US Week Ahead: September 7 - September 13

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The key economic data release this week is the CPI report on Friday. Fed officials are not expected to comment on monetary policy this week, reflecting the blackout period ahead of the September FOMC meeting.

Monday, September 7

US Labor Day holiday observed. There are no major economic data releases scheduled. NYSE will be closed, SIFMA recommends bond markets remain closed.

Tuesday, September 8

There are no major economic data releases scheduled.

Wednesday, September 9

There are no major economic data releases scheduled.

Thursday, September 10

08:30 AM PPI final demand, August (GS +0.4%, consensus +0.4%, last flat)

PPI ex-food and energy, August (GS +0.3%, consensus +0.3%, last +0.2%)

PPI ex-food, energy, and trade, August (GS +0.4%, consensus +0.3%, last +0.4%)

As usual, we will watch the medical services and domestic passenger airfares components of this month's PPI report for their read-through to PCE. Recent methodological changes mean that the portfolio management PPI is no longer an input into the PCE calculation, and that PPIs for data processing services and videogame software will be used to construct the computer software and accessories component of PCE. On net, we expect these changes to lead to a downward revision of 0.2pp to YoY PCE.

08:30 AM Initial jobless claims, week ended September 5 (GS 205k, consensus 205k, last 206k)

Continuing jobless claims, week ended August 29 (consensus 1,780k, last 1,779k)

10:00 AM Existing home sales, August (GS -2.0%, consensus -1.6%, last -1.7%)

10:00 AM Wholesale inventories, July final (consensus +1.3%, last +1.3%)

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

Friday, September 11

08:30 AM CPI (MoM), August (GS +0.39%, consensus +0.4%, last +0.1%)

Core CPI (MoM), August (GS +0.23%, consensus +0.2%, last +0.2%)

CPI (YoY), August (GS +3.40%, consensus +3.4%, last +3.4%)

Core CPI (YoY), August (GS +2.40%, consensus +2.4%, last +2.5%)

We estimate a 0.23% increase in August core CPI (month-over-month SA), which would lower the year-over-year rate by 0.1pp to 2.4% on a rounded basis. We expect mixed autos inflation, reflecting a 0.5% increase in used car prices, a 0.2% increase in new car prices, and a 0.2% decline in the car insurance category. We forecast benign readings for the shelter categories—a 0.22% increase in the OER category and a 0.23% increase in the rent category—reflecting the continued slowdown in their underlying trend. We expect firmer travel services inflation (airfares: +4%, lodging away from home: +0.3%), reflecting the signals from alternative price data. We estimate a 0.39% rise in headline CPI—reflecting higher food (+0.25%) and energy (+2.3%) prices—which would raise the year-over-year rate to +3.40% from +3.36%. Our forecast is consistent with a similar 0.22% monthly increase in the core PCE price index in August.

10:00 AM University of Michigan consumer sentiment, September preliminary (GS 52.0, consensus 51.0, last 51.7)

University of Michigan 5-10-year inflation expectations, September preliminary (GS 3.3%, last 3.3%)

We expect University of Michigan's 5-10-year inflation expectations measure to remain unchanged at 3.3%, above its 1995-2019 average of 2.8%. We noted recently that these elevated levels in part reflect the increased politicization of survey responses and methodological changes rather than signaling an immediate risk of unanchoring.

Latest GS Tracking Tools

- Our Q3 GDP tracking estimate stands at +2.5% (quarter-over-quarter annualized).
- Our August Current Activity Indicator stands at +3.6%.
- Our US MAP index of economic surprises stands at 0.3.

