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No Recession on Horizon

Too Hot to Work?

AI Leaders Agree to Safeguards

Amazon One Palm Checkout Expands

Bosch | Dremel

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US ECONOMY

Exchange Rates July 31, 2023

Euro	1 Euro = \$1.101	\$1.00 = 0.907 Euros
Canadian Dollar	1 CAD = \$0.760	\$1.00 = 1.316 CAD
Japanese Yen	1 Yen = \$0.007	\$1.00 = 142.165 Yen
Chinese Yuan	1 Yuan = \$0.140	\$1.00 = 7.136 Yuan
Mexican Peso	1 Peso = \$0.060	\$1.00 = 16.726 Pesos

Market Watch July 31, 2023

DOW	34,408	+3.3%
NASDAQ	13,788	+4.0%
S&P 500	4,450	+3.1%

All three major indexes finished the month off with solid gains after good economic news, falling inflation and good earnings. The NASDAQ continued to add to its strong winning streak. The S&P, the index most closely watched by professionals, has now gained 19% year to date, after losing 19% in 2022. The Dow added 3.3% and recorded its longest winning streak of the year.

Consumer Spending Rises 0.5%

Consumer spending jumped 0.5% in June after inching up just 0.1% in May, the slowest pace in more than two years. Core consumer spending rose 0.4% after being unchanged in May. While spending on services led consumer spending in GDP, spending on durables rose 1.7% in June. Households are benefitting from solid income gains, with personal income rising 0.3% in June. Other than a 0.03% decline in April, real disposable income has risen in each of the past eleven months. Falling inflation and the still tight labor market has helped sustain consumer spending despite rising interest rates.

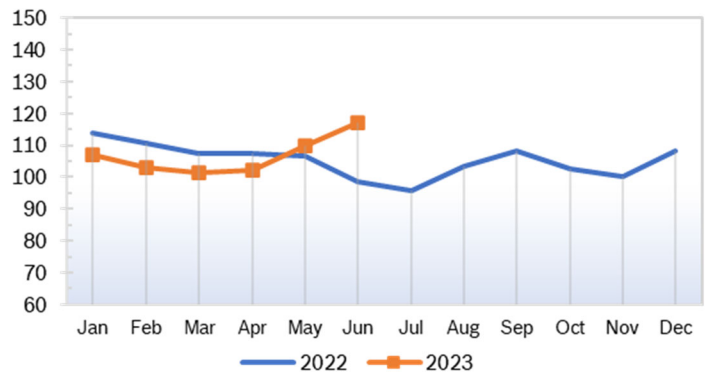
Consumer Prices Rose 0.2% in June

The Consumer Price Index (CPI) rose 0.2% in June after rising 0.3% in May and was up 3.0% year over year after being up 4.0% in May. It was the smallest increase since 2021 and the twelfth consecutive month year-over-year inflation has fallen since peaking at 9.1% in June 2022. Core inflation, which

excludes the volatile food and energy categories, rose 0.2% in June after rising 0.1% in May and fell to 4.8% year over year after falling to 5.3% in May. Inflation is gradually slowing and getting closer to the Fed's preferred level of 2.0%. The personal expenditures price index (PCE) rose 0.1% in June after rising 0.1% in May and was up 3.0% year over year, the smallest increase since April 2021. Core prices rose 4.1% year over year in June after being up 4.6% year over year in May. The Fed closely tracks the PCE price indexes for monitoring their 2% inflation target.

Consumer Confidence Rises to 117.0

Consumer Confidence Index

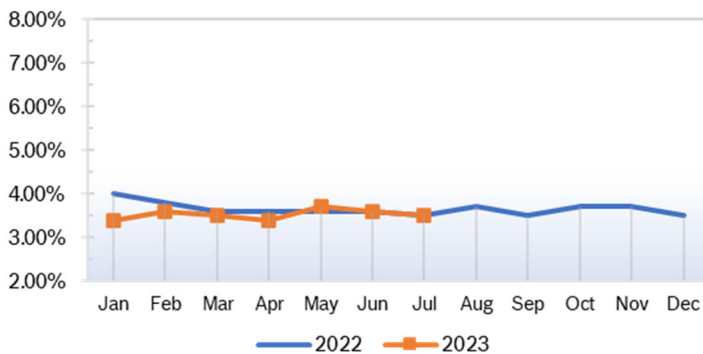


- ▶ The New York-based Conference Board's Consumer Confidence Index rose to 117.0 in July after rising to 109.7 in June.* It was the highest level of confidence in two years.
- ▶ The Present Situation Index rose to 160.0 in July after rising to 155.3 in June.
- ▶ The Expectations Index, based on short-term outlooks for income, business and labor market conditions, rose to 88.3 in July after rising to an upwardly revised 80.0 in June. A level of 80 or below historically indicates consumers expect a recession.
- ▶ Consumer Confidence fell to 86.9 at the onset of the pandemic in March 2020.

*A level of 90 indicates that the economy is on solid footing; a level of 100 or more indicates growth. Analysts caution that the real driver behind consumer spending is income growth and that labor market trends are a more accurate predictor of consumer behavior.

Unemployment Falls to 3.5%

U.S. Unemployment Rates



- ▶ The unemployment rate fell to 3.5% in July after dropping to 3.6% in June. Unemployment was 3.5% at the beginning of the pandemic in March 2020.
- ▶ The economy added 187,000 new jobs in July, below expectations of 200,000 jobs. Job gains for May and June were revised down by a total of 49,000 jobs. It was the 31st consecutive month of job growth.
- ▶ The job market gradually cooling down bodes well for the economy and may take pressure off employers.
- ▶ Average hourly earnings growth was unchanged at 0.4% for July and 4.4% year over year.

Chicago PMI Rises to 42.8

The Chicago PMI rose to 42.8 in July after rising to 41.5 in June. The reading was slightly below expectations and the eleventh consecutive month the PMI remained below 50, the level that indicates expansion. The PMI was close to 50 in April. Looking back to when the series began in 1967, the PMI has ranged from 20.7 in June 1980 to 81.0 in November 1973.

Wholesale Prices Rise 0.1%

The Producer Price Index (PPI) rose 0.1% in June after falling an upwardly revised 0.4% in May and was up just 0.1% year over year for the second consecutive month. Stripping out volatile food and energy prices, core PPI rose 0.1% for the third consecutive month in June and was up 2.6% year over year after being up 2.8% year over year in May. Increased costs for services accounted for most of the increase. The PPI peaked at

a whopping 11.7% year-over-year increase in March 2022.

Q2 GDP Rises 2.4%

Q2 GDP surprised to the upside, growing a robust 2.4% after growing 2.0% in the first quarter, according to the first reading from the Commerce Department. Growth was significantly better than expectations. Economists were anticipating a slowdown in consumer spending from strong 4.2% growth in the first quarter, but spending grew a respectable 1.6% and remained strong across most categories. Spending on services rose three times more than spending on goods. GDP also got a lift from a 5% increase in corporate spending on equipment and structures, the biggest jump in six quarters. Analysts termed it a strong report that shows the resiliency of the US economy.

Fed Raises Rates 0.25%

The Fed raised rates 0.25% at the end July to 5.25% to 5.50% after holding rates steady at their meeting in mid-June. The increase was widely expected. It was the 11th increase since the Fed began raising rates from near zero in 2022. The decision was unanimous. Fed Chairman Jerome Powell indicated that the Fed could raise rates again in September or could hold rates steady, depending on economic conditions. The Fed still wants to push inflation back down into their target range of 2%. The Fed did not update any other projections. Fed officials have more than doubled their outlook for 2023 economic growth to 1% from 0.4% projected in the March and now think unemployment will only rise to 4.1% by the end of the year compared to 4.5% in the March outlook. The annual Jackson Hole Economic Symposium August 24-26 will give Powell an opportunity to offer his assessment of the U.S. economic outlook.

HOUSING & CONSTRUCTION

Builder Confidence Rises to 56

Builder Confidence rose one point to 56 in July after rising five points to 55 in June, according to the National Association of Home Builders/Wells Fargo Housing Market Index (HMI). It was the seventh consecutive monthly increase in confidence. The HMI index gauging current sales conditions in July rose one point to 62, the component charting sales expectations in the next six months fell two points to 60, and the gauge measuring traffic of prospective buyers increased three points to 40,

the highest reading since June of last year. Scores rose in all regions. The July HMI survey also revealed that despite elevated interest rates, builders' use of sales incentives has declined, as the market has firmed and resale inventory options remain limited. Any number over 50 indicates that more builders view the component as good than view it as poor.

Building Permits Fall 3.7%

Overall building permits fell 3.7% in June to 1.44 million annual units after rising to 1.49 million annual units in May. Single-family permits rose 2.2% to 922,000 annual units after rising to 897,000 million units in May but were down 21.5% from June 2022. Multifamily permits dropped 12.8% to an annualized pace of 518,000 units after rising to 594,000 units in May. Permits fell year to date in all regions.

Housing Starts Fall 8.0%

Housing starts fell 8.0% in June to a seasonally adjusted annual rate of 1.43 million units after rising more than 20% in May to 1.63 million units. **Single-family starts dropped 7.0%** to a seasonally adjusted annual rate of 935,000 after jumping to 997,000 units in May. The number of single-family units under construction fell 17% to 688,000. Meanwhile, the number of apartments under construction increased to 994,000, the highest total since May 1973. Regional starts were mixed.

New Home Sales Fall 2.5%

New home sales fell 2.5% in June to a seasonally adjusted annual rate of 697,000 homes and sales for May were revised downward, according to the National Association of Home Builders (NAHB). Demand for new homes cooled off in June as mortgage rates rose more than a quarter-point. New single-family home inventory in June fell 3.6% to 432,000 homes, down 3.6% compared to a year ago, a 7.4 months' supply at the current building pace, up from 6.4 months in May. A measure near a 6 months' supply is considered balanced. Of that total inventory, only 67,000 were completed, ready-to-occupy homes, up 91.4% from a year ago but representing just 15% of total inventory. The median new home sale price in June was \$415,400, down roughly 4% compared to a year ago. Regional sales year to date were mixed. Sales of new homes are tabulated when contracts are signed and are considered a more timely barometer of the housing market than purchases of previously-owned homes, which are calculated when a contract closes.

Existing Home Sales Fall 3.3%

Existing home sales fell 3.3% in June to a seasonally adjusted annual rate of 4.16 million homes after rising slightly to 4.30 million homes in May, according to the National Association of Realtors. Sales were down 18.9% from June 2022. The median existing-home sales price rose to \$410,200 in June after rising to \$396,100 in May. It was the second-highest median home price on record. Inventory held steady at 1.08 million homes after increasing 3.8% in May. That's just a 3.1 months' supply at the current sales pace, up slightly from May. The current supply of existing homes for sale is roughly half what it was in 2019 before the pandemic. Regional sales were mixed year to date.

Regional Housing Data

	Northeast	South	Midwest	West
Builder Confidence*	52 (+5)	58 (+3)	45 (+2)	51 (+5)
Building Permits*	-23.4%	-16.2%	-20.8%	-23.6%
Housing Starts**	-13.9%	-11.5%	-19.4%	-21.0%
New Home Sales*	7.4%	3.2%	-7.6%	-16.5%
Existing Home Sales**	-21.5%	-16.2%	-19.5%	-22.7%

* change YTD **change YOY

Mortgage Rates Rise to 6.81%



- ▶ 30-year fixed-rate mortgages rose to 6.81% at the end of July after rising to 6.71% at the end of June. Mortgage rates were 5.3% at the end of July 2022.
- ▶ The resilient economy and rising consumer confidence sent rates inching up in July.
- ▶ Existing home owners remain reluctant to put their homes on the market and give up the low mortgage rates they have and buyers are finding that as prices rise, their money buys less house so they are adjusting expectations or waiting for rates to come back down.
- ▶ Chronic inventory shortages and a smaller pool of willing buyers and sellers are all contributing to the current state of housing.

POWER TOOL INDUSTRY

Robert Bosch Power Tools

Bosch Power Tools launched a partnership with the Dallas Area Habitat for Humanity. A team from Bosch Power Tools gathered at Habitat's Wall Shop to help cut and build critical wall frames for the 20+ homes being built in the area. Bosch also donated their latest 18V cordless power tools, including the Miter Saw and Reciprocating Saw, to support local home-building efforts in Dallas for years to come. Bosch is also supporting trade workers across the Dallas area.

Stanley, Black & Decker

Q2 revenues fell 5% to \$4.2 billion. The quarterly loss was less than expected as cost-cutting measures helped offset the impact from falling DIY demand for power tools and the divestiture of their oil and gas business.

SB&D reached a settlement with the SEC around charges that they failed to disclose more than \$1.3 million in perks for former exec Jeffrey Ansell and three other execs between 2017 and 2021. SB&D self-reported the failure to disclose and was not assessed a civil penalty; Ansell was assessed a \$75,000 penalty.

RETAIL

Retail Sales Rise 0.2%

Retail sales rose 0.2% in June after rising 0.3% in May, according to the Commerce Department. It was the third consecutive monthly increase, but below expectations of 0.5%. Slowing inflation is freeing up cash and helping keep consumer spending steady, although adjusted for inflation, sales are still down 0.8% year over year. Ecommerce sales were up 1.9% for the month. Excluding automobiles, gasoline, building materials and food services, retail sales rose a robust 0.6% after rising 0.2% in May. The increase was three times the expected level. Core retail sales, which are mostly goods and not adjusted for inflation, correspond most closely with the consumer spending component of GDP. The retail sales report covers about a third of overall consumer spending and doesn't include services, such as travel and entertainment.

The Home Depot

The Home Depot celebrated the 15-year anniversary of their Merchandise Execution Team (MET). The mission of the MET is to make things simple for customers and associates by improving the shopping environment. That first year the team had 2,000 associates traveling in teams around their districts; today there are more than 25,000. THD says the team is incredibly passionate about improving the customer experience and support their ever-changing needs. They standardize the selling floor and try to make sure the shopping experience is easy and fun. If you ever see someone in an orange polo shirt

in the store, chances are they're an MET team member, and nobody will know more about Home Depot's enormous inventory than they do.

Lowe's

Lowe's was ranked number 9 on The National Retail Federation's annual list of the Top 100 retailers. Lowe's has held the ninth spot since 2019.

Lowe's opened their 11th Lowe's Outlet Store in Greensboro, NC; they have plans to open additional outlets this year, but did not disclose how many. Lowe's uses the outlets to sell scratched and dented appliances, patio furniture and grills. The outlets offer up to 70% off these products, which are available in-store only. There are currently outlets in California, Texas, Georgia, Florida, Illinois, Missouri and Connecticut.

Lowe's is expanding their partnership with Petco Health + Wellness to 300 stores after a successful test market in 15 stores that began in January, 2022. The program is designed to strengthen Lowe's position in the rural marketplace.

Lowe's is expanding their same-day delivery service nationwide for online orders. Lowe's is partnering with OneRail, an omnichannel fulfillment company. Lowe's says partnering with OneRail improves performance and lowers costs.

Walmart

Walmart outpaced rivals Target and Amazon during Amazon's Prime Days. All three launched multi-day savings events, but Walmart's daily active users grew 27% year-over-year during Amazon's Prime day event, compared to a 5% rise for Amazon and a 10% drop in Target's daily active users, according to analysts at Jefferies. Analysts say the growing digital presence for WM is good indication they are gaining mind and wallet share.

Amazon

US online shoppers spent a record \$12.7 billion during Amazon's two-day Prime Days event in early July, up 6.1% from last year, according to Adobe. Customers choosing Amazon's buy now, pay later options accounted for about \$927 million in sales, up 20% from last year. Sales were evenly split between the two days. On Wednesday, sales of appliances were

up 52% compared to average daily sales in June, Adobe said. Sales of housekeeping supplies were up 27% compared to that period, while stationery and office supplies climbed 76%, as customers tried to get a jump on back-to-school shopping.

The average order size was \$54, up from \$52 during Prime Day 2022, according to data and tech company Numerator. This year, 65% of households shopping Prime Day placed two or more orders, bringing the average household spend to \$155.

Amazon's 2023 Prime Day surpassed its results from 2022. Amazon reported that consumer savings increased from \$1.7 billion to \$2.5 billion. The total number of purchases rose from 300 million to 375 million items.

Numerator's analysis found shoppers this year favored lower priced items. The average spend per item was \$32, with 57% of items purchased marked under \$20 and just 5% going for more than \$100.

Amazon has sped up delivery times by 400% since 2019 by pouring time and resources into revamping their delivery network for the past four years in an effort to shorten shipping times from two days to one day or less. So far this year they've delivered 1.8 billion units to US Prime members the same or next day, roughly four times what it delivered at those speeds by the end of July 2019. Going from central warehouses to eight regional distribution centers cut the distance items travel from warehouses to customers by 15%, and lowered the number of "touchpoints," or how many times a package is handled, by 12%. Amazon has also seen improvements in their machine-learning technology that allows them to better plan where and how much inventory is placed in warehouses. Across the top 60 U.S. metro areas, Amazon says more than half of Prime orders arrived the same or next day.

Amazon will now alert customers to product recalls. Customers will now see a banner alert at the top of the Your Orders page if a product they ordered is the subject of a recall. Clicking it will lead you to a new page titled Your Recalls and Product Safety Alerts, where users will find more details about the issues the product has, as well as options for a refund, a return or a repair. You'll also get a personalized email from Amazon. In the past, users would have to rely on third-party sites to get information about recalled products. In many cases, they would also have to submit personal information to these sites to

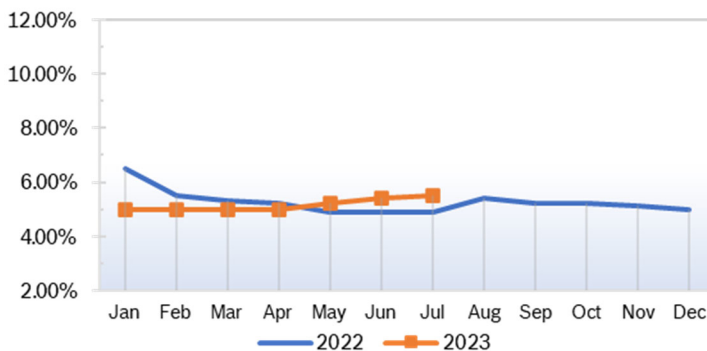
receive instructions on returns, repairs or product disposal.

Amazon will invest more than \$120 million to build a satellite construction facility at NASA’s Kennedy Space Center as part of their plans to launch a space internet service to rival SpaceX’s Starlink. Project Kuiper will be focused on providing reliable, affordable internet services to underserved populations around the world with more than 3,200 satellites in a low Earth orbit.

CANADA SNAPSHOT

Unemployment Rises to 5.5% in July

Canada Unemployment Rates



- ▶ The unemployment rate rose to 5.5% in July after rising to 5.4% in June. It was the first time unemployment ticked up for three consecutive months since the onset of the pandemic.
- ▶ Unemployment reached a record low of 4.9% in June and July 2022. In January 2021 unemployment peaked at 9.4%.
- ▶ Employment in construction fell 2.8%, or 45,000 jobs after shedding 14,000 jobs in June.
- ▶ On a year-over-year basis, average hourly wages rose 5.0% in July, following increases of 4.2% in June and 5.1% in May. Wage growth needs to continue to cool down in order to tamp down inflation.
- ▶ Employment rose in Alberta, New Brunswick and Prince Edward Island and fell in Manitoba and Saskatchewan. Employment was little changed in other provinces.

Consumer Prices Rise 2.8%

Consumer prices were up 2.8% year over year in June after being up 3.4% year over year in May. The increase was below estimates, and the smallest increase since March 2021. The slowdown was largely driven by lower year-over-year prices for gasoline and cell phone services. While the cost of groceries and mortgages continues to rise, it was the first time since 2021 interest rates have been within the Bank of Canada’s acceptable range of below 3.0%. Inflation has exceeded the bank’s target rate for the past two years. Central bank economists expect inflation to fall rapidly in the coming months, but it may take longer for interest rates to come down.

BoC Raises Rates to 5.0%

The Bank of Canada (BoC) was widely criticized for bumping up rates another quarter-point in July to 5.0%, the highest level since 2001, after raising rates a quarter-point in June. The BoC had previously signaled that rate increases were likely on hold for the foreseeable future. The move was in response to Canada’s surprisingly strong economy and fears that inflation might heat up. Analysts are speculating that the BoC may actually be done raising rates now.

Housing and Construction News

The six-month trend for housing starts rose 2.4% in June to a seasonally adjusted annual rate of 234,974 units after dropping to a seasonally adjusted annual rate of 202,494 units in May. It was the largest month-to-month gain in ten years, according to the Canadian Mortgage and Housing Corporation (CMHC). The seasonally adjusted rate of total housing starts for all areas in Canada jumped by 41% in June to 281,373 units from 200,018 units in May. Actual total housing starts jumped by more than 7,000 units to 23,518 from 15,889 in May, largely due to an increase in multi-unit starts, but remained slightly below last year’s level. Vancouver and Toronto saw the largest increases.

Canadian home sales rose 1.5% in June from May and were up 4.7% on an annual basis, according to the Canadian Real Estate Association (CREA). The Home Price Index rose 2% for the month but was down 4.75% annually; the average selling price was up 6.7% year over year.

The CREA now expects about 464,000 properties to be re-sold via the Canadian MLS systems in 2023, down from April's forecast of 492,674 properties. The new tally is 6.8% below 2022 levels. The downgrade from the previous two forecasts is broadly based as CREA expects the sales rebound to be cut short by the rising cost of borrowing. The forecast sales would be in line with the 10-year average, but below 2007, 2016, 2020 and 2021.

GDP Rises 0.3%

GDP increased 0.3% in May, following a 0.1% uptick in April. Services-producing industries were up 0.5%, while goods-producing industries partially offset the increase with a 0.3% decline in May. Overall, 12 of 20 industrial sectors posted increases. Energy-sector industries are being negatively impacted by Canada's widespread forest fires. Manufacturing and wholesale sectors grew as pandemic-era supply chain restrictions eased. **The construction sector shrank 0.8% in May** after increasing 0.2% in April as almost all subsectors posted declines. Residential building construction (-1.8%) contributed the most to the decrease, driven by declines in home alterations and improvement and construction of new single-detached homes.

Retail Sales Rise 0.2%

Retail sales rose 0.2% in May to \$66.0 billion. Sales increased in five of nine subsectors. Core retail sales, which exclude gasoline stations and fuel vendors and motor vehicle and parts dealers, were unchanged in May. In volume terms, retail sales increased 0.1% in May after rising 0.3% in April. While some sectors gained, sales fell 1.5% at building materials and garden equipment and supplies dealers (-1.5%). Sales rose in six provinces.

Retail Ecommerce Sales Rise 2.1%

On a seasonally adjusted basis, retail ecommerce sales were up 2.1% to \$3.7 billion in May, accounting for 5.6% of total retail trade compared with 5.5% in April.

MARKET TRENDS

Battery Powered Tool Sales Soar

The Home Depot reported that sales of battery-powered tools are skyrocketing, but customers are not necessarily buying them to help the environment. THD reported that hand-held battery powered tools have been widely adopted and now people are buying battery-powered lawn equipment, including blowers and trimmers. Most people are motivated by performance and price, according to THD. THD has been focusing on sustainability since 2008. A joint study from McKinsey and NielsenIQ released earlier this year showed products that claim to be environmentally and socially responsible, especially for food and personal care items, averaged 28% growth over the past five years, compared to 20% growth for products that didn't make those claims.

No Recession on the Horizon

Treasury Secretary Janet Yellen no longer expects the economy to go into a recession this year. She was addressing an international audience when she noted that the US is doing a great job of bringing down inflation while still maintaining a healthy job market. Yellen did note that slower-than-expected growth in China could have a spillover effect on the US and the rest of the global economy. The April Job Openings and Labor Turnover Survey (JOLTS) showed a substantial increase in job openings and the ratio of job openings to the number of unemployed persons, which is one of the best measures of slack in the job market, rose to 1.79, more than three times the long-run median. And the May Consumer Confidence survey showed that consumers say that jobs are getting harder to get. These are all indications of the job market moving back into balance. The latest GDP, Consumer Prices and Consumer Spending reports caused many economists to lower chances of a recession even further. More analysts believe the elusive "Soft Landing" for the economy may be possible.

Too Hot to Work?

As extreme heat blankets much of the country, companies are taking extraordinary measures to keep workers safe and allow them to keep working. Some construction companies are adding wearable smart monitors that alert managers when someone is getting overheated well before the individual may notice any symptoms. Target is allowing employees to wear

shorts as the extreme heat persists. Their only requirement is that they be solid colored capris, shorts, skirts, skorts and pants in good condition.

OSHA requires employers to provide workplaces free of known safety hazards, which includes heat hazards. Many municipalities are now appointing managers who are responsible for preparing for and dealing with heat emergencies.

The government declared its first-ever Heat Alert in late July when nearly 150,000 million people were under heat warnings and advisories, and announced a series of measures meant to help people keep their cool.

The US Forest Service is awarding more than \$1 billion in grants for the planting of trees that is aimed at helping to bring down temperatures in the long term.

The Department of Housing and Urban Development will provide billions of dollars to make buildings more efficient and more heat-resistant, as well as for the opening of cooling centers.

The Department of Interior is using infrastructure funding to expand water storage capacity to deal with future droughts.

NOAA is working on improving the nation's weather forecasts and accuracy by partnering with universities and impacted communities.

AI Leaders Agree to Safeguards

Seven US companies have agreed to adhere to voluntary standards meant to ensure their AI products are safe before they release them. Amazon, Google, Meta, Microsoft and other companies that are leading the development of artificial intelligence technology have agreed to meet a set of AI safeguards brokered by the Biden administration. Some of the commitments call for third-party oversight of the workings of commercial AI systems, though they don't detail who will audit the technology or hold the companies accountable.

Both fear and interest in AI are surging. Commercial investment in generative AI tools that can write convincingly human-like text and churn out new images and other media has

brought public fascination as well as concern about their ability to trick people and spread disinformation, among other dangers. The four tech giants, along with ChatGPT-maker OpenAI and startups Anthropic and Inflection, have committed to security testing "carried out in part by independent experts" to guard against major risks, including risks to biosecurity and cybersecurity. The companies have also committed to methods for reporting vulnerabilities to their systems and to using digital watermarking to help distinguish between real and AI-generated images known as deepfakes.

Regulating the use of AI in television and films is also one of the key issues that contributed to the Screen Actors Guild, the Association of Television and Radio Artists and the Screenwriters' Guild to go on strike, bringing most union production to a halt.

A number of countries have been looking at ways to regulate AI, including European Union lawmakers who have been negotiating sweeping AI rules for the 27-nation bloc.

Amazon One Palm Checkout Expands

Shoppers at Whole Foods stores in the United States won't have to bring their wallets to go grocery shopping. All 500 US Whole Foods locations will soon be outfitted with Amazon One's palm payment system. Amazon One is a palm-based identity service that lets shoppers verify their identity and pay by holding their hand over a scanner at stores and venues. Amazon began rolling out the technology at Amazon Go stores in Seattle in 2020 and has already expanded to include some Panera Bread locations and Denver's Coors Field. Amazon One uses biometrics to scan palms as a way to authenticate an individual's identity, similar to how law enforcement departments collect and store fingerprints. Amazon's handling of biometric data has raised privacy and security concerns and New York City sued Amazon in March for failing to post signs warning people of biometric surveillance. Amazon maintains that palm prints are not stored on the devices and that palm data is kept secure by both technical and physical means.