

Economic Update, July 11, 2025

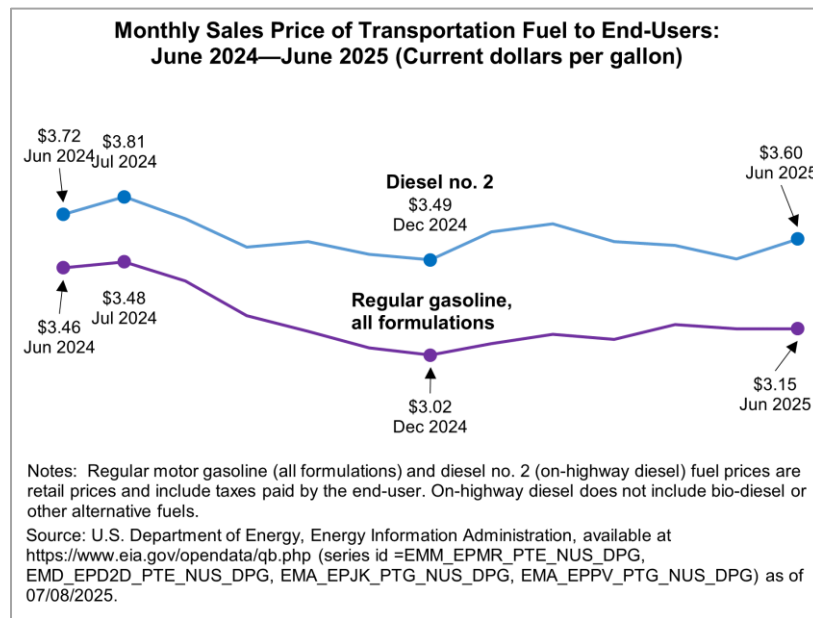
Submitted by Madison Thorn

Summary: This week's economic indicators show that wholesale sales and inventories both declined 0.3 percent in May, and business applications rose 2.2 percent in June. Initial unemployment claims fell to 227,000, with the four-week average at 235,500. The Federal Reserve Bank of Dallas reported its Weekly Economic Index at 2.52 percent, while at the same time the New York Fed's consumer survey showed stable inflation expectations and modest changes in income and spending forecasts. Gasoline prices held steady at \$3.15 per gallon in June, while diesel rose 2.9 percent from May. The National Federation of Independent Business (NFIB) Small Business Optimism Index edged down to 98.6, and Fannie Mae's Home Purchase Sentiment Index fell to 69.8. Mortgage rates rose slightly, with the 30-year fixed rate at 6.72 percent, while mortgage applications increased 9.4 percent on a seasonally adjusted basis. Global supply chain activity increased, with the GEP Index rising to -0.17, indicating tighter capacity across North America.

Federal Government Indicators and Reports:

Bureau of Transportation

Tuesday, [Motor Fuel Prices](#): "In June 2025, the average price for regular motor gasoline was \$3.15 per gallon; unchanged from May 2025 and down 8.8 percent from June 2024. . . . The average price for diesel no. 2 rose to \$3.60 in June 2025, up 2.9 percent from May 2025, and down 3.3 percent from June 2024."








Thursday, [Transportation Services Index](#): "The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 0.1 percent in May from April, falling after one month of no change. . . . From May 2024 to May 2025 the index fell 0.9 percent."

Census Bureau

Wednesday, [Monthly Wholesale Trade: Sales and Inventories](#): “May 2025 sales of merchant wholesalers, except manufacturers’ sales branches and offices . . . were \$697.2 billion, down 0.3 percent from the revised April level, but were up 4.8 percent from the revised May 2024 level. The March 2025 to April 2025 percent change was revised from the preliminary estimate of up 0.1 percent to virtually unchanged. . . . Total inventories of merchant wholesalers, except manufacturers’ sales branches and offices . . . were \$905.5 billion at the end of May, down 0.3 percent from the revised April level. Total inventories were up 1.4 percent from the revised May 2024 level. The April 2025 to May 2025 percent change was unrevised from the advance estimate of down 0.3 percent.”

Friday, [Business Formation Statistics](#): “Business Applications for June 2025, adjusted for seasonal variation, were 457,407, an increase of 2.2 percent compared to May 2025. . . . Projected Business Formations (within 4 quarters) for June 2025, adjusted for seasonal variation, were 28,376, an increase of 0.1 percent compared to May 2025.”

Business Applications - At a Glance

		 US	 Northeast	 Midwest	 South	 West
Total	JUN 2025	457,407	68,176	75,750	201,974	111,507
	JUN 2025 / MAY 2025	+2.2%	+6.0%	+1.9%	+1.3%	+1.9%
High-Propensity	JUN 2025	165,555	26,243	26,360	71,107	41,845
	JUN 2025 / MAY 2025	+3.3%	+12.6%	-0.9%	+5.9%	-3.3%
With Planned Wages	JUN 2025	43,075	6,175	7,711	18,276	10,913
	JUN 2025 / MAY 2025	-1.1%	-0.8%	-1.5%	-1.7%	-0.1%
From Corporations	JUN 2025	72,702	13,657	9,961	27,888	21,196
	JUN 2025 / MAY 2025	+7.6%	+25.6%	+3.1%	+15.8%	-7.6%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

Data adjusted for seasonality. **Green** Percentage changes are greater than zero (+). **Red** Percentage changes are less than zero (-). Z = absolute value < 0.05.

Department of Labor

Thursday, [Unemployment Insurance Weekly Claims](#): “In the week ending July 5, the advance figure for seasonally adjusted initial claims was 227,000, a decrease of 5,000 from the previous week's revised level. The previous week's level was revised down by 1,000 from 233,000 to 232,000. The 4-week moving average was 235,500, a decrease of 5,750 from the previous week's revised average. The previous week's average was revised down by 250 from 241,500 to 241,250.” In Tennessee, however, advance initial claims filed during the week ending July 5 were 6,207—up 3,059 from the previous week.

Economic Indicators and Confidence:

Federal Reserve Bank of Dallas

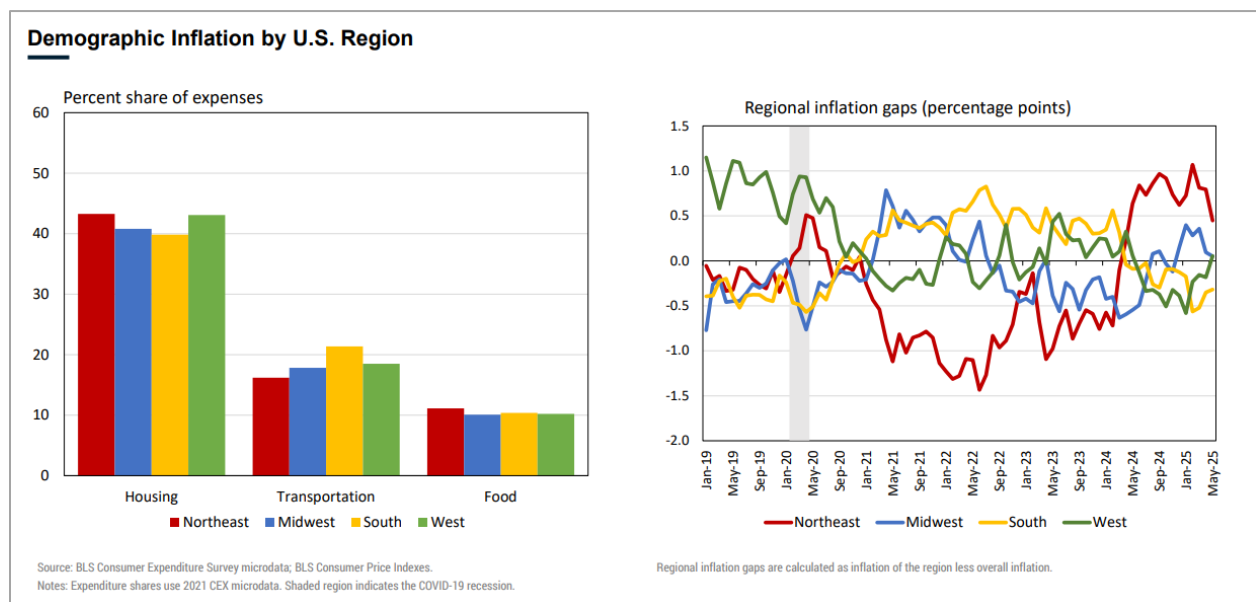
Thursday, [Weekly Economic Index \(WEI\)](#): “The WEI is currently 2.52 percent, scaled to four-quarter GDP growth, for the week ended July 5 and 2.13 percent for June 28. The 13-week moving average is 2.21 percent. This is compared with 1.99 percent four-quarter GDP growth through first quarter 2025.”

Federal Reserve Bank of New York

Tuesday, [Survey of Consumer Expectations](#): “Median inflation expectations decreased by 0.2 percentage point to 3.0 percent at the one-year-ahead horizon. They were unchanged at the three-year- (3.0 percent) and five-year-ahead (2.6 percent) horizons in June. . . . Median home price growth expectations remained unchanged at 3.0 percent. . . . Median one-year-ahead earnings growth

expectations fell by 0.2 percentage point to 2.5 percent in June, remaining below its 12-month trailing average of 2.8 percent. . . . The median expected growth in household income increased by 0.2 percentage point to 2.9 percent in June, equaling its 12-month trailing average. . . . Median household spending growth expectations declined by 0.2 percentage point to 4.8 percent.”

Tuesday, [Economic Heterogeneity Indicators](#): “Housing inflation was above, transportation inflation was below, and food inflation was at headline inflation, with transportation inflation again negative year-on-year in May 2025. . . . Hispanic, middle-income, Southern, and rural households experienced lower inflation than the national average. Low-income, Northeastern, college-educated, and urban households, as well as households with heads aged 55+ experienced higher inflation than the national average.”



GEP/S&P Global

Friday, [Global Supply Chain Volatility](#): The Global Supply Chain Volatility Index “jumped to -0.17 in June, from -0.46 in May. . . . In North America, demand for inputs surged as U.S. manufacturers moved quickly to secure inputs—commodities, parts, components and raw materials—ahead of a potential end to the current tariff pause. . . . North American supply chains effectively ran at full capacity in June.”

National Federation of Independent Business

Tuesday, [Small Business Optimism Index](#): The index “remained steady in June, edging down 0.2 of a point to 98.6, slightly above the 51-year average of 98. A substantial increase in respondents reporting excess inventories contributed the most to the decline in the index. The Uncertainty Index decreased by five points from May to 89. Nineteen percent of small business owners reported taxes as their single most important problem, up one point from May and ranking as the top problem again. The last time taxes reached 19 percent was in July 2021.”

Mortgages and Housing Markets:

Fannie Mae

Monday, [National Housing Survey](#): “Month over month, the [Home Purchase Sentiment Index (HPSI)] decreased 3.7 points to 69.8. Year over year, the HPSI is down 2.8 points.”

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “The 30-year [fixed rate mortgage (FRM)] averaged 6.72 percent as of July 10, 2025, up from last week when it averaged 6.67 percent. A year ago at this time, the 30-year FRM averaged 6.89 percent. . . . The 15-year FRM averaged 5.86 percent, up from last week when it averaged 5.80 percent. A year ago at this time, the 15-year FRM averaged 6.17 percent.”

Mortgage Bankers Association (MBA)

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, increased 9.4 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 13 percent compared with the previous week. The Refinance Index increased 9 percent from the previous week and was 56 percent higher than the same week one year ago. The seasonally adjusted Purchase Index increased 9 percent from one week earlier. The unadjusted Purchase Index decreased 13 percent compared with the previous week and was 25 percent higher than the same week one year ago.”