

Economic Highlights

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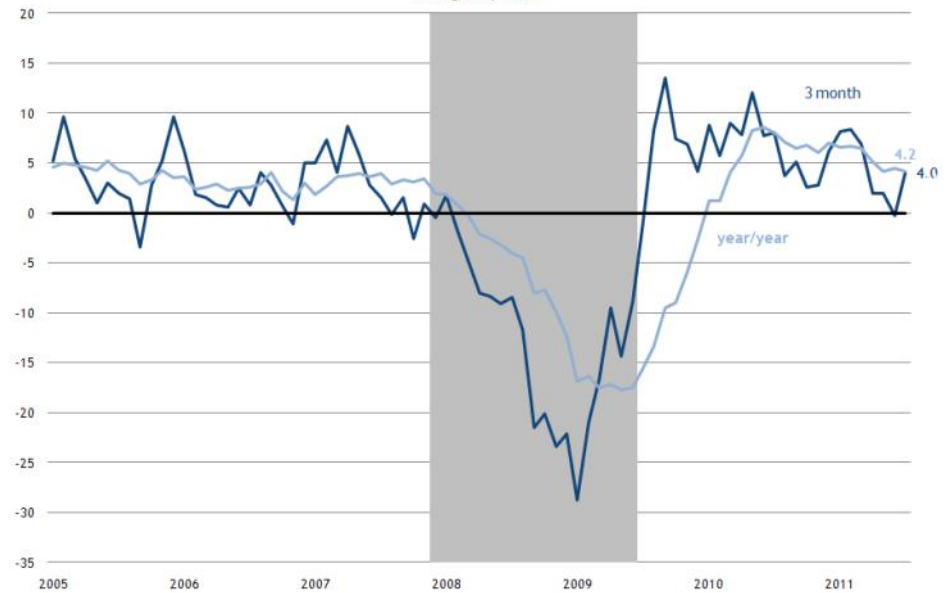
Manufacturing

Summary

Overall industrial production rose 0.9 percent in July. Capacity utilization added 0.6 percentage points in July, reaching 77.5 percent.

Stronger manufacturing production led to upward revisions in the industrial production index for May and June.

Index of Manufacturing Production (NAICS)
3-annualized and year/year growth rates
through July 2011

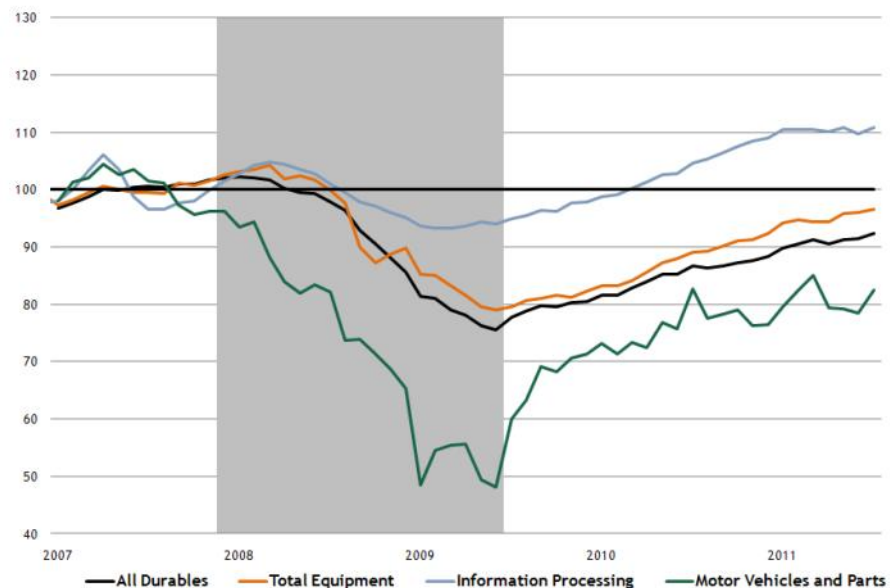


Source: Federal Reserve Board

- Overall industrial production rose 0.9 percent in July, a result of manufacturing production rising 0.6 percent, mining production gaining 1.1 percent, and the output of utilities adding 2.8 percent.
- Gains in manufacturing production were fueled largely by increased production of motor vehicles and parts, which jumped 5.2 percent in July. Excluding motor vehicles and parts, overall manufacturing production added 0.3 percent over the month.
- Capacity utilization for total industry climbed to 77.5 percent in July, a 2.2 percentage point increase from one year ago, but 2.9 percentage points below its long-run average (1972-2010).

Growth rates in production varied across industries in July. Production of all durable goods increased 0.9 percent, while production of equipment added 0.7 percent. The production of information processing equipment added 1.1 percent, recovering its 1 percent loss in June, while the production of motor vehicles and parts jumped 5.2 percent over the month.

Production Indices
July 2011, 2007=100

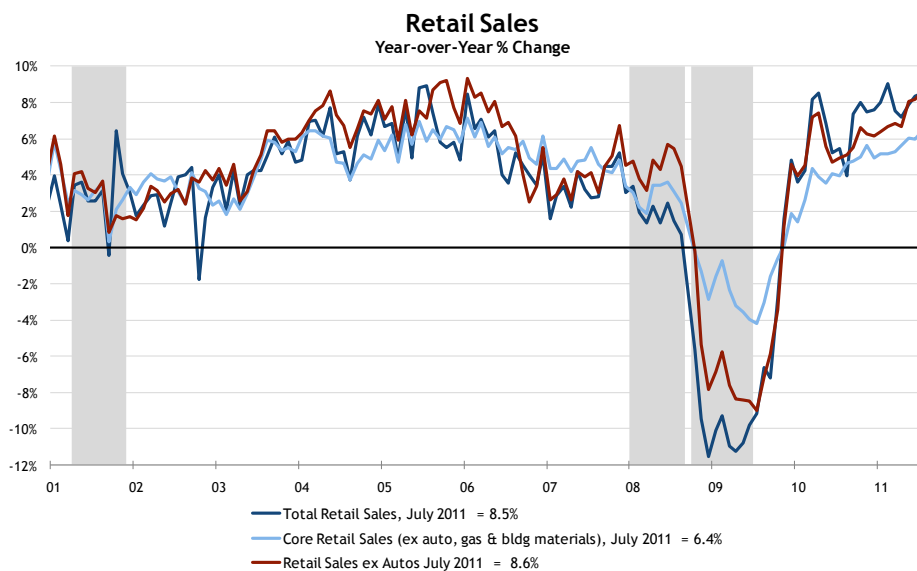


Source: Federal Reserve Board

Consumer Spending

Summary

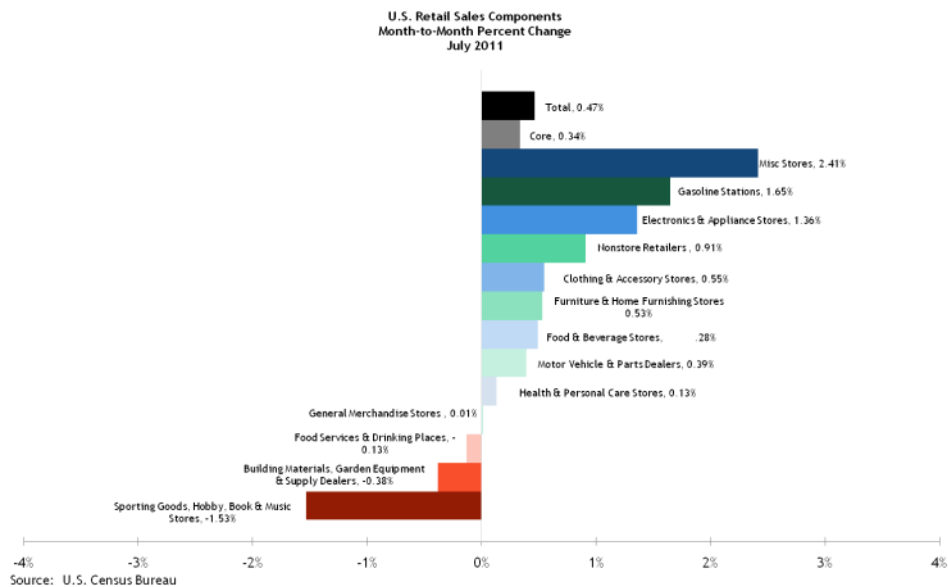
Total retail sales in July were stronger than consensus expectations, rising 0.5 percent over the month. Retail sales in July were up 8.5 percent from the same month last year.



Source: U.S. Census Bureau

- Total retail sales rose 0.5 percent in July, the largest gain in four months.
- Core retail sales were up 0.3 percent over the month of July, and up 6.4 percent compared with July of last year.

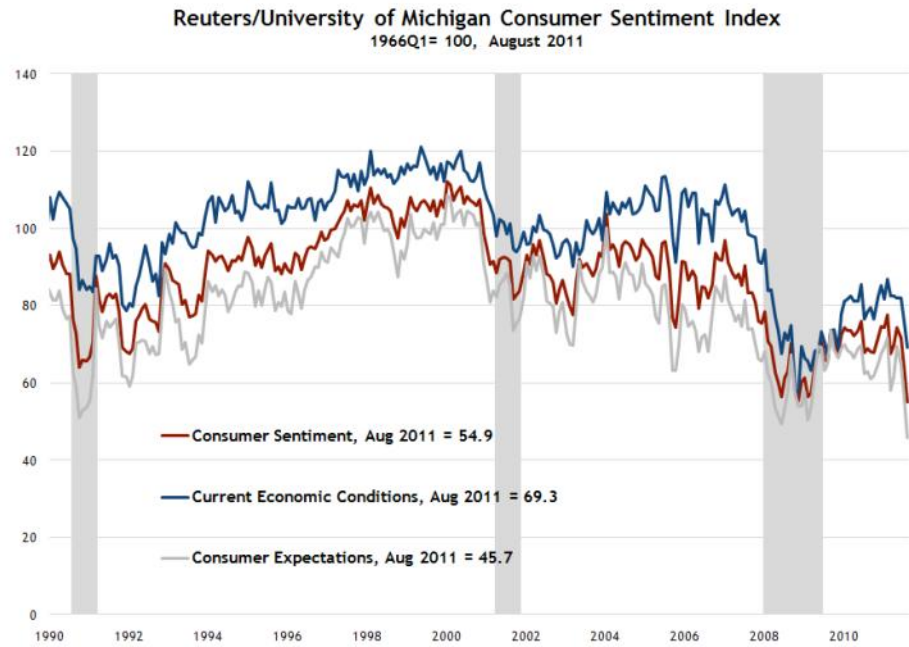
Sales were strongest in the miscellaneous stores category (up 2.4 percent), gas stations (up 1.6 percent), and electronic and appliance retailers (up 1.4 percent) in July.



Consumer Spending

Summary

Consumer sentiment, as measured by Reuters and the University of Michigan, fell to its lowest level since May 1980.

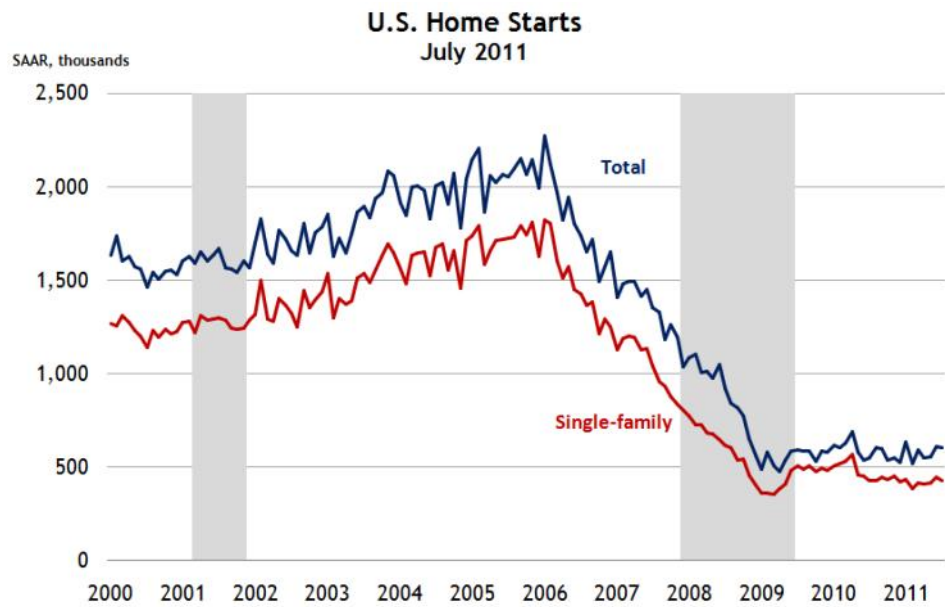


Source: Reuters/University of Michigan

- Consumer sentiment fell to 54.9 points in August, down from 63.7 points in July.
- Consumer expectations dropped even lower in August, to 45.7 points from 56 points in July.
- The gauge of current economic conditions sank from 75.8 points in July to 69.3 points in August.

Summary

The U.S. Census Bureau reported that housing starts and permits eased from June to July as they continued at low levels.



Source: U.S. Census Bureau

July 2011

Permits	SAAR, Ths.	M/M(sa)	Y/Y
Total:	597	-3.2%	3.8%
Single-family:	404	0.5%	-1.2%
Multifamily:	193	-10.2%	16.3%
Starts			
Total:	604	-1.5%	9.8%
Single-family:	425	-4.9%	-0.9%
Multifamily:	179	7.8%	47.9%