

## **The U.S. Growth Rocket is Fueled: Will it Launch?**

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Everything is finally falling into place for U.S. economic growth to accelerate in 2015-6. Consumer spending is poised to grow even faster, boosting several important segments such as furniture and remodeling. Housing starts are also ready to move higher as younger adults get jobs and finally form a household. But several factors continue to restrict the recovery in single family housing units. The good news also leads to the Federal Reserve finally moving to boost interest rates later this year—how soon and how high?

The great U.S. news is tempered however by a range of disturbing international events. Europe is struggling. China is growing slower than expected, with a big drop in residential construction. The collapse in oil prices reflects weak global demand and surging U.S. production. Will oil prices remain low? International developments remain a wild card for the U.S. economy and for the wood products industry, especially with how exchange rates have moved. What are the implications of the drop in the Euro and the Ruble?