

## Weekly Market Commentary

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7/18/2017

### Areas of Focus:

- 1) Industrial Production Rises
- 2) Inflation Remains Slow

A rebound in the manufacturing sector helped industrial production in the U.S. rise for the fifth consecutive month in June. Overall industrial production increased by 0.4%, following a lackluster 0.1% rise in May. The manufacturing sector, which accounts for approximately 12% of the U.S. economy, improved by 0.2%. Lower oil prices and declining motor vehicle sales have been a drag on the manufacturing sector in the first half of the year. Mining output, led by advances in oil and gas extraction, increased by 1.6% in June. Utility output was flat for the month. Capacity utilization, a measure of how fully companies deploy their resources, also showed improvement in June, rising to 76.6%. <sup>1</sup>

Inflation remained low in June as the cost consumers paid for goods and services in the U.S. was little changed in June. The Bureau of Labor Statistics reported on Friday that the Consumer Price Index (CPI) was unchanged for June. Additionally, the rate of inflation over the last 12 months fell to 1.6%, down from 1.9% in May. Just five months ago, the 12 month CPI hit a five year high at 2.7%. Energy prices fell 1.6% last month while the cost of food was unchanged after five consecutive monthly increases. Grocery prices have actually declined year to date, but the cost of takeout and eating out has risen sharply. <sup>2</sup>

If you have any questions regarding this article, please feel free to contact Kevin Fusco at (410) 296-5400 x210, or visit [www.fuscofinancial.com](http://www.fuscofinancial.com).

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<sup>1</sup> CNBC 7-13-2017.

<sup>2</sup> MarketWatch 7-14-2017.

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