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What to watch

Wall Street to return focus to economy

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Second-quarter earnings season — which has been surprisingly solid — is winding down. Geopolitical risk seems to be abating, witnessed by Russian President Vladimir Putin switching from tough talk to talking nice about the Ukraine crisis. So Wall Street will have a chance to switch its attention back to the economy.

It's been a light week of economic data. But that all changes today, when investors get fresh readings on inflation, manufacturing, factory output and the mood of the American consumer.

The new data come amid a stock market revival, as the it has regained much of the ground it lost earlier this summer when geopolitical fears — emanating from Ukraine, Russia, Israel, Gaza and Iraq — and financial fears involving Argentina debt and the Portuguese banking sector knocked the stock market down almost 5%.

Wall Street, of course, is looking for fresh signs that the economy, which contracted in the first quarter due, in large part, to lousy weather that reduced consumer spending, is on a peppier growth path.

Data to be released today will offer the latest snapshot of the health of the economy. At 8:30 a.m. comes the July reading on inflation at the producer level. The state of manufacturing in New York state in August will also be released, as will the July reading on industrial production. The University of Michigan will release its first look at August consumer confidence at 9:55 a.m. ET.