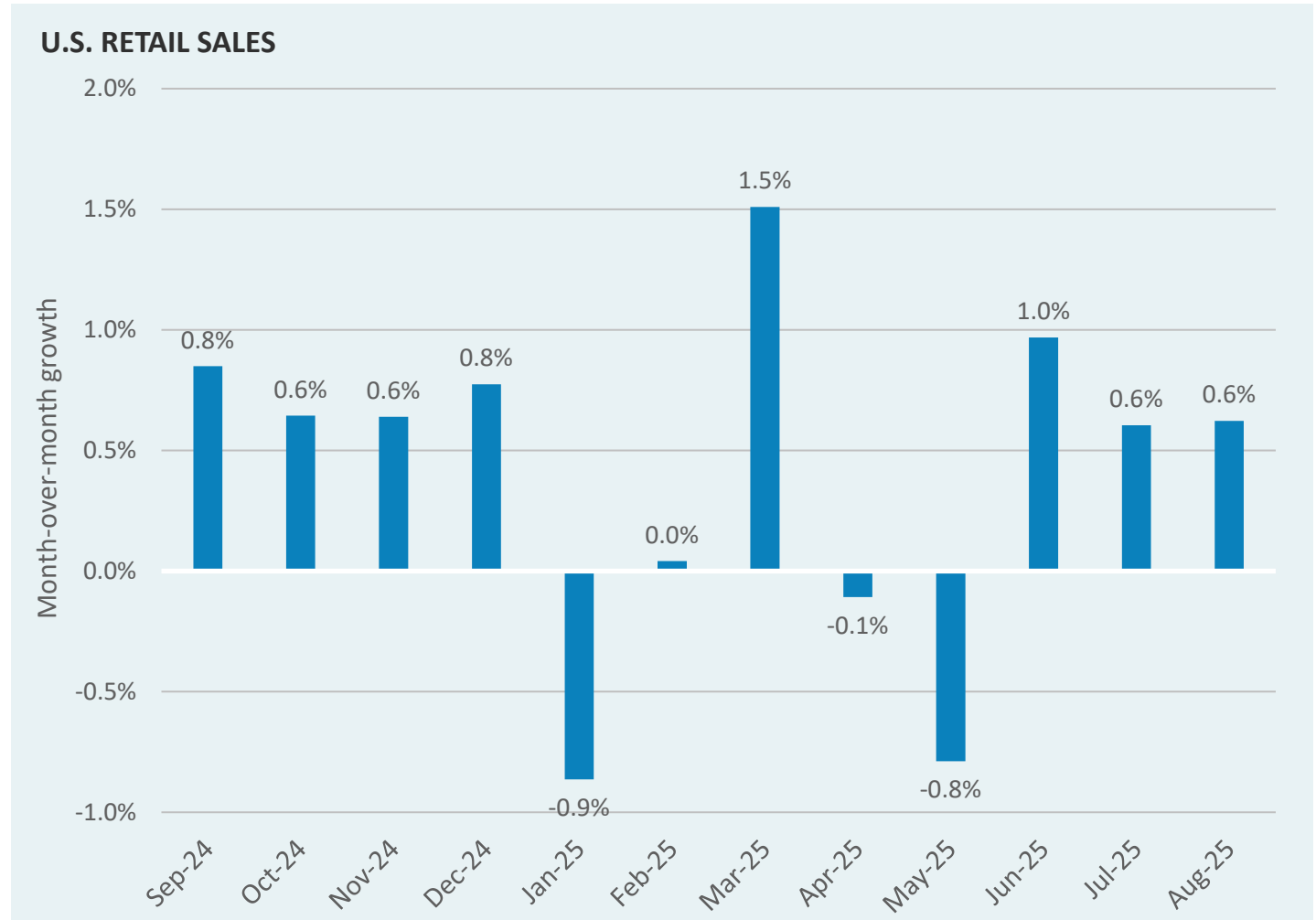


# Verus Market Note

## U.S. economy core fundamentals remain strong though slowing is still expected

For quite some time, economists and investors have been expecting the U.S. economy to slow from unusually strong post-pandemic rates of growth. Shifting trade policies further added to fears of slowing and rising joblessness. However, recent months have shown a mixed picture in terms of conditions. For example, while job growth has certainly slowed to a crawl which will act as a dampener to GDP growth, American households continue to spend freely. That is notably positive as consumer spending is by far the largest contributor to economic growth.

In our Market Note, we outline this week's August Retail Sales growth figure, which showed a surprising 0.6% monthly gain, which is more than a 7% annualized rate of growth. The report followed a similarly strong July figure. This contributed to an upwardly revised +3.4% Q3 U.S. real GDP forecast (annualized) from the Atlanta Federal Reserve—which would mark one of the strongest quarters of economic growth since 2021.



Source: Verus, U.S. Commerce Department, as of 8/31/25