

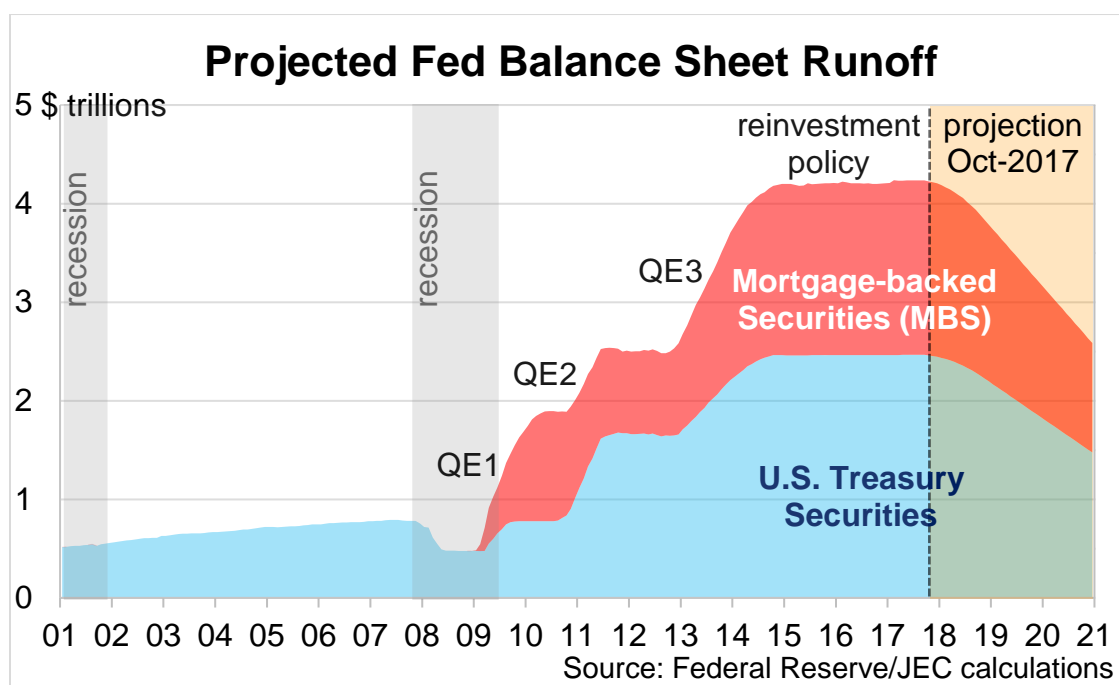


Weekly Economic Update

July 31 – August 4, 2017

CHART OF THE WEEK

Fed to Reduce Bond Holdings “Relatively Soon”



Last week the [Fed announced](#) that the balance sheet runoff program would begin “relatively soon.” [JEC’s July FOMC Review](#) provides a brief summary of how the Fed’s balance sheet normalization will work, assuming it starts in October after the next FOMC meeting in September.

LAST WEEK

News & Commentary Weekly Highlights

Wall Street Journal: [Fed Ready to Shrink Bond holdings as Soon as September](#)

Economics21: [Six Persistent Myths About Taxes](#)

AEIdeas: [Why US innovation can be seen everywhere but in the GDP statistics](#)

Wall Street Journal: [Mortgage Interest Tax Break Has ‘No Effect’ on Homeownership, Study Finds](#)

Top Economic Indicator Highlights

[Gross Domestic Product](#) (Second Quarter 2017—Advance Estimate)

Real GDP, change from previous quarter at seasonally adjusted annualized rate

Q2-2017: 2.6%

Q1-2017: 1.2%

Q4-2016: 1.8%

Q3-2016: 2.8%

Q2-2016: 2.2%

Noteworthy: Faster growth in consumer spending and federal government spending, along with a smaller decline in business inventories led real GDP growth to accelerate from the previous quarter. This acceleration was partially offset by reduced growth in residential investment, exports, and business fixed investment.

JEC Releases

[July FOMC Review](#)

[June State Employment Data](#)

[Statement on Second Quarter GDP](#)

THIS WEEK

Upcoming Economic Data and Events

Monday

[Chicago Purchasing Managers Index](#) (9:45am)

[Pending Home Sales](#) (10:00am)

[Dallas Fed Manufacturing Survey](#) (10:30am)

Tuesday

[Personal Income/PCE Deflator](#) (8:30am)

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

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

[Dallas Fed Texas Retail Outlook Survey](#) (10:30am)

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

Wednesday

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

Thursday

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

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

Friday

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

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