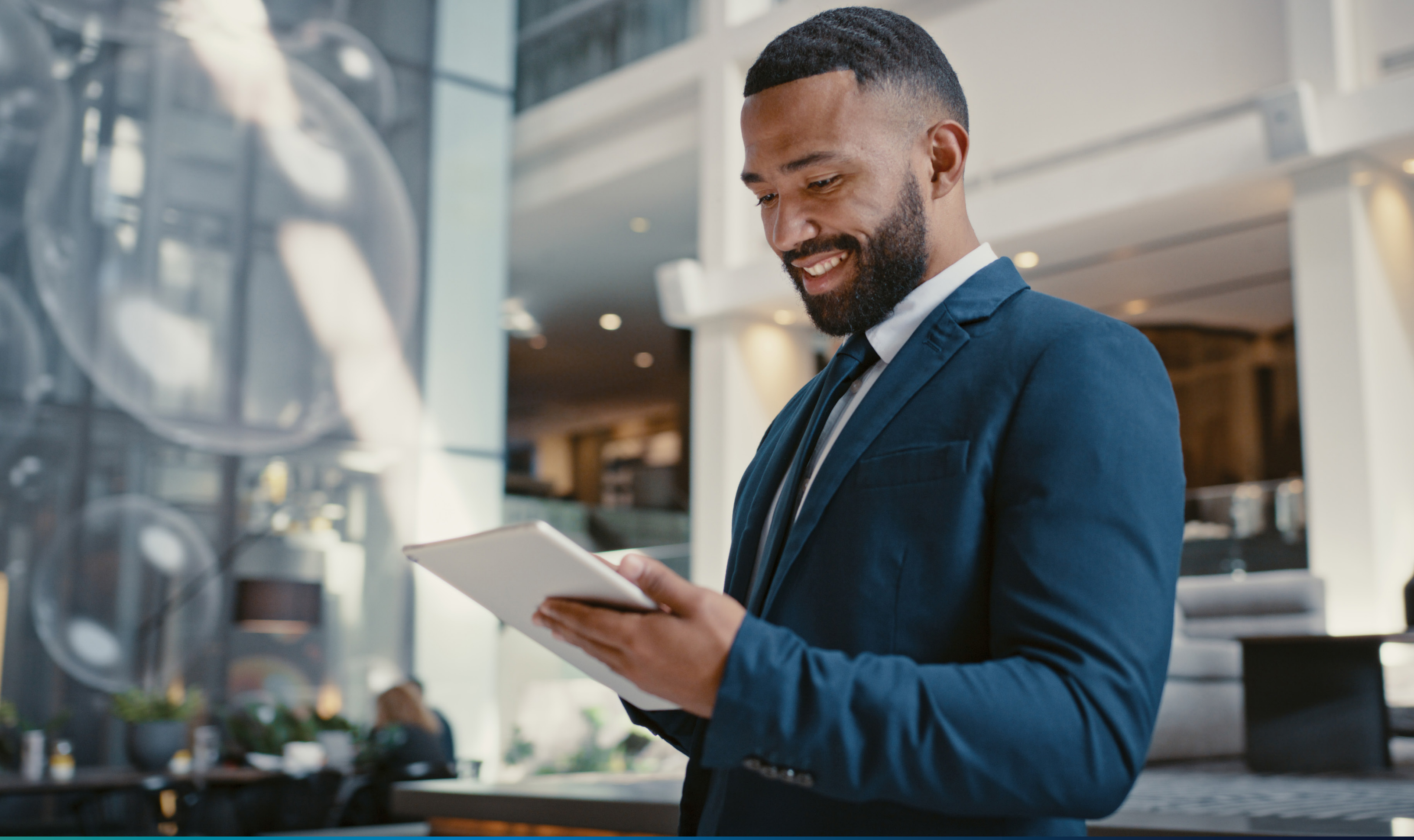


Financial Markets & Economic Update by Dorothy Jaworski

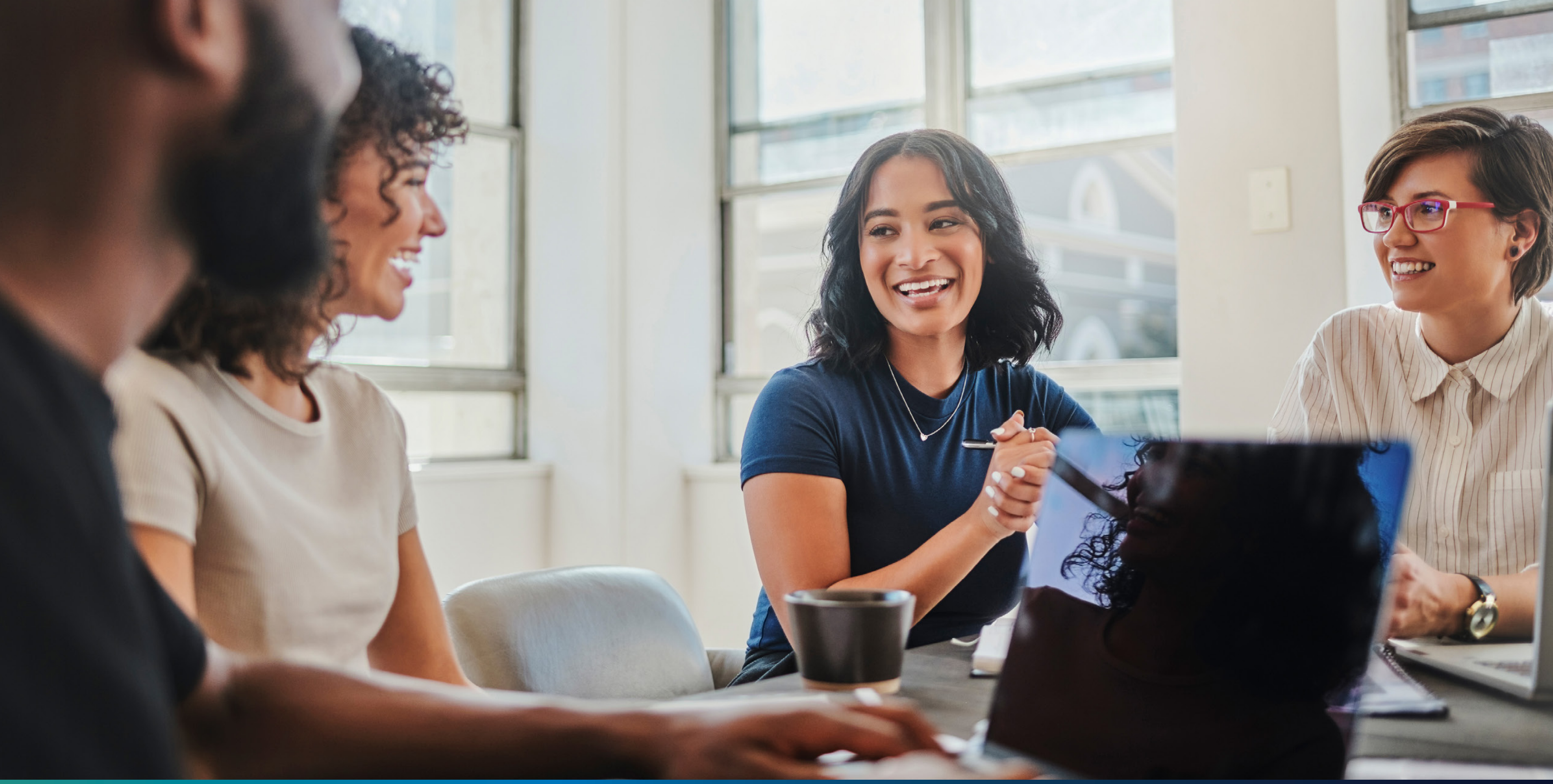
Third Quarter 2023

Table of Contents

Summer of 2023

It's been a hot summer of rising interest rates. The Federal Reserve raised short-term rates by .25% in July to 5.50%. Since the employment market, although weakening, is not showing signs of stress and consumer spending is moving along steadily, the markets' fear of recession began to fade, long-term rates also rose, with the 10-year Treasury rising .40% to a high of 4.21%, before falling back to 4.08% today. Chairman Jerome Powell has been promoting the "rates higher for longer" narrative and the markets seem to believe him.

In his Jackson Hole speech on August 25th, he stated that inflation, though falling, is still too high, although he referenced lags in policy and said it should continue to fall. He acknowledged that rates have reached his "restrictive" goal (more on that later) and threatened more rate hikes. He also stated that the Phillips curve may have steepened. Wait, what? Are they bringing that back? I didn't know there were any Phillips curvers left. The Fed tightens 525 basis points in 17 months. Money supply is in outright decline. Inflation is falling. Yet the unemployment rate has barely moved, at 3.8% in August, compared to 3.50% in February, 2020, before the pandemic began. The fact that inflation went way up (due to their



foolish expansion of money supply and supply chain issues) and now is coming way down while unemployment remains rangebound discredits the Phillips curve. Oh, brother! And the markets expected a theoretical discussion on r*, or the neutral rate of interest; Powell virtually ignored it in his speech. I will tell you that r* is a lot lower than today's rates.

Several Fed Regional Presidents have given speeches lately and said that they prefer not to raise rates again. Philly President Harker and Atlanta President Bostic are among them. I agree with them. Payroll employment has been falling and job openings just unexpectedly fell again in July by 330,000 to 8.827 million; in fact 1.5 million job openings have disappeared since April. And employers are hoarding their workers because the new hiring environment has been so difficult. We also saw a surprise increase in productivity in 2Q23 of +3.7% after a drop of -1.2% in 1Q23, which should temper some of the worries about wage growth if we can keep it going. Alan Greenspan taught us that the potential supply of labor is not just those unemployed (6.4 million) but also those not in the labor force who want a job (5.3 million). The pool of available workers stands at 11.7 million in August, 2023.

Are Rates Restrictive?

What exactly does it mean for Fed policy to be "restrictive?" It means getting the policy rate, or 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 Fed Funds, or 5.50%, resulting in restrictive positive real rates of varying degrees.

Fed Funds is .80% over annual core CPI of 4.7% and 2.30% over annual headline CPI of 3.2%. Fed Funds is 1.80% over 2Q23 core PCE of 3.7% and 3.00% over the PCE deflator of 2.5%. Fed Funds is 1.50% over the annualized 2Q23 employment cost index of 1.0%. Fed Funds is even 1.40% over 2Q23 nominal GDP of 4.1% (real GDP was 2.1%). So, yes, rates are restrictive. And the FIBER leading inflation index and M2 money supply are both falling year-over-year, by -2.2% and -3.7% respectively, so inflation trends are pointing down. So, Mr. Powell, are you ready to stop raising rates?

Summer of Fun

Is everyone having a great summer? I hear from many friends and colleagues about their travels and spending over the past several months. I see the consumer spending data, most recently retail sales were +.7% and personal spending was +.8% in July and this strength was expected. The Federal Reserve is frustrated, however, by their inability to dampen demand with their rate hikes, but this is a behavioral issue with consumers, not an economic one. People are simply ready to have fun this summer, go on vacation, travel (as evidenced by demand for passport renewals), make the most of entertainment, eat out, and spend money if they want. Taylor Swift, Beyonce, and Barbie all know this well. I agree with the summer of fun theory that will precede a period of reckoning when the fun is over (according to Dr. Anirban Basu). There are warning signs of what's on the horizon for that reckoning, including credit card debt reaching a record $1 trillion and student loan payments set to resume on October 1st. It's fun to spend but paying off debt not so much.

Speaking of fun, I was fortunate to be able to travel with family to France, Luxembourg, Germany, and Switzerland in July. I've never seen so much construction equipment in my life! Paris is readying for the 2024 Olympics and Notre Dame is still encased in scaffolding, but what of the construction all over the rest of France, Germany, and Switzerland? It certainly looked like the economies were booming there, despite reports to the contrary. We had a wonderful time and I fulfilled a dream to see the Swiss Alps and the Matterhorn.

Leading Indicators

Let's take a look at my favorite leading indicators and see what they tell us about the future.

First, the Conference Board's index of leading economic indicators has fallen 16 months in a row, most recently in July by -.4% and in June by -.7%. This is the index that worries me the most. The stock markets are projecting business as usual, with the S&P 500 up +17% year-to-date, while the Dow is up +5.1% and Nasdaq is +33%. This is such a relief after the negative returns on both stocks and bonds in 2022. But corporate profits are not looking good, having fallen or been flat for the past four quarters, and are suffering from higher interest rates, higher wages and prices, and often weak productivity. If profits do not turn positive, it's hard to see how stocks can continue climbing.

Business surveys, including the ISM and S&P manufacturing ones and the Philadelphia and New York Fed manufacturing and services indices, are showing readings at recessionary levels. The Treasury yield curve remains inverted and has been since last year, which is likely contributing to a tightening of credit. The 10-year Treasury to 3-month Treasury is -1.28%. The 10-year to 2-year is -.85% and the 5-year to 2-year is -.64%. This is another indicator of future recession to heed, with a lag time of 16 months on average. If inverted curves are the leading indicator of recessions, then watch later for the re-steepening of the curve, which will be the real warning sign that recession is upon us.

The leading FIBER inflation index continues to fall year-over-year and was -2.2% in July and -4.9% in June, which is a good sign for inflationary pressures subsiding. Finally, M2 money supply has been declining on a year-over-year basis since December, 2022, with July at -3.7% and June at -3.6%. We have not seen outright year-over-year declines since the data series began in 1960 and some economists say the last time this happened was in the 1930s. So now you know. If huge increases in M2 caused inflation to soar, then the outright declines will cause it to fall.

I'm Worried

This is nothing new. I'm always worried. Right now, there are so many weak spots in the economy that I feel GDP could end up in outright decline. Yes, you've heard all the talk about soft landings and maybe we can avoid recession altogether, but probabilities of recession are still very high.

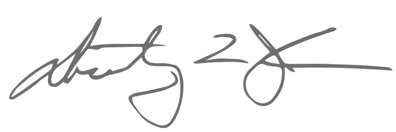
Leading economic indicators are falling and have been for 16 months. I have never seen a Fed who threatened to raise rates when the index is this poor and the economy is showing signs of weakness. Mortgage rates are at a 20-year high and inventories on the sales market are low due to those with low interest rate mortgages not wanting to lose them. Redfin estimates that 62% of all mortgages are below 4%. Foreclosures and rental evictions have continued to rise after being on moratorium for so long after the pandemic. The commercial real estate market has seen a rise in loan defaults nationally, along with weakening prices. Business bankruptcies are up due to lower demand, over-indebtedness, and high borrowing costs. The trucking industry lost one of its' giants amidst weaker demand, as Yellow went out of business, laying off 30,000 workers and idling 12,000 trucks.

Manufacturing and services surveys are declining as well as business and consumer confidence. Venture capital investments are down compared to a year ago. Oil prices are volatile and rising lately (thank you, OPEC) and pulling up gasoline prices toward $4.00 per gallon. Even the employment market is showing some weakness as job openings have fallen 1.5 million in four months to 8.8 million. Payroll growth is weaker, with August at +187,000, July at +157,000, and June at +105,000, which is much lower than the monthly levels earlier this year. The number of unemployed persons rose sharply in August by +514,000 to 6,355,000.

I didn't even get to higher interest rates, declining money supply, and the ever-increasing debt of the US Government, which will pull GDP growth down below trend. NBER will drag their feet in declaring recession, until all of their criteria- real sales, production, employment, and real income- are dropping together. If the Fed believed at all in lags in monetary policy, they would lower rates immediately, so that six to nine months from now, I am not still worrying.

On a Personal Note

I've been writing economic updates for most of my career in investments and risk management, but I wrote my first newsletter on March 13, 2010 and has been a privilege to write them quarterly ever since. I hope that you took some of it to heart, laughed, cried, and most of all enjoyed reading. Recently, I announced my retirement from Penn Community Bank, effective in November, 2023, after 19 years at the Bank and 49 years in the banking industry. I hope that my writing has taught you about the markets, the economy, inflation, the Fed, and the Large Hadron Collider. I'll publish at least one more newsletter in the fall and perhaps more beyond that. 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-Jun-23
10-year Treasury Yield	2.40%	2.68%	1.92%	0.91%	1.50%	3.87%	3.82%
10-year Treasury TIPS Yield	0.45%	0.97%	0.13%	-1.09%	-1.12%	1.57%	1.61%
Implied Inflationary Expectation	1.95%	1.71%	1.79%	2.00%	2.62%	2.30%	2.21%

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	Jun-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	yes
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-3.3mo
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 Jun yoy -1.2%, May yoy -1.7%, Apr yoy -1.7%, Mar yoy -1.1%; index above Jul, 2006 peak; +134.8% from Mar, 2012 low
- FHFA Price Index Jun yoy +3.1%, May yoy +2.9%, Apr yoy +3.2%, Mar yoy +3.8%; index above Apr, 2007 peak; +129.0% from Mar, 2011 low
- CoreLogic Home Px Index Jun yoy +1.6%, May yoy +1.0%, Apr yoy -1.7%, Mar yoy +.7%; index near high vs Apr, 2006 peak; +145.0% from Mar, 2011 low

Fed Z.1 HH NetWorth:

4Q17 $103.6 trill; 4Q18 $104.2 trill; 4Q19 $116.8 trill; 4Q20 $131.4 trill; 4Q21 $150.4 trill; 4Q22 $145.8 trill; 1Q23 $148.8 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-Jun-23	Change 2022 12/22 vs 12/21	Change 2023 06/23 vs 12/22
Treasuries:	3 month	1.38%	2.45%	1.54%	0.06%	0.03%	4.44%	5.29%	4.41%	0.85%
	6 month	1.53%	2.55%	1.58%	0.08%	0.18%	4.75%	5.44%	4.57%	0.69%
	1 year	1.73%	2.62%	1.57%	0.10%	0.37%	4.69%	5.40%	4.32%	0.71%
	2 year	1.88%	2.49%	1.57%	0.12%	0.72%	4.43%	4.87%	3.71%	0.44%
	3 year	1.97%	2.46%	1.61%	0.17%	0.95%	4.22%	4.50%	3.27%	0.28%
	5 year	2.21%	2.51%	1.69%	0.36%	1.25%	4.00%	4.13%	2.75%	0.13%
	10 year	2.40%	2.68%	1.92%	0.91%	1.50%	3.87%	3.82%	2.37%	
	30 year	2.74%	3.01%	2.39%	1.65%	1.91%	3.96%	3.86%	2.05%	
Fed Funds Target Rate (average):		1.38%	2.38%	1.63%	0.13%	0.13%	4.38%	5.13%	4.25%	0.76%
LIBOR/SOFR Rates:	1 month	1.57%	2.52%	1.78%	0.14%	0.10%	4.36%	5.14%	4.26%	0.78%
	3 month	1.69%	2.80%	1.91%	0.24%	0.21%	4.59%	5.27%	4.38%	0.68%
	6 month	1.84%	2.87%	1.91%	0.26%	0.34%	4.78%	5.39%	4.44%	0.61%
	12 month	2.11%	3.01%	2.00%	0.34%	0.58%	4.87%	5.40%	4.29%	0.53%
FNMA Mortgage Posted Yields (30 day):										
	15 year	2.92%	3.53%	2.66%	1.34%	1.86%	5.17%	5.72%	3.31%	0.55%
	30 year	3.51%	4.12%	3.29%	1.91%	2.63%	6.00%	6.38%	3.37%	0.38%
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%	-0.74%	-0.96%	-0.31%
	10 year minus 3 month	1.02%	0.23%	0.38%	0.85%	1.47%	-0.57%	-1.47%	-2.04%	-0.90%
	10 year minus 2 year	0.52%	0.19%	0.35%	0.79%	0.78%	-0.56%	-1.05%	-1.34%	-0.49%
Indicative FNMA mortgage posted yield spreads:										
	15 year minus 5 year Treas	0.71%	1.02%	0.97%	0.98%	0.61%	1.17%	1.59%	0.56%	0.42%
	30 year minus 10 year Treas	1.11%	1.44%	1.37%	1.00%	1.13%	2.13%	2.56%	1.00%	0.43%
Stock Market Indices:										
	Dow Jones	24,719.22	23,327.46	28,538.44	30,606.48	36,338.30	33,147.25	34,407.60	-3,191.05	1,260.35
	S&P 500	2,673.61	2,506.85	3,230.78	3,756.07	4,766.18	3,839.50	4,450.38	-926.68	610.88
	Nasdaq	6,903.39	6,635.28	8,972.60	12,888.28	15,644.97	10,466.48	13,787.92	-5,178.49	3,321.44

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

Strength & Tendency Toward Higher Rates

- Unemployment Rate Aug 3.8%, Jul 3.5%, Jun 3.6%, May 3.7%, Apr 3.4%
- Bucks Co Unemployment Rate Jun 3.2%, May 3.2%, Apr 2.8%, Mar 3.2%, Feb 4.0%
- Montgomery Co Unempl Rate Jun 3.0%, May 2.9%, Apr 2.5%, Mar 2.8%, Feb 3.6%
- Lehigh Co Unempl Rate Jun 4.1%, May 3.8%, Apr 3.4%, Mar 3.9%, Feb 4.6%
- Philadelphia Unempl Rate Jun 4.6%, May 4.5%, Apr 4.0%, Mar 4.4%, Feb 5.3%
- Household Employment Aug +222,000, Jul +268,000, Jun +273,000, May -310,000
- ADP Payrolls Jul +342,000, Jun +455,000, May +267,000, Apr +291,000
- Average Workweek Aug 34.4, Jul 34.3, Jun 34.4, May 34.3, Apr 34.4 hrs
- Ave Hourly Earnings Aug $33.82, Jul $33.74, Jun $33.60, May $33.45; yoy +4.3%
- Civilian Labor Force Aug +736,000, Jul +152,000, Jun +133,000, May +130,000
- Labor Force Participation Rate Aug 62.8%, Jul 62.6%, Jun 62.6%, May 62.6%
- Those Not in Labor Force Aug -525,000, Jul +49,000, Jun +50,000, May +45,000
- Employees Working-at-Home 2Q23 29%, 1Q23 27%, 4Q22 25%, 3Q22 25%
- Job Leavers Aug 12.8%, Jul 14.6%, Jun 13.2%, May 12.6%, Apr 13.8%, Mar 14.2%
- HHNW 1Q23 $148.8trill, 4Q22 $145.8trill, 3Q22 $144.2trill, 2Q22 $147.2trillion
- Personal Income Jul +.2%, Jun +.3%, May +.5%, Apr +.3%, Mar +.4%
- Personal Spending Jul +.8%, Jun +.6%, May +.1%, Apr +.3%, Mar no chg
- Retail Sales Jul +.7%, Jun +.3%, May +.5%, Apr +.4%, Mar -.7%, Feb -.2%
- Consumer Credit Jun +$17.85bill, May +$9.46bill, Apr +$20.32bill, Mar +$26.5billion
- CoreLogic Home Px Jun yoy +1.6%, May yoy +1.0%; +145.0% from low
- FHFA Home Px Jun yoy +3.1%, May yoy +2.8%; +129.0% from low
- Case Shiller 10 City Jun yoy -.5%, May yoy -1.0%, Apr yoy -1.1%, Mar yoy -.7%
- Case Shiller 10 City Jun near high, +124.4% from low
- Case Shiller 20 City Jun -1.2%, May yoy -1.7%, Apr yoy -1.7%, Mar yoy -1.1%
- Case Shiller 20 City Jun near high, +134.8% from low
- Inventory Unsold Existing Jul 3.3mos, Jun 3.1mos, May 3.0mos, Apr 2.9mos
- New Home Sales Jul +4.4%, Jun -2.8%, May +3.7%, Apr +6.1%; annual 714,000
- Housing Starts Jul +3.9%, Jun -11.7%, May +17.4%, Apr -2.3%; annual 1,452,000
- Construction Spending Jun +.5%, May +1.1%, Apr +.4%, Mar +.6%, Feb -.3%
- Factory Orders Jun +2.3%, May +.4%, Apr +.3%, Mar +.6%, Feb -1.7%
- Factory Backlogs Jun +1.8%, May +.8%, Apr +.8%, Mar +.4%, Feb -.1%
- Import Prices Jul +.4%, Jun -.1%, May -.4%, Apr +.3%, Mar -.8%, Feb -.2%, Jan -.4%
- ISM Services Index Jul 52.7, Jun 53.9, May 50.3, Apr 51.9, Mar 51.2, Feb 55.1
- ISM Services Prices Pd Jul 56.8, Jun 54.1, May 56.2, Apr 59.6, Mar 59.5, Feb 65.6
- ISM Services Backlogs Jul 52.1, Jun 43.9, May 40.9, Apr 49.7, Mar 48.5, Feb 52.8
- Global Supply Chain Pressure Index Jul -.9, Jun -1.14, May -1.56, Apr -1.36, Mar -1.18
- Industrial Production Jul +1.0%, Jun -.8%, May -.4%, Apr +.5%, Mar +.1%
- Manufacturing Production Jul +.5%, Jun -.5%, May -.3%, Apr +.8%, Mar -.8%
- S&P Global US Services Aug 51.0, Jul 52.3, Jun 54.4, May 54.9, Apr 53.6, Mar 52.6
- Philly Fed Index Aug 12.0, Jul -13.5, Jun -13.7, May -10.4, Apr -31.3, Mar -23.2
- Philly Fed Prices Pd Aug 20.8, Jul 9.5, Jun 10.5, May 10.9, Apr 8.2, Mar 23.5
- Philly Fed Services Prices Pd Aug 46.2, Jul 39.6, Jun 20.8, May 40.3, Apr 35.7, Mar 37.9
- Vehicle Sales Wards Jul 15.74mln, Jun 15.68mln, ay 15.05mln, Apr 15.91mln
- Vehicle Sales 2022= 13.73mln, 2021= 15.0mln, 2020= 16.30mln, 2019= 16.97mln
- DXY Dollar Index 08/23/23= 103.36, 12/31/22= 103.52, 12/31/21= 95.67, 12/31/20= 89.94
- Crude Oil 08/23/23= $79.10, 12/31/22= $80.26, 12/31/21= $75.21, 12/31/20= $48.52
- CRB Index 08/23/23= 274.00, 12/31/22= 277.75, 12/31/21= 232.37, 12/31/20= 178.12

Weakness & Tendency Toward Lower Rates

- Augmented Unemployment Rate Aug 6.8%, Jul 6.4%, Jun 6.6%, May 6.7%, Apr 6.4%
- Pool of Available Workers Aug 11.725mln, Jul 11.088mln, Jun 11.346mln, May 11.574mln
- Payroll Employment Aug +187,000, Jul +157,000, Jun +105,000, May +281,000
- Private Co Payrolls Aug +179,000, Jul +155,000, Jun +86,000, May +255,000
- Unemployed Persons Aug +514,000, Jul -116,000, Jun -140,000, May +440,000
- Employment Trends Index Jul 115.45, Jun 113.56, May 115.54, Apr 116.40, Mar 115.11
- Employment Cost Index 1Q23 +1.2%, 4Q22 +1.1%, 3Q22 +1.2%, 2Q22 +1.2%, 1Q22 +1.3%
- Job Openings JOLTs Jul 8.827mln, Jun 9.165mln, May 9.616mln, Apr 10.320mln
- Job Openings Rate Jul 5.3%, Jun 5.5%, May 5.8%, Apr 6.2%, Mar 5.9%
- Quit Rate Jul 2.3%, Jun 2.4%, May 2.6%, Apr 2.4%, Mar 2.5%, Feb 2.6%
- Challenger Report Layoffs Aug 75,151, Jul 23,697, Jun 40,709, May 80,089, Apr 66,995
- Real GDP 2Q23 +2.1%, 1Q23 +2.0%, 4Q22 +2.6%, 3Q22 +3.2%, 2Q22 -.6%
- Real GDP 2022 +2.1%, 2021 +5.9%, 2020 -2.8%, 2019 +2.3%, 2018 +2.9%
- InvChgGDP 2Q23 -$1.8bill, 1Q23 +$3.5bill, 4Q22 +$136.5bill, 3Q22 +$38.7billion
- Nominal GDP 2Q23 +4.1%, 1Q23 +6.1%, 4Q22 +6.5%, 3Q22 +7.6%, 2Q22 +8.5%
- Real Final Sales 2Q23 +2.2%, 1Q23 +4.2%, 4Q22 +1.1%, 3Q22 +4.5%, 2Q22 +1.3%
- GDP Px Deflator 2Q23 +2.0%, 1Q23 +4.1%, 4Q22 +3.9%, 3Q22 +4.4%, 2Q22 9.1%
- PCE deflator 2Q23 +2.5%, 1Q23 +4.1%, 4Q22 +3.7%, 3Q22 +4.3%, 2Q22 7.3%
- Core PCE 2Q23 +3.7%, 1Q23 +4.9%, 4Q22 +4.4%, 3Q22 +4.7%, 2Q22 4.7%
- 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%
- Leading Economic Indics LEI Jul -.4%, Jun -.7%, May -.7%, Apr -.6%, Mar -1.2%
- LEI 6 mo diffusion Jul 50, Jun 30, May 55, Apr 30, Mar 10, Feb 30, Jan 55
- LEI 6 mos annualized Jul -7.8%, Jun -8.0%, May -8.1%, Apr -8.5%, Mar -9.0%
- FIBER Leading Inflation Index Jul 87.1, Jun 86.7, May 86.7, Apr 86.9, Mar 86.5
- FIBER Leading Inflation yoy Jul -2.2%, Jun -4.9%, May -6.6%, Apr -7.5%, Mar -8.5%
- M2 growth yoy Jul -3.7%, Jun -3.6%, May -3.8%, Apr -4.5%, Mar -3.8%, Feb -2.2%
- Velocity of M2 2Q23 1.29, 1Q23 1.26, 4Q22 1.22, 3Q22 1.19, 2Q22 1.17, 1Q22 1.14
- NonFarm Productivity 2Q23 +3.7%, 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 +1.6%, 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%
- CPI Jul +.2%%, core +.2%; yoy +3.2%, core +4.7%
- PPI Jul +.3%, core +.3%, yoy +.8%, core +2.4%
- Nat'l Debt/GDP 2Q23 120.4%, 1Q23 118.6%, 4Q22 120.2%, 3Q22 120.2%, 2Q22 122.6%
- US Govt Budget Deficit Jul -$220.8bill, Jun -$227.8bill, May -$240.3bill, Apr surp$176.2billlion
- US Govt Budget Deficit fiscal 2022= -$1.375 trill, 2021= -$2.776 trill, 2020= -$3.13 trillion
- Trade Deficit Jun -$65.50bill, May -$68.28bill, Apr -$74.44bill, Mar -$60.59billion
- Moody's Risk of Recession Aug 59.0%, Jul 52.6%, Jun 55.6%, May 55.0%, Dec 53.7%
- Agriculture Prices May -2.8%, Apr +1.8%, Mar +1.2%, Feb +1.7%, Jan -9.5%
- Personal Savings Rate Jul 3.5%, Jun 4.3%, May 4.6%, Apr 4.3%, Mar 4.6%
- PCE deflator yoy Jul 3.3%, Jun 3.0%, May 3.8%, Apr 4.3%, Mar +4.2%, Feb +5.0%
- PCE core deflator yoy Jul 4.2%, Jun 4.1%, May 4.6%, Apr 4.6%, Mar +4.6%, Feb +4.7%
- CoreLogic Negative Equity 1Q23 2.1% 1.2mln, 4Q22 2.1%, 3Q22 1.9%, 2Q22 1.8%
- NAHB/Wells Homebuilder Index Aug 50, Jul 56, Jun 55, May 50, Apr 45, Mar 44, Feb 42
- Pending Home Sales NAR Jun +.3%, May -2.5%, Apr -.4%, Mar -5.2%, Feb +.85%
- Homeownership Rate 2Q23 65.9%, 1Q23 66.0%, 4Q22 65.9%, 3Q22 66.0%, 2Q22 65.8%
- Building Permits Jul +.1%, Jun -3.7%, May +5.6%, Apr -1.4%; annual 1,442,000
- Existing Home Sales Jul -2.2%, Jun -3.3%, May +.2%, Apr -3.2%; annual 4.07 million
- Median Sales Price Existing Homes Jul $406,700; yoy +1.9%
- Inventory Unsold New Jul 7.3mos, Jun 7.5mos, May 7.3mos, Apr 7.6mos, Mar 7.6mos
- Median Sales Price New Homes Jul $436,700; yoy -8.7%
- Gas AAA 08/23/23=$3.85, 12/31/22= $3.23, 12/31/21=$3.40, 12/31/20=$2.56
- Moody's CMBS Delinq 60+days Jul 4.56%, Jun 4.62%, April 4.18%, Mar 4.20%, Feb 4.23%
- MBA 90+ Delinq 2Q23 3.37%, 1Q23 3.56%, 4Q22 3.96%, 3Q22 3.45%, 2Q22 3.64%
- Durable Goods Orders Jul -5.2%, Jun +4.4%, May +2.0%, Apr +1.2%. Mar +3.3%, Feb -2.7%
- S&P Global US Manufact Index Aug 47.0, Jul 49.0, Jun 46.3, May 48.4, Apr 50.2, Mar 49.2
- ISM Index Jul 46.4, Jun 46.0, May 46.9, Apr 47.1, Mar 46.3, Feb 47.7
- ISM Prices Pd Jul 42.6, Jun 41.8, May 44.2, Apr 53.2, Mar 49.2, Feb 51.3
- ISM Backlogs Jul 42.8, Jun 38.7, May 37.5, Apr 43.1, Mar 43.9, Feb 45.1
- Philly Fed Backlogs Aug -4.8, Jul -15.1, Jun -18.5, May .8, Apr -11.1, Mar -21.3
- Philly Fed Services Index Aug -13.1, Jul 1.4, Jun -16.6, May -16.0, Apr -22.8, Mar -12.8
- Philly Fed Services Backlogs Aug -.9, Jul -4.7, Jun -1.3, May 1.8, Apr -4.5, Mar -4.2
- Business Sales Jun -.1%, May +.1%, Apr -.1%; Inventories Jun no chg, May no chg, Apr +.1%
- Moody's Beige Book Index Jul 2.8, Jun 19.4, Apr 22.2, Mar 19.4, Jan 8.3, Dec 11.1
- Bankruptcy Filings yoy 2Q23 +14.9%, 1Q23 +16.4%, 4Q22 +4.0%, 3Q22 +2.9%
- Capacity Utilization % Jul 79.3, Jun 78.6, May 79.4, Apr 79.8, Mar 79.5
- Cass Trucking Shipments Jun -1.6%, May +1.9%, Apr -1.0%, Mar -1.0%, Feb +3.8%
- Univ of Michigan Consumer Sentiment Aug 71.2, Jul 71.6, Jun 64.4, May 59.2, Apr 63.5
- Consumer Confidence Aug 106.1, Jul 114.0, Jun 110.1, May 102.5, Apr 103.7, Mar 104.0
- NFIB Small Business Optimism Jul 91.9, Jun 91.0, May 89.4, Apr 89.0, Mar 90.1
- Empire St NY Fed Index Aug -19.0, Jul 1.1, Jun 6.6, May -31.8, Apr 10.8, Mar -24.6
- NY Fed Services Index Aug .6, Jul 0.0, Jun-5.2, May -16.8, Apr -9.8, Mar -10.1
- St. Louis Fin'l Stress Index Jul -.80, Jun -.71, May -.37, Apr -.26, Mar -.33
- CoStar Com'l Prop GC Jun -.8%, May +.7%, Apr +.9%, Mar +1.3%, Feb +.3%
- CoStar Com'l Prop GC yoy Jun +1.2%, May +3.1%, Apr +4.7%, Mar +6.2%, Feb +6.7%
- FDIC Problem Banks 1Q23= 43, 4Q22= 39, 3Q22= 42, 2Q22= 40, 1Q22= 40, 4Q21= 44

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.

PennCommunityBank.com | 215.788.1234

Penn Community Bank® | Here We Grow.