

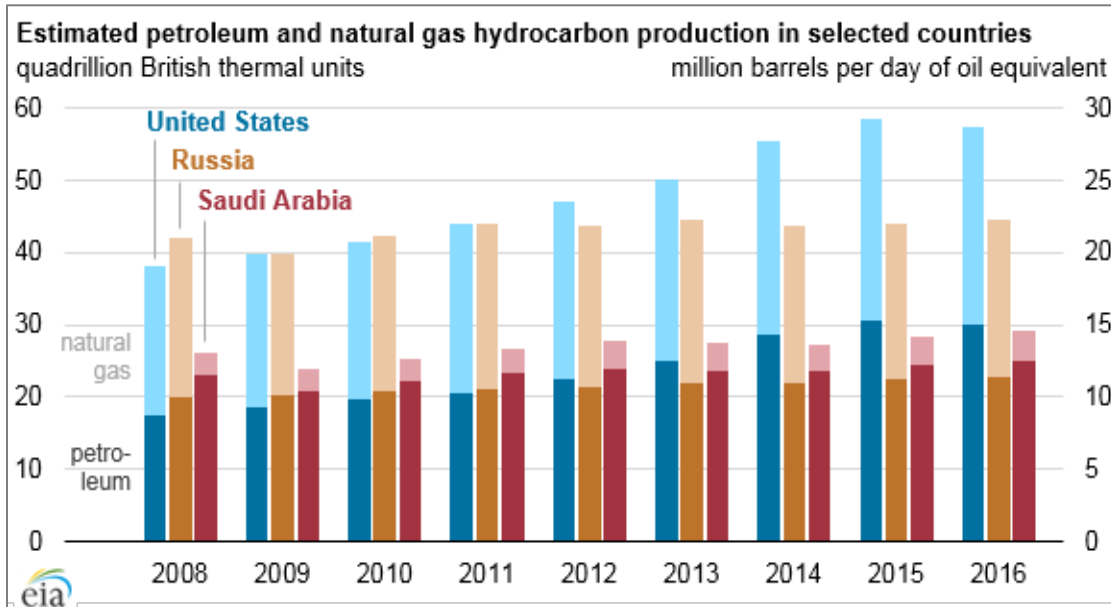


Weekly Economic Update

July 3 – July 7, 2017

CHART OF THE WEEK

America Leads in Petroleum and Natural Gas Production



This week's chart comes from the U.S. Energy Information Administration ([EIA](#)), which shows that the United States remained the world's top producer of petroleum and natural gas hydrocarbons* in 2016 for the fifth straight year.

* Total petroleum production consists of several different types of liquid fuels, including crude oil and lease condensate, tight oil, extra-heavy oil, and bitumen. In addition, various processes produce natural gas plant liquids (NGDPL), biofuels, and refinery processing gain, among other liquid fuels.

LAST WEEK

News & Commentary Weekly Highlights

Wall Street Journal: [Trump Declares End to Obama-Era Energy Curbs](#)

Wall Street Journal: [U.S. GDP Growth Revised Up to 1.4% in First Quarter](#)

Investor's Business Daily: [CBO Gets ObamaCare Reform Estimates Wrong — Again](#)

Washington Post: [A 'very credible' new study on Seattle's \\$15 minimum wage has bad news for liberals](#)

Marginal Revolution: [The Minimum Wage: Evidence from a Danish Discontinuity](#)

Top Economic Indicator Highlights

Gross Domestic Product (Final Estimate) (Q1-2017)

Final estimate: 1.4%

Second estimate: 1.2%

First estimate: 0.7%

Noteworthy: BEA revised its estimate of first quarter real GDP growth up from 1.2% to 1.4%. The upward revision came from greater than initially estimated consumption (spending by households) and exports. During this recovery, residual seasonality issues have led to Q1 GDP estimates averaging only 1.1% (compared to averages of 2.5%, 2.5%, and 2.3% for the second, third and fourth quarters). Compared to the initial estimate, the first quarter was below average. Now, the final number makes it above average.

PCE Deflator (May 2017), excluding food and energy, year-over-year percentage change

May-2017: 1.4%

Apr-2017: 1.5%

Mar-2017: 1.6%

Feb-2017: 1.8%

The core Personal Consumption Expenditures (PCE) price index is a more comprehensive measure of price changes than the Consumer Price Index (CPI), and the Federal Reserve uses it for its inflation target of 2 percent.

Noteworthy: The Fed's main inflation indicator was 1.4% higher in May than it was twelve months ago. In February 2017, the inflation rate as measured by the core PCE had attained its highest level since October 2012, however, in recent months it has slowed considerably. This downward trend in the inflation rate makes additional Fed interest rate hikes less likely.

THIS WEEK

Upcoming Economic Data and Events

Monday

[Construction](#) (10:00am)

[ISM Manufacturing](#) (10:00am)

[Motor Vehicle Sales](#) (4:00pm)

Tuesday

No releases

Wednesday

[Manufacturers' Shipments, Inventories, & Orders](#) (10:00am)

[FOMC Minutes released for June 13-14 meeting](#) (10:00am)

Thursday

[ADP National Employment Report](#) (8:15am)

[Trade Balance](#) (8:30am)

[ISM Non-Manufacturing](#) (10:00am)

Friday

[Employment Situation](#) (8:30am)

[Consumer Credit](#) (3:00pm)