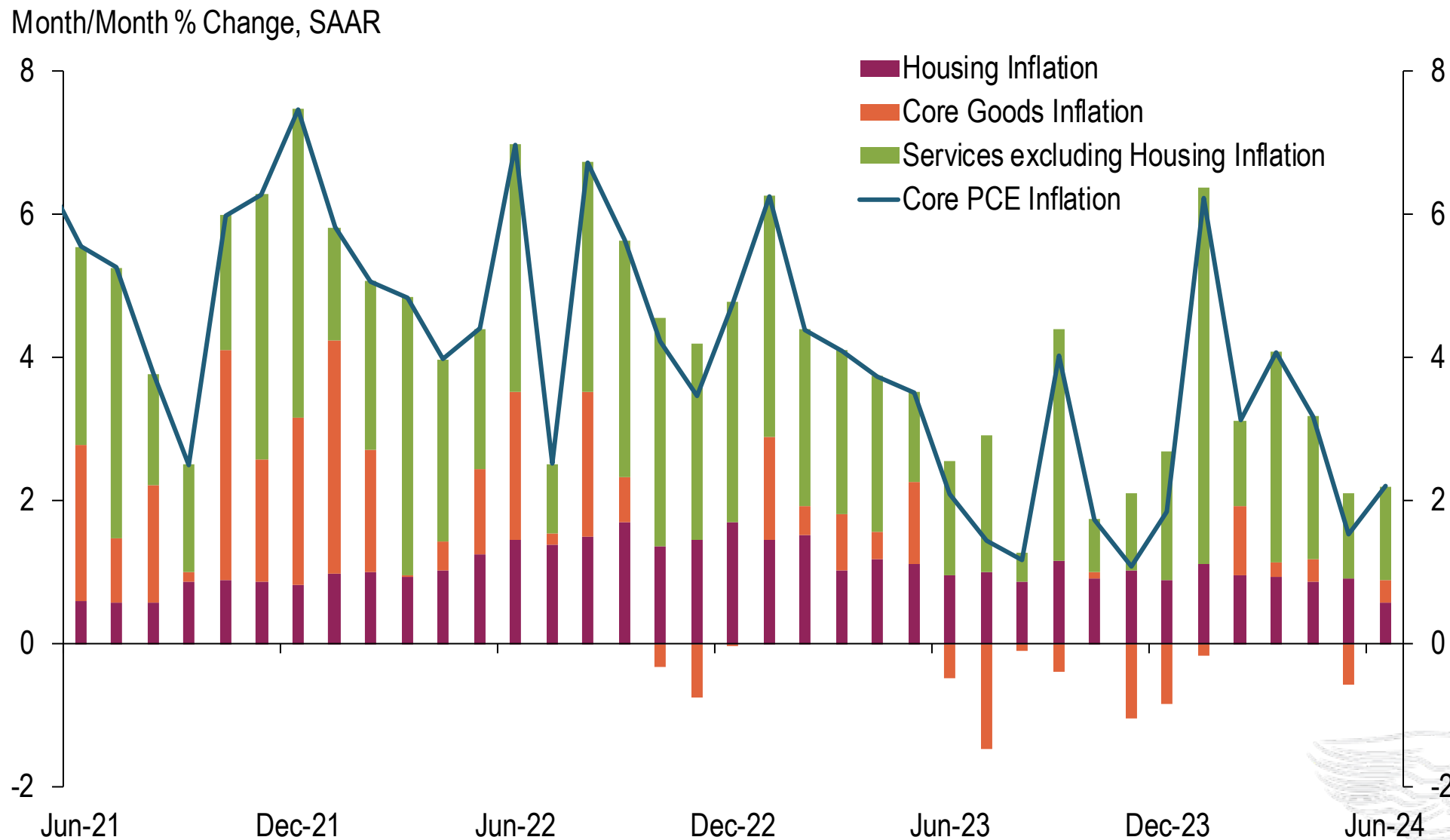
Source: FRB NY Consumer Credit Panel/Equifax

Inflation has moderated but remains above the Fed's two-percent target.

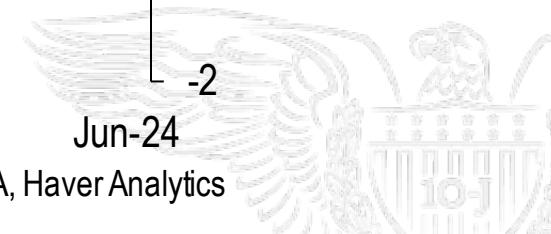
Year over Year % Change



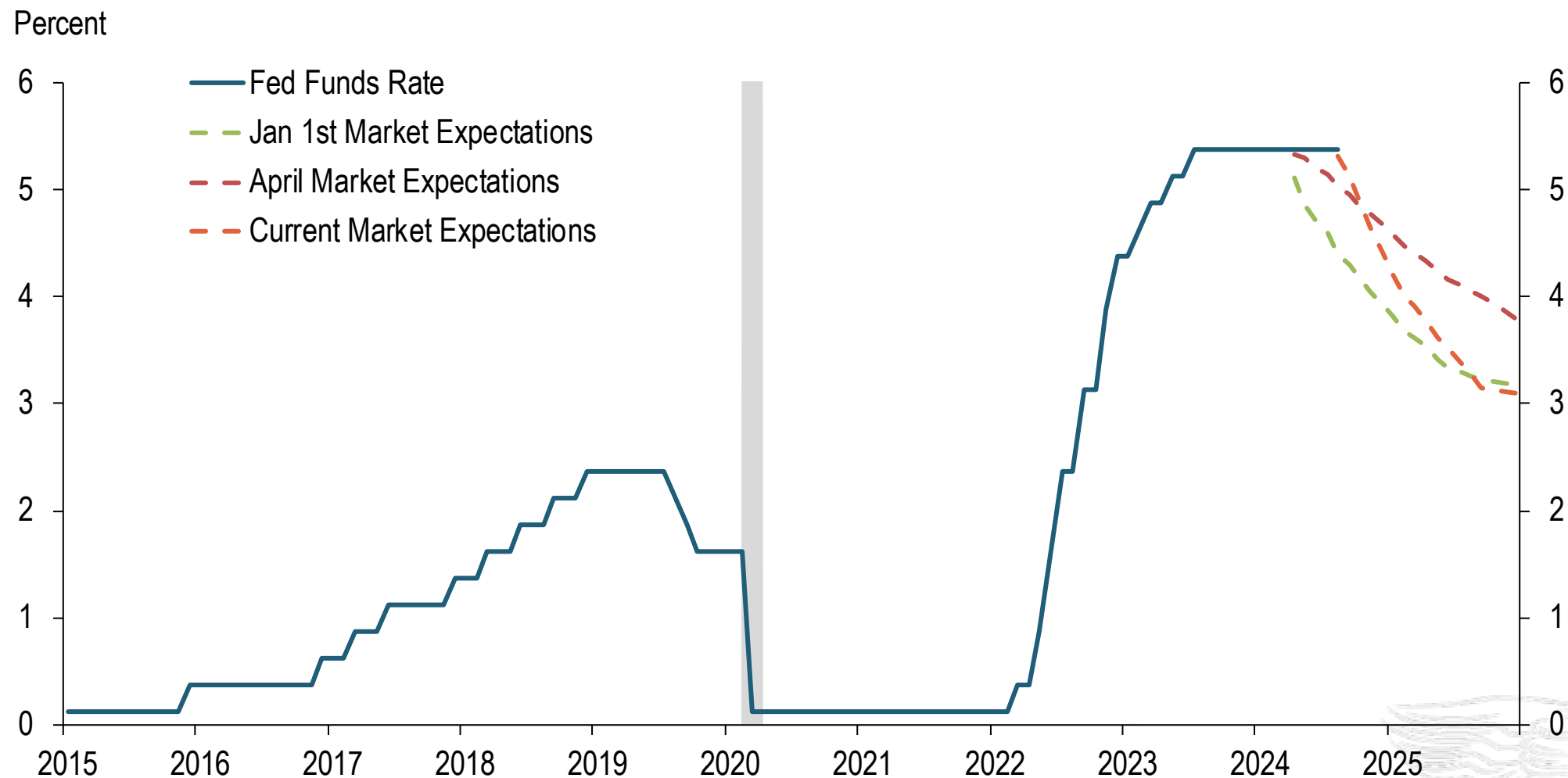
Recent inflation data have been encouraging.



Sources: BEA, Haver Analytics



Market participants have adjusted their expectations for rate cuts in response to incoming data.



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