

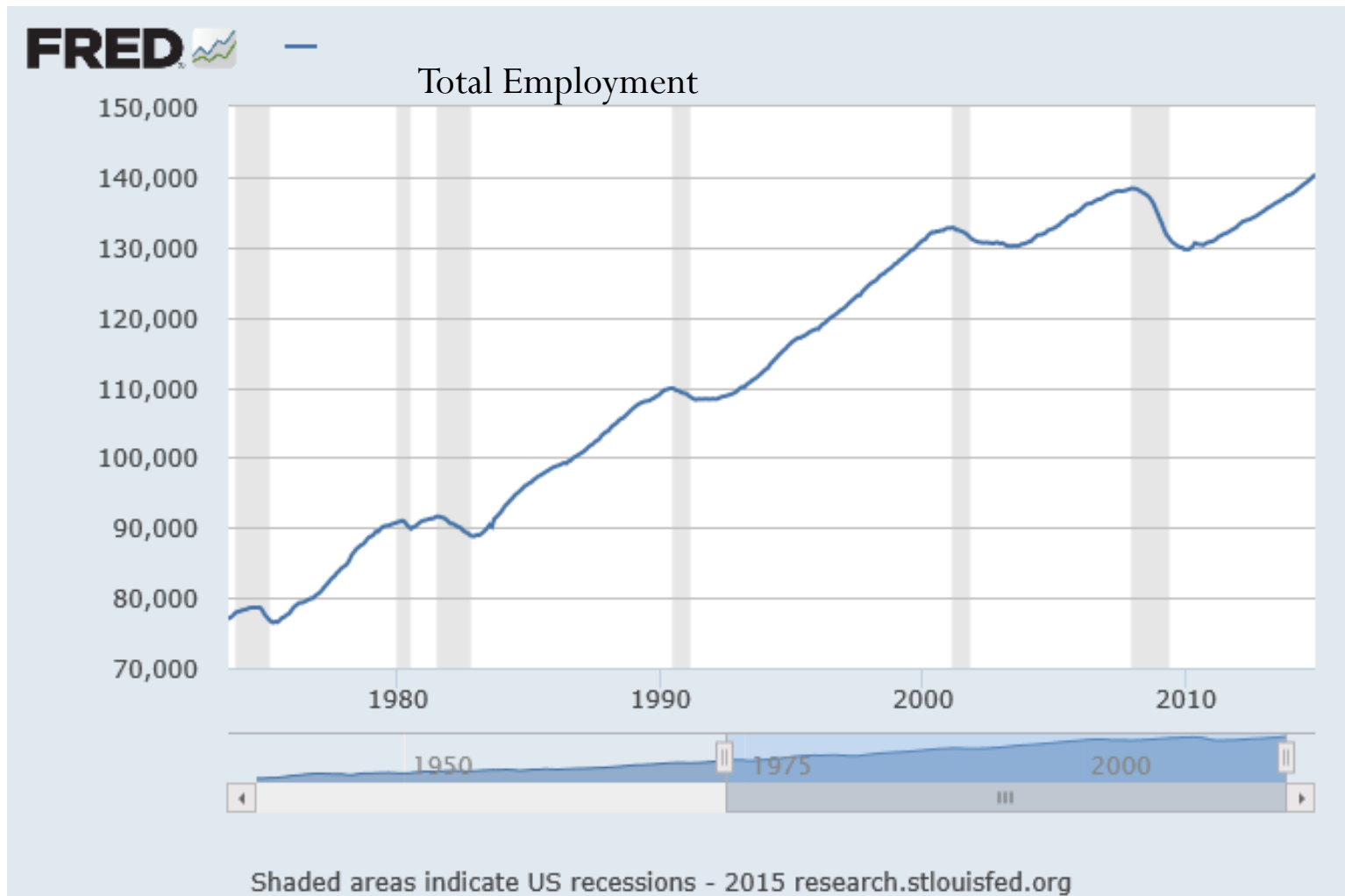
# Economic Outlook for The U.S. Economy

Jeffrey H. Dorfman

# The State of the US Economy

- Retail sales are growing normally.
  - Incomes are growing slowly, but they are growing.
  - Consumer debt is expanding again.
  - Congress is behaving better.
- 
- 2015 is recovering from a slow start, but should end up as an okay year for economic growth.

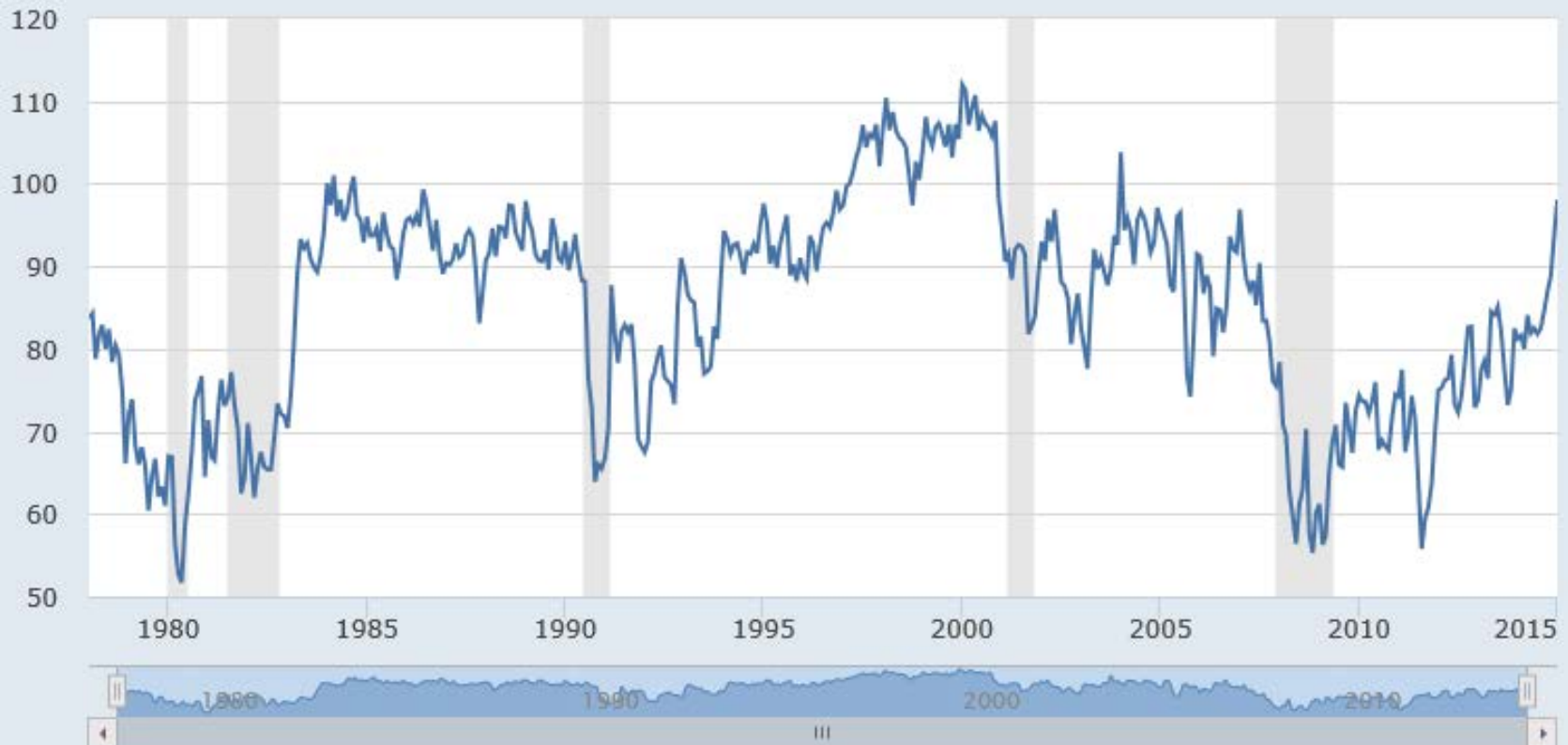
# Labor Market Picking Up Steam?



# Consumer Spending Finally Rising

**FRED** 

— University of Michigan: Consumer Sentiment<sup>®</sup>



Shaded areas indicate US recessions - 2015 [research.stlouisfed.org](http://research.stlouisfed.org)

# Retail sales – Steady, Normal Growth



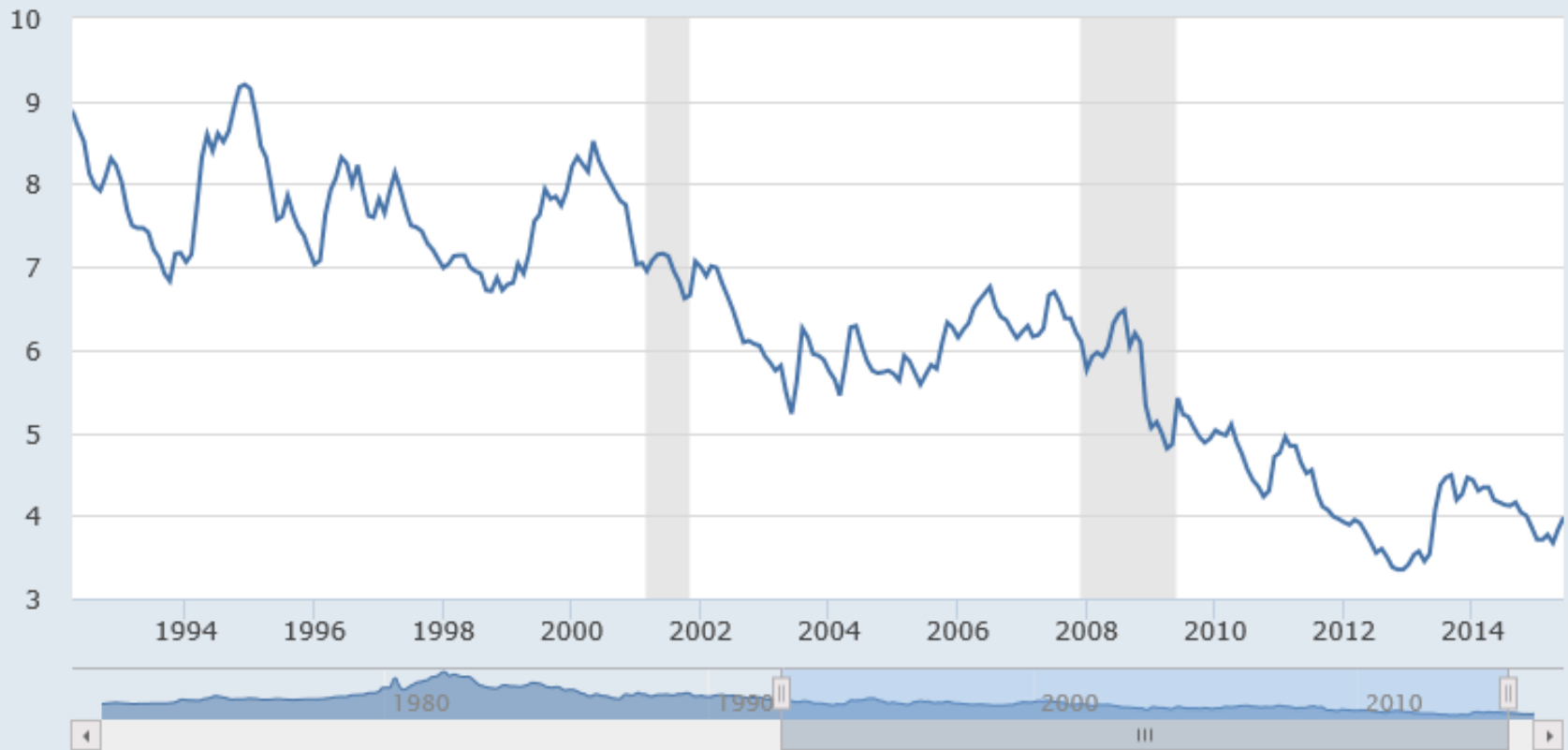
# Are Interest Rates Ever Going to Rise?



# What Does the Market Think?

**FRED** 

— 30-Year Conventional Mortgage Rate©

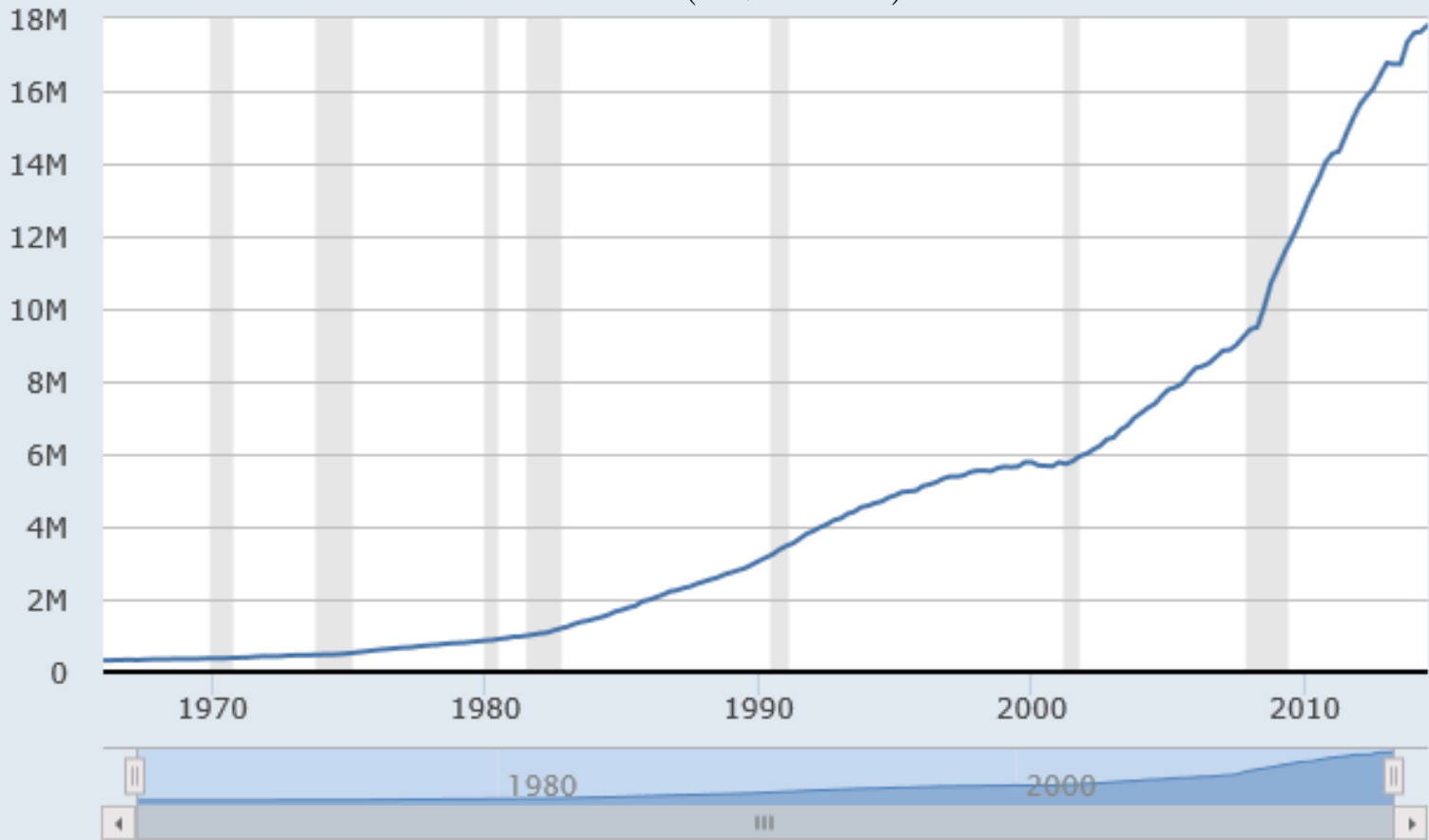


Shaded areas indicate US recessions - 2015 [research.stlouisfed.org](http://research.stlouisfed.org)

# Why Does the Market Think That?

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National Debt (in \$millions)



Shaded areas indicate US recessions - 2015 research.stlouisfed.org



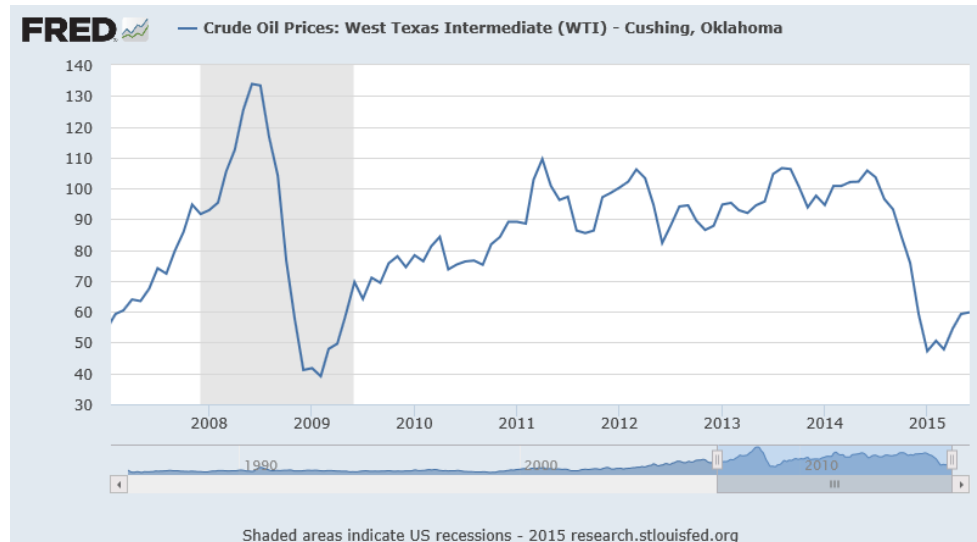
# US Budget Outlook

- President Obama is asking for \$4 trillion
- His budget will be touted as a \$74 billion, 7% increase
- That is just discretionary spending
- Mandatory spending is set to rise \$220 billion, 10%
- Interest on the debt is predicted to increase by \$49 billion
  
- Thus, total request is for +\$343 billion, +9%
  
- Republicans better hold the line or go home.

# Gas Prices

- Lower energy prices are good for the economy and for agriculture.
- Farmers win from lower fuel and fertilizer/chemical costs.
- Food industry (producers, wholesalers, and retailers) win from lower energy bills and transportation costs.

WTI Crude Oil Price



# Commodity Prices Are Not That Bad

CORN



SOURCE: WWW.TRADINGECONOMICS.COM | CBOT

SOYBEANS



SOURCE: WWW.TRADINGECONOMICS.COM | CBOT

COTTON



SOURCE: WWW.TRADINGECONOMICS.COM | NYMEX

# At Retail Level, Food Business is Good



# And now ... questions

- Thanks for listening !