Economic Update, April 27, 2018
Submitted by Dave Keiser

Summary: The US economic news continues to be generally positive. Sales of single-family homes continued to increase; the international trade deficit shrank; manufacturing of durable goods increased; GDP increased and so did wages. However, unemployment insurance claims increased and so did job losses.

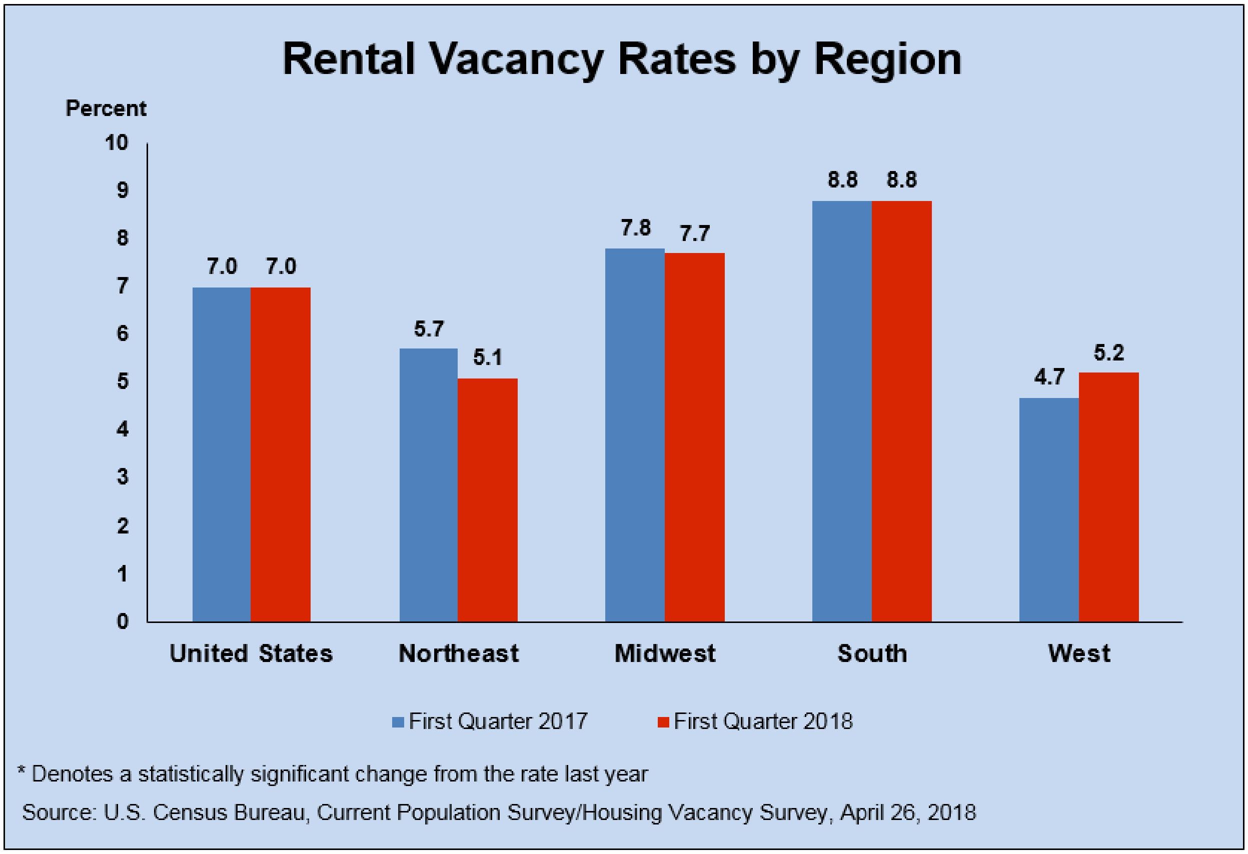
Census Bureau

Tuesday, Monthly New Residential Sales: March 2018 sales of new single-family houses were at a seasonally adjusted annual rate of 694,000, "4.0 percent above the revised February 2018 rate of 667,000 and 8.8 percent above the March 2017 estimate of 638,000. The median sales price of new houses sold in March 2018 was $337,200. The average sales price was $369,000."

Thursday, Monthly Advance Economic Indicators Report: "The international trade deficit was $68.0 billion in March, down $7.8 billion from $75.9 billion in February." Exports of goods were $140.1 billion in March 2018, up $3.4 billion from February 2018. Imports of goods were down $4.4 billion to a total of $208.1 billion in March 2018. Advance wholesale inventories were up in March 2018 by 0.5 percent from the February 2018 report to a new total of $628.8 billion. Advance retail inventories were down 0.4 percent in March 2018 and now total $625.6 billion.

Thursday, Monthly Advance Report on Manufacturers' Shipments, Inventories, and Orders: In March 2018, new orders for manufactured durable goods increased 2.6 percent to $254.9 billion. "Transportation equipment . . . up four of the last five months, drove the increase, $6.4 billion or 7.6 percent to $91.4 billion. Shipments of manufactured durable goods in March, up ten of the last eleven months, increased $0.7 billion or 0.3 percent to $250.0 billion." Unfilled orders for manufactured durable goods in March 2018, up six of the last seven months, increased $9.3 billion or 0.8 percent to $1.2 trillion.

Thursday, Quarterly Residential Vacancies and Homeownership, First Quarter 2018: "National vacancy rates in the first quarter 2018 were 7.0 percent for rental housing and 1.5 percent for homeowner housing. The rental vacancy rate of 7.0 percent was virtually unchanged from the rate in the first quarter 2017 (7.0 percent) and not statistically different from the rate in the fourth quarter 2017 (6.9 percent). The homeowner vacancy rate of 1.5 percent was 0.2 percentage points lower than the rate in the first quarter 2017 (1.7 percent) and 0.1 percentage point lower than the rate in the fourth quarter 2017 (1.6 percent)."




Bureau of Labor Statistics

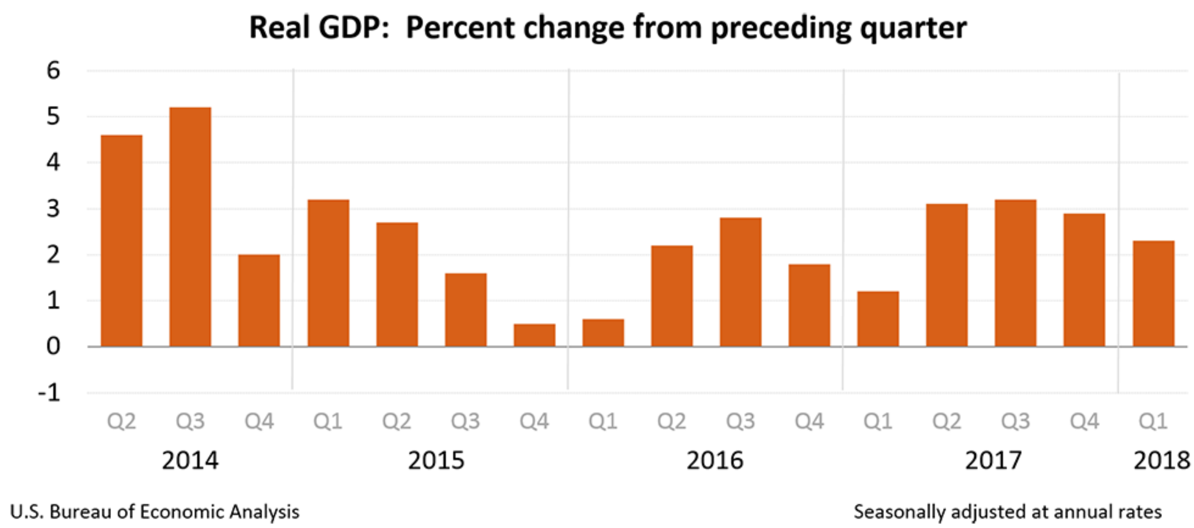
Wednesday, Business Employment Dynamics: "From June 2017 to September 2017, gross job losses from closing and contracting private-sector establishments were 7.4 million, an increase of 268,000 jobs lost from the previous quarter. . . . Over this period, gross job gains from opening and expanding private-sector establishments were 7.3 million, a decrease of 348,000 jobs gained over the quarter. The difference between the number of gross job gains and the number of gross job losses yielded a net employment loss of 140,000 jobs in the private sector during the third quarter of 2017."

Thursday, College Enrollment and Work Activity of Recent High School and College Graduates: "In October 2017, 66.7 percent of 2017 high school graduates age 16 to 24 were enrolled in colleges or universities. Among persons age 20 to 29 who received a bachelor's degree in 2017, 77.6 percent were employed."

Friday, Employment Cost Index: "Compensation costs for civilian workers increased 0.8 percent, seasonally adjusted, for the 3-month period ending in March 2018. . . . Wages and salaries (which make up about 70 percent of compensation costs) increased 0.9 percent, and benefits (which make up the remaining 30 percent of compensation) increased 0.7 percent."

Bureau of Economic Analysis

Friday, Gross Domestic Project, First Quarter 2018 (Advance Estimate): "Real gross domestic product (GDP) increased at an annual rate of 2.3 percent in the first quarter of 2018. . . . In the fourth quarter, real GDP increased 2.9 percent. . . . The increase in real GDP in the first quarter reflected positive contributions from nonresidential fixed investment, personal consumption expenditures (PCE), exports, private inventory investment, federal government spending, and state and local government spending.  Imports, which are a subtraction in the calculation of GDP, increased.  The deceleration in real GDP growth in the first quarter reflected decelerations in PCE, residential fixed investment, exports, and state and local government spending.  These movements were partly offset by an upturn in private inventory investment.  Imports, which are a subtraction in the calculation of GDP, decelerated."




U.S. Department of Labor

Thursday, Initial Claims:  "In the week ending April 22, the advance figure for seasonally adjusted initial claims was 257,000, an increase of 14,000 from the previous week's revised level.  The previous week's level was revised down by 1,000 from 244,000 to 243,000.  The 4-week moving average was 242,250, a decrease of 500 from the previous week's revised average.  The previous week's average was revised down by 250 from 243,000 to 242,750."

Bloomberg.com

Thursday, Consumer Comfort Index:  The latest index dropped from 58.1 to 57.5.  "U.S. consumer sentiment eased last week from a 17-year high as Americans felt the pinch of higher gasoline prices. . . . Retail gasoline prices at their highest since mid-2015 are hitting Americans in their pocketbooks, helping explain the more subdued personal finances measure.  Even with the outsize decline in the gauge, it's still close to the highest level since 2001.  Sustained hiring, fewer layoffs and gradually improving wage growth are softening the blow from higher prices at the gas pump.  Sentiment declined among those earning less than $50,000 a year, underscoring the burden of rising fuel costs on lower-income Americans."

The University of Michigan

Friday, Consumer Sentiment Index:  "Consumer sentiment improved slightly in the 2nd half of the month, shrinking the small overall decline for April.  The final April figure was nearly identical to its 2018 average (98.9)—which was higher than any other yearly average since 107.6 was recorded in 2000 (which was, in turn, the highest yearly average in more than a half century)."