Financial Markets & Economic Update by Dorothy Jaworski

Fourth Quarter 2023

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Summer Update

On this warm October day, I am staring at my Bloomberg screen, still heartbroken over the Phillies Phailure. Now, all of our hopes ride with the Eagles. Interest rates are all elevated, with the 2-year Treasury yield at 5.01% and the 10-year at 4.85%, which is up by over 100 basis points since June 30, 2023. Most of the inversion between these two yields is gone. The 3-month T-Bill is at 5.45%, so there remains some inversion to the 10-year yield. Stocks are down again today and have been down all week. Gold has reclaimed $2,000 per ounce and its status as a safe haven, with all that is going on with war in the Middle East. Too bad Treasuries are not as much of a safe haven. Markets sent Treasury yields higher in reaction to huge deficit spending and a Federal Reserve intent on pushing rates higher, keeping them "higher for longer" with large price risk as everyone has learned for the past three years.

Some argue that, because we saw real GDP rise by +4.9% in 3Q23, that the economy is robust and strong." Yes, it was for that quarter, but, if you read my last newsletter, the summer of fun meant that quarter would be stronger, as the last stages of pandemic pent-up demand saw excess savings spent with abandon. YOLO- You Only Live Once! People traveled

on vacations with their newly renewed passports, enjoyed entertainment (can you say Taylor Swift and Barbie?), and ate out at their favorite restaurants. Now the harsh reality will sink in and El Nino is sure to give us a cold winter. Inflation is still elevated, even while it slowly declines from 2022's peaks. We will continue to fall toward the Fed target of 2.0% but it takes time and patience.

Index of Leading Economic Indicators

I just finished studying a chart of the year-over-year changes in the index of leading economic indicators, or "LEI," going back to 1960. For every period of sustained y-o-y declines in LEI, recession has either begun or followed quickly. The LEI fell again in September, 2023 by -.7% and is down y-o-y by -7.8%. The index began to decline in March, 2022 (no surprise that the Fed started tightening that month), and has been down for 18 months in a row; the LEI is down -11.1% since March, 2022 to 104.6. In July, 2022, the LEI began to decline y-o-y, yet we have not been in recession or see one imminently.

The chart showed eerily similar patterns of declines in 1990 and 2000-2001. Unsurprisingly, the largest declines occurred starting monthly in March, 2006 and on a y-o-y basis in September, 2006 and continued to November, 2009. The largest monthly decline took place in May, 2009 at -27.2% y-o-y with the index reaching a low of 75.7. We all remember the Great Recession, which began in 2007, but the LEI knew it as early as March, 2006. This time will be no different and patience is required.

By the way, there are sister indices to the LEI, the coincident for current conditions and the lagging index for 6 to 9 months ago. Both are relatively stable, indicating the economy has been and currently is okay.

Are Rates Restrictive?

Do you remember what it means for Fed policy to be "restrictive?" It means getting the Fed Funds rate above inflation so that a positive number, or real rate, would result after subtracting inflation from the Fed Funds rate. Every inflation measure that I track closely is below current Fed Funds of 5.50%, resulting in restrictive rates of varying degrees.

Fed Funds is 1.40% over September's annual core CPI of 4.1% and 1.80% over annual headline CPI of 3.7%. Fed Funds is 3.10% over 3Q23 core PCE of 2.40% and 2.60% over the PCE deflator of 2.9%. Fed Funds is 1.10% over the annualized 3Q23 employment cost index of 1.1% and is 1.30% over the most recent data for wage growth of 4.2%. So, yes, rates are restrictive. And the FIBER leading inflation index and M2 money supply are both falling year-over-year, by -1.2% and -3.6% respectively, so inflation will continue to trend downward. Fed Chairman Powell stated "You know restrictive only when you see it." Well, you be the judge… I believe that the Fed is done raising rates; they just don't know it yet. And looking ahead to the 2024 Presidential Election, they clearly would want to be on the sidelines.

Risks to the Economy

We were growing real GDP 2.1% to 2.7% for the four quarters ended 2Q23 and then experienced an outlier of +4.9% in 3Q23. Yeah, the summer of fun. Consumer spending accounted for one-half of GDP. Businesses built inventories adding 1.30% to GDP. Housing made a small positive contribution after a string of negative quarters. Much of the data was weak, so it's doubtful that we can keep repeating this pace.

The risks are many. We have an aggressive Fed threatening more rate hikes. Long-term interest rates just increased by 100 basis points in the past few months, in a time when inflation is falling. Government spending and huge budget deficits are upsetting investors. Mortgage rates are now close to 8.00%; affordability is at its lowest point since 1989, according to the National Association of Realtors. Low inventories of homes has hurt sales. No one will give up their 3.00% mortgage for an 8.00% one. Usually high interest rates would put a damper on home price increases and we might expect prices to outright decline. But not in this market. Prices are stubbornly high and rising, with August y-o-y increases of +2.2% for the Case Shiller 20, +2.6% for Core Logic, and +5.6% for the FHFA.

China is having its own economic troubles and supply chains could suffer again. And what a time for the UAW to go on strike- demanding outsized pay raises and slowing production at the Big Three automakers and hurting their suppliers. Thankfully, they appear to close to agreement. According to Cox, one-half of Americans cannot afford a new car. Sales will be affected by both the strike and affordability.

Some banks have tightened credit and there is also weakening demand for bank credit as small businesses are hurting from higher costs and higher interest rates. Huge amounts of government debt and business debt, including commercial real estate, are repricing over the next two years at higher rates. Real bank credit (excluding inflation) has been falling for the past 12 to 24 months. Generally, GDP would be falling in this situation.

Finally, one more thought about the Fed. They have raised interest rates by 5.25% since March, 2022, let almost $1 trillion of their bond portfolio mature without replacement and allowed M2 money supply to decline y-o-y starting in December, 2022 for the first time since the 1940s and at the fastest pace since the 1930s. September was -3.6% and July and August were both -3.9%. Leads and lags for M2 changes are thought to be 12 to 18 months. The Fed has been pushing inflation lower, but, if they really believed in policy lags and looked at the LEI and M2 y-o-y declines, they would ease right now. I wonder what Maestro would do.

Where is Recession?

Be patient. It will come. High interest rates- both short-term and long-term- an aggressive Fed, the LEI, and an inverted yield curve are all precursors of a recession. The yield curve is less inverted than it was earlier this year, due to large increases in longer-term rates. This actually plays into the recession forecasts. The inverted curve is the precursor of recession, but it is the re-steepening of the yield curve that is the sign of imminent recession.

I mentioned the LEI earlier. It has been falling on a monthly and y-o-y pace that is always associated with recessions- big ones and small ones. Do not ignore this and other indicators as they always teach us something.

M2 is falling. Inflation is responding by falling. It was the massive increase in M2 in 2020 and 2021 (and beyond!) along with pandemic-related supply chain disasters that led to inflation. It will be the decline in M2 that reduces it. The FIBER leading inflation index is still falling on a y-o-y basis, and is currently -9.2% from its high in March, 2022.

The major surveys, including ISM, S&P, and the local Philly Fed, continue to show weakness in terms of current conditions and outlook. Inflation has tamed down in most of them. Stock markets have been very volatile and are mostly down since the summer months. Are they all sensing that the summer of fun is over? Profits have been mostly positive for the 3Q23, but probably not enough to make the past 12 months positive. We shall see.

I was in Switzerland in July and I regret that I did not have the time to visit CERN, the home of the Large Hadron Collider. The LHC has been running heavy ions through the system for the past five weeks, ending on October 30th. What will we learn from this? Maybe the LHC really is changing our world, turning economics upside down, and leading to outcomes that are unexpected given our knowledge of the past.

As always, thanks for reading!

Dorothy Jaworski
Senior Vice President
Director of Treasury & Risk Management

Inflationary Expectations That Are Built into the Markets:

Treasury Inflation Expectations:	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	30-Sep-23
10-year Treasury Yield	2.40%	2.68%	1.92%	0.91%	1.50%	3.87%	4.52%
10-year Treasury TIPS Yield	0.45%	0.97%	0.13%	-1.09%	-1.12%	1.57%	2.25%
Implied Inflationary Expectation	1.95%	1.71%	1.79%	2.00%	2.62%	2.30%	2.27%

Following Are Our Clues as to Whether the Fed Will Ease or Keep Interest Rates Low:

	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Sep-23
1) moderating inflationary expectations/leading indicators	mixed	yes	yes	mixed	no	yes	yes
2) any meaningful rise in unemployment or loss of jobs	no	no	no	yes	no	no	no
3) moderating labor costs	mixed	no	yes	yes	no	yes	yes
4) decent productivity growth	no	no	no	no	no	yes	yes
5) economic growth that slips below 2%-2.5% potential	yes	no	no	yes	mixed	yes	mixed
6) a financial market crisis of some type	no	mixed	no	yes-virus	yes-virus	yes-inflation	yes-inflation
7) housing (existing homes) weak- inventory>6 mos	no-3.2mo	no-3.9mo	no-3.7mo	no-1.9mo	no-1.7mo	no-2.9mo	no-3.4mo
8) statements by the Fed promising easing/low rts	no-raising rts	no-raising rts	no-neutral	yes	no-QE taper	no-raising rts,QT	no-raising rts,QT

Housing Market Indices:

- CaseShiller 20 City Index Jul yoy +.1%, Jun yoy -1.2%, May yoy -1.1%, Apr yoy -1.1%; index above Jul, 2006 peak; +136.2% from Mar, 2012 low
- FHFA Price Index Jul yoy +4.6%, Jun yoy +3.2%, May yoy +3.0%, Apr yoy +3.2%; index above Apr, 2007 peak; +131.1% from Mar, 2011 low
- CoreLogic Home Px Index Jul yoy +1.0%, Jun yoy no chg, May yoy -.4%, Apr yoy no chg; index above Apr, 2006 peak; +131.5% from Mar, 2011 low

Fed Z.1 HH NetWorth:

4Q18 $104.2 trill; 4Q19 $118.7 trill; 4Q20 $131.3 trill; 4Q21 $150.3 trill; 4Q22 $145.8 trill; 1Q23 $154.3 trillion

Penn Community Bank Rate & Market History:

Bond Market Yields:		31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	30-Sep-23	Change 2022 12/22 vs 12/21	Change 2023 09/23 vs 12/22
Treasuries:	3 month	1.38%	2.45%	1.54%	0.06%	0.03%	4.44%	5.44%	4.41%	1.00%
	6 month	1.53%	2.55%	1.58%	0.08%	0.18%	4.75%	5.53%	4.57%	0.78%
	1 year	1.73%	2.62%	1.57%	0.10%	0.37%	4.69%	5.44%	4.32%	0.75%
	2 year	1.88%	2.49%	1.57%	0.12%	0.72%	4.43%	5.02%	3.71%	0.59%
	3 year	1.97%	2.46%	1.61%	0.17%	0.95%	4.22%	4.76%	3.27%	0.54%
	5 year	2.21%	2.51%	1.69%	0.36%	1.25%	4.00%	4.56%	2.75%	0.56%
	10 year	2.40%	2.68%	1.92%	0.91%	1.50%	3.87%	4.52%	2.37%	0.65%
	30 year	2.74%	3.01%	2.39%	1.65%	1.91%	3.96%	4.67%	2.05%	0.71%
Fed Funds Target Rate (average):		1.38%	2.38%	1.63%	0.13%	0.13%	4.38%	5.38%	4.25%	1.00%
LIBOR/SOFR Rates:	1 month	1.57%	2.52%	1.78%	0.14%	0.10%	4.36%	5.32%	4.26%	0.96%
	3 month	1.69%	2.80%	1.91%	0.24%	0.21%	4.59%	5.40%	4.38%	0.81%
	6 month	1.84%	2.87%	1.91%	0.26%	0.34%	4.78%	5.47%	4.44%	0.69%
	12 month	2.11%	3.01%	2.00%	0.34%	0.58%	4.87%	5.46%	4.29%	0.59%
FNMA Mortgage Posted Yields (30 day):										
	15 year	2.92%	3.53%	2.66%	1.34%	1.86%	5.17%	6.44%	3.31%	1.27%
	30 year	3.51%	4.12%	3.29%	1.91%	2.63%	6.00%	6.93%	3.37%	0.93%
Indicative Treasury yield curve spreads:										
	2 year minus 3 month	0.50%	0.04%	0.03%	0.06%	0.69%	-0.01%	-0.42%	-0.70%	-0.41%
	5 year minus 2 year	0.33%	0.02%	0.12%	0.24%	0.53%	-0.43%	-0.46%	-0.96%	-0.03%
	10 year minus 3 month	1.02%	0.23%	0.38%	0.85%	1.47%	-0.57%	-0.92%	-2.04%	-0.35%
	10 year minus 2 year	0.52%	0.19%	0.35%	0.79%	0.78%	-0.56%	-0.50%	-1.34%	0.06%
Indicative FNMA mortgage posted yield spreads:										
	15 year minus 5 year Treas	0.71%	1.02%	0.97%	0.98%	0.61%	1.17%	1.88%	0.56%	0.71%
	30 year minus 10 year Treas	1.11%	1.44%	1.37%	1.00%	1.13%	2.13%	2.41%	1.00%	0.28%
Stock Market Indices:										
	Dow Jones	24,719.22	23,327.46	28,538.44	30,606.48	36,338.30	33,147.25	33,507.50	-3,191.05	360.25
	S&P 500	2,673.61	2,506.85	3,230.78	3,756.07	4,766.18	3,839.50	4,288.05	-926.68	448.55
	Nasdaq	6,903.39	6,635.28	8,972.60	12,888.28	15,644.97	10,466.48	13,219.32	-5,178.49	2,752.84

Selected Economic Data Releases
(in about the past month) which show:

Strength & Tendency Toward Higher Rates

- Unemployment Rate Sep 3.8%, Aug 3.8%, Jul 3.5%, Jun 3.6%, May 3.7%, Apr 3.4%
- Bucks Co Unemployment Rate Aug 3.8%, Jul 3.3%, Jun 3.2%, May 3.2%, Apr 2.8%
- Montgomery Co Unempl Rate Aug 3.6%, Jul 3.1%, Jun 3.0%, May 2.9%, Apr 2.5%
- Payroll Employment Sep +336,000, Aug +227,000, Jul +236,000, Jun +105,000
- Private Co Payrolls Sep +263,000, Aug +177,000, Jul +145,000, Jun +86,000
- Average Workweek Sep 34.4, Aug 34.4, Jul 34.3, Jun 34.4, May 34.3 hrs
- Ave Hourly Earnings Sep $33.88, Aug $33.81, Jul $33.73, Jun $33.60; yoy +4.2%
- Civilian Labor Force Sep +90,000, Aug +736,000, Jul +152,000, Jun +133,000
- Labor Force Participation Rate Sep 62.8%, Aug 62.8%, Jul 62.6%, Jun 62.6%
- Employees Working-at-Home 2Q23 29%, 1Q23 27%, 4Q22 25%, 3Q22 25%
- Job Leavers Sep 12.7%, Aug 12.8%, Jul 14.6%, Jun 13.2%, May 12.6%, Apr 13.8%
- Job Openings JOLTs Aug 9.610mln, Jul 8.920mln, Jun 9.165mln, May 9.616mln
- Job Openings Rate Aug 5.8%, Jul 5.4%, Jun 5.5%, May 5.8%, Apr 6.2%
- Quit Rate Aug 2.3%, Jul 2.3%, Jun 2.4%, May 2.6%, Apr 2.4%
- HHNW 2Q23 $154.3trill, 1Q23 $148.8trill, 4Q22 $145.8trill, 3Q22 $144.2trillion
- Real GDP 3Q23 +4.9%, 2Q23 +2.1%, 1Q23 +2.2%, 4Q22 +2.6%, 3Q22 +3.2%
- Real GDP 2022 +2.1%, 2021 +5.9%, 2020 -2.8%, 2019 +2.3%, 2018 +2.9%
- InvChgGDP 2Q23 +$14.9bill, 1Q23 +$27.2bill, 4Q22 +$151.9bill, 3Q22 +$70.7billion
- Nominal GDP 3Q23 +8.4%, 2Q23 +3.8%, 1Q23 +6.1%, 4Q22 +6.5%, 3Q22 +7.2%
- Real Final Sales 3Q23 +3.5%, 2Q23 +2.1%, 1Q23 +4.6%, 4Q22 +1.0%, 3Q22 +3.4%
- GDP Px Deflator 3Q23 +3.5%, 2Q23 +1.7%, 1Q23 +3.9%, 4Q22 +3.9%, 3Q22 +4.5%
- Personal Income Aug +.4%, Jul +.2%, Jun +.2%, May +.3%, Apr +.3%
- Personal Spending Aug +.4%, Jul +.9%, Jun +.4%, May +.2%, Apr +.4%
- Retail Sales Sep +.7%, Aug +.8%, Jul +.5%, Jun +.3%, May +.5%, Apr +.4%
- CoreLogic Home Px Jul yoy +1.0%, Jun yoy no chg; +131.5% from low
- FHFA Home Px Jul yoy +4.6%, Jun yoy +3.2%; +131.1% from low
- Case Shiller 10 City Jul yoy +.9%, Jun yoy -.5%, May yoy -1.1%, Apr yoy -1.1%
- Case Shiller 10 City Jul new high, +125.7% from low
- Case Shiller 20 City Jul yoy +.1%, Jun -1.2%, May yoy -1.7%, Apr yoy -1.7%
- Case Shiller 20 City Ju1 near high, +136.2% from low
- Inventory Unsold Existing Sep 3.4mos, Aug 3.3mos, Jul 3.3mos, Jun 3.1mos
- Median Sales Price Existing Homes Sept $394,300; yoy +2.8%
- Housing Starts Sep +7.0%, Aug -12.5%, Jul +2.3%, Jun -11.7%; annual 1,358,000
- Construction Spending Aug +.5%, Jul +.9%, Jun +.5%, May +2.0%, Apr +.3%
- ISM Services Index Sep 53.6, Aug 54.5, Jul 52.7, Jun 53.9, May 50.3, Apr 51.9
- ISM Services Prices Pd Sep 58.9, Aug 58.9, Jul 56.8, Jun 54.1, May 56.2, Apr 59.6
- CPI Sep +.4%, core +.3%; yoy +3.7%, core +4.1%
- PPI Sep +.5%, core +.3%, yoy +2.2%, core +2.7%
- Business Sales Aug +1.3%, Jul +.8%, Jun -.2%; Inventories Aug +.4%, Jul +.1%, Jun -.1%
- Industrial Production Sep +.3%, Aug no chg, Jul +1.0%, Jun -.5%, May -.3%
- Manufacturing Production Sep +.4%, Aug -.1%, Jul +.4%, Jun -.6%, May -.2%
- Factory Orders Aug +1.2%, Jul -2.1%, Jun +2.3%, May +.4%, Apr +.3%
- Factory Backlogs Aug +.4%, Jul +.5%, Jun +1.8%, May +.8%, Apr +.8%
- Durable Goods Orders Sep +4.7%, Aug -.1%, Jul -5.6%, Jun +4.3%, May +2.0%
- Global Supply Chain Pressure Index Sep -.69, Aug -1.08, Jul -.86, Jun -1.11, May -1.57
- Cass Trucking Shipments Sep +1.7%, Aug +1.9%, Jul -2.2%, Jun -1.6%, May +1.9%
- Vehicle Sales Wards Sep 15.67mln, Aug 15.04mln, Jul 15.74mln, Jun 15.68mln
- Vehicle Sales 2022= 13.73mln, 2021= 15.0mln, 2020= 16.30mln, 2019= 16.97mln
- DXY Dollar Index 10/20/23= 106.20, 12/31/22= 103.52, 12/31/21= 95.67, 12/31/20= 89.94
- Crude Oil 10/20/23= $88.65, 12/31/22= $80.26, 12/31/21= $75.21, 12/31/20= $48.52
- CRB Index 10/20/23= 287.34, 12/31/22= 277.75, 12/31/21= 232.37, 12/31/20= 178.12

Weakness & Tendency Toward Lower Rates

- Lehigh Co Unempl Rate Aug 4.7%, Jul 4.0%, Jun 4.1%, May 3.8%, Apr 3.4%
- Philadelphia Unempl Rate Aug 5.4%, Jul 4.7%, Jun 4.6%, May 4.5%, Apr 4.0%
- Augmented Unemployment Rate Sep 6.8%, Aug 6.8%, Jul 6.4%, Jun 6.6%, May 6.7%
- Pool of Available Workers Sep 11.810mln, Aug 11.725mln, Jul 11.088mln, Jun 11.346mln
- Unemployed Persons Sep +5,000, Aug +514,000, Jul -116,000, Jun -140,000
- Employment Trends Index Jul 115.45, Jun 113.56, May 115.54, Apr 116.40, Mar 115.11
- Employment Cost Index 2Q23 +1.0%, 1Q23 +1.2%, 4Q22 +1.1%, 3Q22 +1.2%
- Those Not in Labor Force Sep +124,000, Aug -525,000, Jul +49,000, Jun +50,000
- Household Employment Sep +86,000, Aug +222,000, Jul +268,000, Jun +273,000
- ADP Payrolls Sep +89,000, Aug +180,000, Jul +371,000, Jun +455,000
- Challenger Report Layoffs Sep 47,457, Aug 75,151, Jul 23,697, Jun 40,709, May 80,089
- PCE deflator 3Q23 +2.9%, 2Q23 +2.5%, 1Q23 +4.2%, 4Q22 +4.1%, 3Q22 +4.7%
- Core PCE 3Q23 +2.4%, 2Q23 +3.7%, 1Q23 +5.0%, 4Q22 +4.7%, 3Q22 +5.0%
- Corp Profits 2Q23 -.4%, 1Q23 -4.1%, 4Q22 -2.0%, 3Q22 no chg, 2Q22 +4.6%
- Corp Profits 2022 +6.6%, 2021 +22.6%, 2020 -5.9%, 2019 +2.2%, 2018 +7.5%
- Consumer Credit Aug -$15.63bill, Jul +10.99bill, Jun +$13.79bill, May +$9.46billion
- Leading Economic Indics LEI Sep -.7%, Aug -.5%, Jul -.3%, Jun -.6%, May -.7%
- LEI 6 mo diffusion Sep 30, Aug 35, Jul 50, Jun 30, May 50, Apr 30
- LEI 6 mos annualized Sep -6.7%, Aug -7.7%, Jul -7.8%, Jun -8.1%, May -8.4%
- FIBER Leading Inflation Index Sep 85.8, Aug 86.2, Jul 85.9, Jun 85.7, May 85.8
- FIBER Leading Inflation yoy Jul -2.2%, Jun -4.9%, May -6.6%, Apr -7.5%, Mar -8.5%
- M2 growth yoy Aug -3.7%, Jul -3.7%, Jun -3.6%, May -3.8%, Apr -4.5%, Mar -3.8%
- Velocity of M2 2Q23 1.30, 1Q23 1.27, 4Q22 1.23, 3Q22 1.20, 2Q22 1.18
- Nat'l Debt/GDP 3Q23 119.5%, 2Q23 120.4%, 1Q23 118.6%, 4Q22 120.2%, 3Q22 120.2%
- US Govt Budget Deficit Sept -$170.98bill, Aug surp$89.26bill, Jul -$220.8bill, Jun -$227.8billion
- US Govt Budget Deficit fiscal 2023= -$1.695 trill, 2022= -$1.375 trill, 2021= -$2.776 trillion
- Import Prices Sep +.1%, Aug +.6%, Jul +.1%, Jun -.1%, May -.4%, Apr +.3%; yoy -1.7%
- Agriculture Prices Aug +.3%, Jul -2.1%, Jun +.5%e, May -2.8%, Apr +1.8%
- Trade Deficit Aug -$58.30bill, Jul -$64.72bill, Jun -$63.72bill, May -$66.78bill, Apr -$73.01billion
- NonFarm Productivity 2Q23 +3.5%, 1Q23 -1.2%, 4Q22 +1.6%, 3Q22 +1.2%
- NonFarm Productivity annual 2022 -1.4%, 2021 +1.9%, 2020 +2.4%, 2019 +2.0%
- Unit Labor Costs 2Q23 +2.2%, 1Q23 +3.3%, 4Q22 -2.2%, 3Q22 +6.9%
- Unit Labor Costs annual 2022 +4.7%, 2021 +3.3%, 2020 +4.5%, 2019 +1.8%
- Moody's Risk of Recession Sep 37.6%, Aug 44.4%, Jul 52.6%, Jun 55.6%, May 55.0%
- Personal Savings Rate Aug 3.9%, Jul 4.1%, Jun 4.9%, May 5.3%, Apr 5.2%
- PCE deflator yoy Aug +3.5%, Jul 3.4%, Jun 3.0%, May 3.8%, Apr 4.3%, Mar +4.2%
- PCE core deflator yoy Aug +3.9%, Jul 4.3%, Jun 4.1%, May 4.6%, Apr 4.6%, Mar +4.6%
- New Home Sales Aug -8.7%, Jul +8.0%, Jun -3.7%, May +4.6%; annual 675,000
- Inventory Unsold New Aug 7.8mos, Jul 7.0mos, Jun 7.5mos, May 7.2mos, Apr 7.6mos
- Median Sales Price New Homes Aug $430,300; yoy -2.3%
- NAHB/Wells Homebuilder Index Oct 40, Sep 44, Aug 50, Jul 56, Jun 55, May 50, Apr 45
- Pending Home Sales NAR Aug -7.1%, Jul +.5%, Jun +.4%, May -2.5%, Apr -.4%
- Homeownership Rate 2Q23 65.9%, 1Q23 66.0%, 4Q22 65.9%, 3Q22 66.0%, 2Q22 65.8%
- Building Permits Sep -4.4%, Aug +6.8%, Jul +.1%, Jun -3.7%; annual 1,473,000
- Existing Home Sales Sep -2.0%, Aug -.7%, Jul -2.2%, Jun -3.3%; annual 3.96 million
- MBA 90+ Delinq 2Q23 3.37%, 1Q23 3.56%, 4Q22 3.96%, 3Q22 3.45%, 2Q22 3.64%
- CoreLogic Negative Equity 2Q23 1.9% 1.1mln, 1Q23 2.1%, 4Q22 2.1%, 3Q22 1.9%
- Moody's CMBS Delinq 60+days Sep 4.82%, Aug 4.85%, Jul 4.56%, Jun 4.62%, April 4.18%
- S&P Global US Manufact Sep 49.8, Aug 47.9, Jul 49.0, Jun 46.3, May 48.4, Apr 50.2
- S&P Global US Services Sep 50.1, Aug 50.5, Jul 52.3, Jun 54.4, May 54.9, Apr 53.6
- Philly Fed Index Oct -9.0, Sep -13.5, Aug 12.0, Jul -13.5, Jun -13.7, May -10.4
- Philly Fed Prices Pd Oct 23.1, Sep 25.7, Aug 20.8, Jul 9.5, Jun 10.5, May 10.9
- Philly Fed Backlogs Oct -16.8, Sep -13.6, Aug -4.8, Jul -15.1, Jun -18.5, May .8
- Philly Fed Services Index Oct -20.3, Sep -16.6, Aug -13.1, Jul 1.4, Jun -16.6, May -16.0
- Philly Fed Services Prices Pd Oct 46.6, Sep 41.2, Aug 46.2, Jul 39.6, Jun 20.8, May 40.3
- Philly Fed Services Backlogs Oct -2.4, Sep -8.2, Aug -.9, Jul -4.7, Jun -1.3, May 1.8
- ISM Index Sep 49.0, Aug 47.6, Jul 46.4, Jun 46.0, May 46.9, Apr 47.1
- ISM Prices Pd Sep 43.8, Aug 48.4, Jul 42.6, Jun 41.8, May 44.2, Apr 53.2
- ISM Backlogs Sep 42.4, Aug 44.1, Jul 42.8, Jun 38.7, May 37.5, Apr 43.1
- ISM Services Backlogs Sep 48.6, Aug 41.8, Jul 52.1, Jun 43.9, May 40.9, Apr 49.7
- Moody's Beige Book Index Oct 11.1, Sep 5.6, Jul 2.8, Jun 19.4, Apr 22.2, Mar 19.4, Jan 8.3
- Capacity Utilization % Sep 79.7, Aug 79.5, Jul 79.6, Jun 78.9, May 79.5
- Consumer Confidence Sep 103.0, Aug 108.7, Jul 114.0, Jun 110.1, May 102.5, Apr 103.7
- Univ of Michigan Consumer Sentiment Oct 63.0, Sep 68.1, Aug 69.5, Jul 71.6, Jun 64.4
- NFIB Small Business Optimism Sep 90.8, Aug 91.3, Jul 91.9, Jun 91.0, May 89.4
- Empire St NY Fed Index Oct -4.6, Sep 1.9, Aug -19.0, Jul 1.1, Jun 6.6, May -31.8
- NY Fed Services Index Oct -19.1, Sep -3.0, Aug .6, Jul 0.0, Jun-5.2, May -16.8
- St. Louis Fin'l Stress Index Oct -.49, Sep -.55, Aug -.72, Jul -.80, Jun -.71, May -.37
- CoStar Com'l Prop GC Aug -.2%, Jul +1.3%, Jun -.8%, May +.7%, Apr +.9%
- CoStar Com'l Prop GC yoy Aug +2.3%, Jul +2.3%, Jun +1.2%, May +3.1%, Apr +4.7%
- Bankruptcy Filings yoy 3Q23 +18.0%, 2Q23 +14.9%, 1Q23 +16.4%, 4Q22 +4.0%
- Gas AAA 10/20/23=$3.63, 12/31/22= $3.23, 12/31/21=$3.40, 12/31/20=$2.56
- FDIC Problem Banks 2Q23= 43, 1Q23= 43, 4Q22= 39, 3Q22= 42, 2Q22= 40, 1Q22= 40

Our Mission

Penn Community Bank is committed to helping local residents, businesses and nonprofits achieve their financial goals, and to taking an active role in contributing to the overall prosperity of our communities.

Guided by our core values of integrity, transparency, service, and independence, we work to:

- Help businesses grow and prosper,
- Provide financial resources that meet the needs of individuals and families throughout their lifetimes,
- Strengthen our local economy,
- Partner with local organizations to improve quality of life,
- Operate for long-term success to ensure the continued strength and stability of our financial organization.

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