Commentary Week of July 12

A July survey of economists shows that they expect the economy to grow by 2.1% this year, up from the 2% reported in the April survey. Another positive sign is that only one in four economists predict the US will enter a recession during the next 12 months, down from April when one in three economists expected a US recession.
The market has stood up relatively well despite the war with Iran as oil is well off its peak price of nearly $113/barrel in April, and the rising stock market has kept spending stable.
Economists were more pessimistic regarding the consumer price index -- a popular measure the Federal Reserve uses when setting interest rates. Economists expected the December Year-over-Year CPI reading to be 3.4%, an increase from the 3.2% expected in April. If this forecast materializes, the Fed would have almost no opportunity to cut rates and would instead be forced to consider increasing rates as inflation would be well above their 2% target.