



VICTORY PARTNERS

MIDDLE MARKET INSIGHT | What Business Owners Need To Know

2%

FED'S LONG TERM INFLATION GOAL

Fed Committed to Slowing Inflation to 2% Goal

- Federal Reserve Bank of Minneapolis President Neel Kashkari said the central bank is committed to doing what's necessary to bring down demand in order to reach policy makers' 2% long-term inflation goal, a target that remains far off.
- Kashkari said he doesn't expect the Democrats' new tax, climate and drugs bill to have much impact on inflation in the next couple of years.
- "Long term it may have some effect, but over the near term, we have an acute mismatch between demand and supply," Kashkari said. "And it's really up to the Federal Reserve to be able to bring that demand down."

0.9%

ECONOMY SHRINKS AT 0.9% ANNUAL RATE AS DEMAND MEASURE STUMBLES

Russia's Slump in Oil Exports Abates, Moscow's Revenue Go Up

- Russia's seaborne crude shipments have stabilized at a level about 500,000 barrels a day below the peak they reached after Moscow's troops invaded Ukraine in February and remain little changed from where they were before before the attack.
- Based on current destinations, the average flow of Russian crude to Asia has stabilized at about 1.75 million barrels a day, down from a plateau of more than 2.1 million barrels a day in April and May. Shipments to European buyers, are averaging about 1.3 million barrels a day, down from more than 1.85 million barrels a day before the invasion.
- Rising crude prices have boosted Russia's export duty rates this month, with four-week average export duty receipts edging higher.

3.5M

BARRELS A DAY – OUTFLOWS REBOUNDED HITTING A FOUR WEEK HIGH

US Manufacturing Contracts at Slowest Pace in Two Years

- US manufacturing activity continued to cool in July as more factories dialed back production in the face of shrinking orders and rising inventories.
- The group's measure of production also fell to a more than two-year low, and its gauge of new orders remained in contraction territory for a second month. The market indicates softer demand for merchandise as the economy struggles for momentum.
- The ISM factory inventories index rose to 57.3, the highest since 1984 and suggesting stockpiles are mounting at more manufacturers. While many producers have been adding to inventories in the event of further supply-chain disruptions, the increase may also suggest some of the build is unintended.

\$25M

MOSCOW'S REVENUE FROM EXPORT DUTY IS UP BY 16%

52.8

THE INSTITUTE OF SUPPLY MANAGEMENT GAUGE OF FACTORY ACTIVITY EASED FROM 53, A MONTH EARLIER

57.3

THE ISM FACTORY INVENTORIES INDEX ROSE, THE HIGHEST SINCE 1984

Sources: www.bloomberg.com | www.nytimes.com | www.wsj.com