The summer's weather has been, by and large, a mixture of sunshine and showers. The economic weather has been similar, with the number of 'positive' economic results generally matching the number of 'negative' ones. In this climate it's often best to wait and see, which is exactly what the MPC opted to do last week.

Not now. The MPC voted 6-2 to maintain interest rates at 0.25% last week. A team change reduced the number of members voting for a rate rise. Kristen Forbes had been a key dissenter arguing there's more to the current high inflation rate than just the weak pound. The suspicion was that the new member, Silvana Tenreyro, would be less inclined to raise rates. The 6-2 result has proved that assumption correct, for now. Yet the MPC was also keen to avoid complacency. It noted that interest rates would need to rise faster than markets imply if its forecasts for the economy proved accurate. That's a big "if" of course.

Peak pain? In presenting the MPC's forecasts for the economy, Mark Carney said we're now at the peak of the real income squeeze. Inflation is expected to remain high in the short term but drift down from its 3% peak towards the end of this year. Wages too are expected to be better in 2018. Pay growth of 3% next year would be a marked improvement on the 2% forecast for 2017. But it's not all plain sailing from here. The promised pay rise depends on productivity improving, something that has been notably absent lately. If it fails to materialise yet again, the squeeze will stay for some time yet.

Fair enough. July's weather was, "generally unsettled," according to the Met Office. Not so in the UK economy, for which conditions were "fair". The Purchasing Mangers' Index (PMI) surveys showed continued growth in services and manufacturing, with the pace of activity accelerating and new orders rising. Construction grew, too, but at a slower pace than in June. While input costs and selling prices continue to rise, there are signs that the rate of inflation is moderating. These aren't scorching economic conditions but they are perfectly pleasant.

Steady. UK Household debt was £1.54 trillion in June. Of this, £1.34 trillion was mortgage debt, with consumer credit comprising the remaining £200bn. Yet while both were rising, consumer credit remained the racier little brother, up 10% again in June. Meanwhile, the number of mortgage approvals has been fairly consistent – there were 123,000 approvals in June. Underneath the headlines and the number of approvals for house purchase has fallen, offset by a rise in number opting to remortgage. In short, while the housing market may not be moribund, it's not high on life either.

Attitude problem. Northern Ireland firms remained in expansion mode in Q2. That's according to the NI Chamber of Commerce and Industry and BDO Quarterly Economic Survey. Manufacturing firms reported a strengthening in most of their key indicators. Conversely, services firms signalled a weakening. A whopping 81% of manufacturers and

71% of service firms highlighted they had difficult recruiting positions in Q2. A lack of the right skills and attitude is cited as the key recruitment difficulty. Brexit is also exercising minds. While most companies are unaffected to date, 1 in 5 say they have already been negatively impacted. Almost 1 in 3 are scaling down or putting growth plans on hold due to Brexit.

One-way traffic. 2017 hasn't been a good year for UK car showrooms. New car sales in first seven months of the year are down over 2% for the UK and 5% for Northern Ireland. Scotland and Wales posted declines of 4% & 8% respectively. Last month was the quietest July in five years for NI car dealers. Unlike England, Scotland and Wales, NI new car registrations have yet to return to their 2007 peak. Almost 55,400 new cars were sold in the 12 months to July 2017. This is 19% below the pre-downturn peak. UK sales may be falling but volumes are still 13% above their 2007 pre-downturn high. Given the challenging consumer environment, car sales may be stuck in reverse for some time yet.

Heated. Hot weather and a sizzling economy. The Eurozone economy grew 0.6%q/q in Q2, twice the speed of the UK but matching the US. Annual growth was 2.1%, the best since 2011. Spain led the way with a scorching 0.9% expansion from Q1. The country's 10% rise in output since 2013 takes it to within a whisker of its pre-crisis peak. Even France grew by 0.5% for the third straight quarter, a six-year best. An eight-year low unemployment rate of 9.1% in June rounded off the good news. Yes, there's more work to do. But for now, Europe's summer get-away has been earned.

Comeback kid. The euro area economy has spent most of the 2010s on the economic naughty step but it's now a poster child for growth. The composite PMI covers all sectors and countries. It showed that growth continued in July, although it was a smidgen slower than in June. What's more, output expanded in every country and sector. Firms are optimistic about the future and the surveys are consistent with growth of 0.6%q/q, which would match that in Q2. Inflation remains muted, however, giving the ECB an interesting challenge at its next meeting.

Watching wages. The pace of job growth in the US has edged up in recent months. The economy added 209k jobs during July, pushing the three-month average to its highest level since October last year. The unemployment rate fell to 4.3%, matching the figure two months prior which was the lowest since 2001. But wage growth remains little moved with the three-month average remaining stuck at 2.5%y/y. That's unlikely to help reverse the disinflationary trend in the US.

Misfiring. Nonetheless, the US economy continues to send mixed signals. Although employment rose, the closely-watched ISM surveys (manufacturing & non-manufacturing) both suggest a slowdown in activity in July. The non-manufacturing survey, which covers 90% of the economy, was the most significant. July's 3.5 point fall to 53.9 marked the biggest monthly decline since November 2008. Optimists will view this as a brief summer swoon and point to the Markit PMIs which saw a pick-up in manufacturing and services activity. It may be a little early for autumn, but the winds are blowing hot and cold.

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