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WASHINGTON WATCH



August 2018

Consumer Prices Increase 2.9 Percent in July

Consumer prices climbed 2.9 percent in July from a year earlier, a rate of inflation that suggests Americans are earning less than a year ago despite and otherwise solid economy.

Read more [here](#).



Strong Economic Activity Expected To Continue

The Washington Times reports the Conference Board released the results of its latest Employment Trends Index report, showing the Index increased to 109.89 in July, up from 108.72 in June.

Read more [here](#).



U.S. Carmakers Hit with Chinese Tariffs as Trade War Changes Gear

China has slapped 25 percent duties on a vast array of vehicles, scraps and recyclables, petrochemicals, and medical equipment covering 333 products.

Read more [here](#).



Global Trade “Likely to Slow” in Third Quarter

Reuters says that a report from the World Trade Organization (WTO) finds that “lower export orders and car sales are likely to slow world trade growth in the third quarter.”

Read more [here](#).



U.S., Mexican NAFTA Negotiators Hopeful of Deal on Auto Rules

Bloomberg News reports that “U.S. and Mexican negotiators are working to reach a NAFTA cars deal that would allow Canada to rejoin talks and move toward resolving the toughest issues that affect all three nations.”

Read more [here](#).



Small Business Owners' Optimism at Record Level

The Washington Times reports that “U.S. small-business owners are more optimistic now than at any point in the 15-year history of the Wells Fargo/Gallup Small Business Index.” The index score “stands at 118 – besting the record-high of 114 in 2006.”

Read more [here](#).



Concern Over Tariffs Causing 30 Percent Of Manufacturers To “Review Their Capital Spending Plans”

A new study by the Federal Reserve Bank of Atlanta finds that “America’s escalating trade dispute with China and other trading partners has prompted about 30 percent of manufacturers to review their capital spending plans.”

Read more [here](#).



July Jobs Report Shows Companies “Competing for Potential Workers”

KRCC-FM Colorado Springs, CO reported that the July jobs report, released last week, showed the U.S. unemployment rate “at a low of 3.9 percent,” which “is not necessarily good news for companies competing for potential workers.”

Read more [here](#).



Treasury Department Proposes New Tax Rules for Pass-Through Businesses

The Treasury Department has “proposed tax regulations for a new 20 percent income tax deduction for owners of businesses organized as pass-through entities, including rules to prevent the measure from becoming a tax loophole for wealthy Americans.”

Read more [here](#).



Labor Department: U.S. Producer Prices Unchanged in July

Reuters reports that the Labor Department announced that “U.S. producer prices were unchanged in July for the first time in seven months as a modest increase in the cost of goods was offset by a drop in services.”

Read more [here](#).



Richmond Fed President: Higher Interest Rates Needed Amid Strong Economy

The Fed “should follow through on gradually raising interest rates to more normal levels, though ‘how high rates will ultimately need to rise depends on economic growth,’” according to Richmond Fed President Thomas Barkin.

Read more [here](#).



Parts Shortages Crimping Manufacturers

Despite a boom in U.S. manufacturing, deliveries from suppliers have slowed for 22 consecutive months through July, according to the latest survey by the Institute for Supply Management.

Read more [here](#).



Trump Administration Proposes Weaker Fuel-Economy Standards

The Trump administration plans to freeze fuel-efficiency standards at 2020 levels, rolling back an Obama-era regulation that would have strengthened the requirements each year through 2026.

Read more [here](#).



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