



MARKET EXPECTATIONS SURVEY

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August retail sales were up 0.3%, a bit above market consensus. Vehicle sales rose by 2.8%, partly reflecting higher new car prices. June and July retail sales combined were revised down slightly.

August ex-auto retail sales fell 0.3% that was more than accounted for by a decline in gas station sales of 4.2%, reflecting a nearly 11% decline in gasoline prices. Control sales (excluding vehicle, building materials, gasoline and restaurant sales) rose 0.1%. Apparently, many consumers used the money they didn't spend at the gas station to buy other discretionary items, especially dining out. Restaurant sales were up a solid 1.1%, reflecting both higher prices and more meals served. Department store sales rose by 0.5% and apparel store sales rose by 0.4% but Online sales fell by 0.7%.

The rise in both ex-auto and control sales were both very close to the inflation rate in August (0.1%), so real retail sales were flat. Spending on services will not be released until 9/30 but we expect a solid rise lifted by tourism and entertainment. Together with today's retail sales report, we estimate that August real personal consumption spending (which is 67% of real GDP) rose a modest 0.1% last month and real GDP is on track for a 1.5-2.0% rise this quarter, following two straight quarterly declines (subject to revision on 9/29).

ACTION ECONOMICS SURVEY	Last Actual	PNC FINANCIAL SERVICES GROUP COMMENT
Fed Funds Rate Target Range Mid-Point (after the FOMC meeting on 9/21) Range: 3.125 to 3.375 percent Median: 3.125 percent	2.38 percent	We expect a 75 bps funds rate hike to a 3.00-3.25% target range at the FOMC meeting on 9/21.
Aug Housing Starts (9/20, Tuesday) Range: 1.356 to 1.502 million Median: 1.450 million	1.446M (July)	About flat at 1.45 million. Permits down to 1.58 million.
Aug Existing Home Sales (9/21, Wednesday) Range: 4.550 to 4.790 million Median: 4.685 million	4.810M (July)	Down to 4.65 million.
Initial Claims, Week of 9/17/22 (9/22, Thursday) Range: 210K to 225K Median: 214K	213K (9/10/22)	Up to 225K.
Aug Leading Indicators (9/22, Thursday) Range: -0.2 to 0.2 percent Median: 0.0 percent	-0.4% (July)	Down 0.2%.
Aug Durable Goods Orders (9/27, Tuesday) Range: -1.3 to 0.8 percent Median: -0.4 percent	0.0% (July)	Up 0.7%. Shipments up 0.6%.
Sept Conference Board Consumer Confidence (9/27, Tuesday) Range: 102.0 to 105.9 Median: 104.0	103.2 (Aug)	Up to 104.5.
Aug New Home Sales (9/27, Tuesday) Range: 0.480 to 0.540 million Median: 0.500 million	0.511M (July)	Down to 0.480 million.
Aug Advance Trade in Goods (9/28, Wednesday) Range: -\$92.0 to -\$87.0 Median: -\$88.8	-\$90.2B (July)	A slight widening to -\$92.5 billion.

ACTION ECONOMICS SURVEY	Last Actual	PNC FINANCIAL SERVICES GROUP COMMENT
Q2 GDP Third Report (9/29, Thursday) Range: -0.6 to -0.4 percent Median: -0.6 percent	-0.6% (Second Report)	All of the GDP related data will be revised for the past five years. We do not expect this revision to change the contours of the huge decline in the first half of 2020 during the early months of the pandemic nor the sharp rebound in the second half of 2020 and through 2021. It is possible that the small decline in real GDP in 2Q 2022 could be revised to show a small rise.
Q2 Chain Price Index Third Report (9/29, Thursday) Range: 8.9 to 8.9 percent Median: 8.9 percent	8.9% (Second Report)	Stays at 8.9%.
Aug Personal Income (9/30, Friday) Range: 0.1 to 0.4 percent Median: 0.2 percent	0.2% (July)	Up 0.4%.
Aug Personal Consumption Expend. (9/30, Friday) Range: 0.2 to 0.4 percent Median: 0.2 percent	0.1% (July)	Up 0.2%. The PCE headline inflation index is up 0.1% and edges down to 6.0% from a year ago. The PCE core inflation index is up 0.5% and edges up to 4.8% from a year ago. Both are below their earlier "peaks".
Sept U Mich Consumer Sentiment (final) (9/30, Friday) Range: 57.0 to 59.5 Median: 59.0	59.2 (Aug)	Down to 57.0.

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MONTHLY CALENDAR OF ECONOMIC DATA

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Sept 2022

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY																																																													
<p>5</p> <p>Labor Day Holiday (All markets closed)</p>	<p>6</p> <p>ISM NON-MFG INDEX</p> <table> <tr><td>June</td><td>55.3</td></tr> <tr><td>July</td><td>56.7</td></tr> <tr><td>Aug</td><td>56.9</td></tr> </table>	June	55.3	July	56.7	Aug	56.9	<p>7</p> <p>TRADE BALANCE (\$B)</p> <table> <tr><td>May</td><td>-\$85.8</td></tr> <tr><td>June</td><td>-\$80.8</td></tr> <tr><td>July</td><td>-\$70.6</td></tr> </table>	May	-\$85.8	June	-\$80.8	July	-\$70.6	<p>8</p> <p>CONSUMER CREDIT(\$B)</p> <table> <tr><td>May</td><td>\$23.5</td></tr> <tr><td>June</td><td>\$39.1</td></tr> <tr><td>July</td><td>\$23.8</td></tr> </table>	May	\$23.5	June	\$39.1	July	\$23.8	<p>9</p>																																											
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<p>19</p>	<p>20</p> <p>HOUSING(000)</p> <table> <tr><th>Starts</th><th>Permits</th></tr> <tr><td>June</td><td>1.559 1.696</td></tr> <tr><td>July</td><td>1.446 1.674</td></tr> <tr><td>Aug</td><td></td></tr> </table>	Starts	Permits	June	1.559 1.696	July	1.446 1.674	Aug		<p>21</p> <p>EXISTING HOME SALES(000)</p> <table> <tr><td>June</td><td>5.110</td></tr> <tr><td>July</td><td>4.810</td></tr> <tr><td>Aug</td><td></td></tr> </table> <p>FOMC statement 2pm</p>	June	5.110	July	4.810	Aug		<p>22</p> <p>CURRENT ACCOUNT</p> <table> <tr><td>Q2'2021</td><td>-\$206.4</td></tr> <tr><td>Q3'2021</td><td>-\$226.3</td></tr> <tr><td>Q4'2021</td><td>-\$224.8</td></tr> <tr><td>Q1'2022</td><td>-\$291.4</td></tr> <tr><td>Q2'2022</td><td></td></tr> </table> <p>Unemployment Claims (000)</p> <table> <tr><th>May</th><th>June</th><th>July</th><th>Aug</th><th>Sept</th></tr> <tr><td>197</td><td>232</td><td>236</td><td>252</td><td>218</td></tr> <tr><td>218</td><td>231</td><td>244</td><td>245</td><td>213</td></tr> <tr><td>211</td><td>233</td><td>261</td><td>237</td><td></td></tr> <tr><td>202</td><td>231</td><td>237</td><td>228</td><td></td></tr> <tr><td></td><td></td><td>248</td><td></td><td></td></tr> </table> <p>LEADING INDICATORS</p> <table> <tr><td>June</td><td>-0.7%</td></tr> <tr><td>July</td><td>-0.4</td></tr> <tr><td>Aug</td><td></td></tr> </table>	Q2'2021	-\$206.4	Q3'2021	-\$226.3	Q4'2021	-\$224.8	Q1'2022	-\$291.4	Q2'2022		May	June	July	Aug	Sept	197	232	236	252	218	218	231	244	245	213	211	233	261	237		202	231	237	228				248			June	-0.7%	July	-0.4	Aug		<p>23</p>	
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