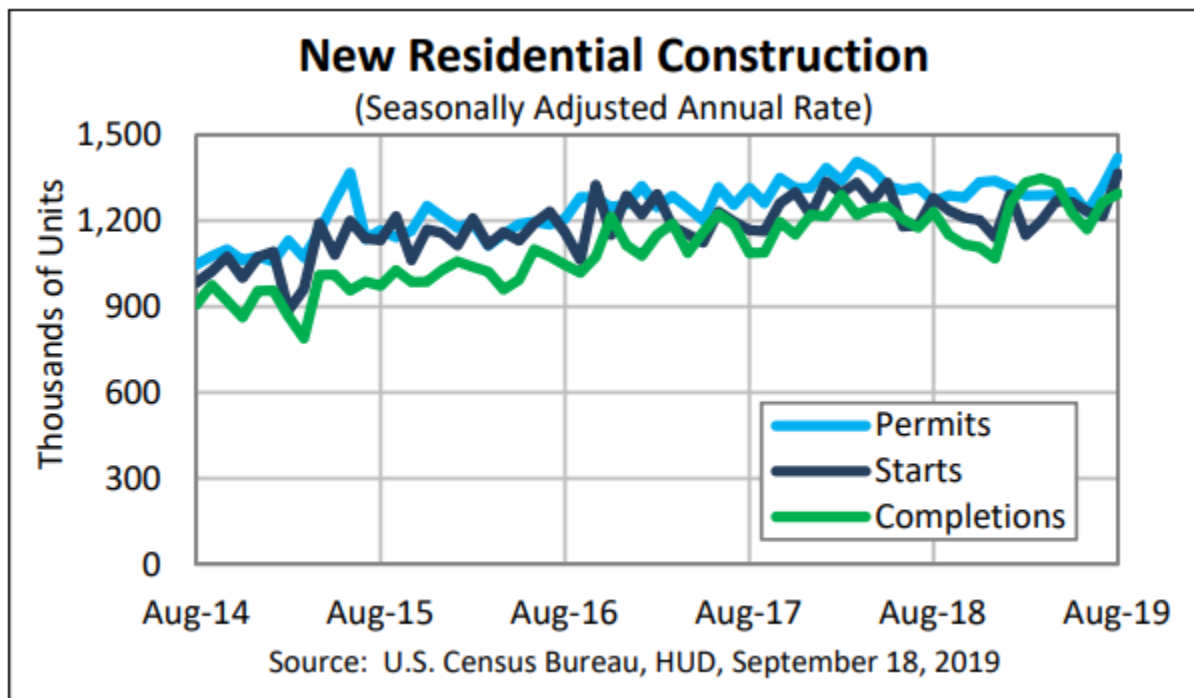


Summary: Although residential construction picked up in August, the leading economic indicators show a slowing but still expanding economy. Initial claims for unemployment insurance in the US were up slightly, but Tennessee's unemployment rate was unchanged at 3.5 percent. The international trade deficit also decreased in the second quarter of 2019, and petroleum production was down last week. The Federal Reserve cut interest rates slightly this week, though it noted that the labor market remains strong, household spending is increasing, and economic activity has been increasing at a moderate rate.

Census

Wednesday, [New Residential Construction](#): "Privately-owned housing units authorized by building permits in August were at a seasonally adjusted annual rate of 1,419,000. This is 7.7 percent above the revised July rate of 1,317,000 and is 12.0 percent above the August 2018 rate of 1,267,000. . . . Privately-owned housing starts in August were at a seasonally adjusted annual rate of 1,364,000. This is 12.3 percent above the revised July estimate of 1,215,000 and is 6.6 percent above the August 2018 rate of 1,279,000. . . . Privately-owned housing completions in August were at a seasonally adjusted annual rate of 1,294,000. This is 2.4 percent above the revised July estimate of 1,264,000 and is 5.0 percent above the August 2018 rate of 1,232,000."

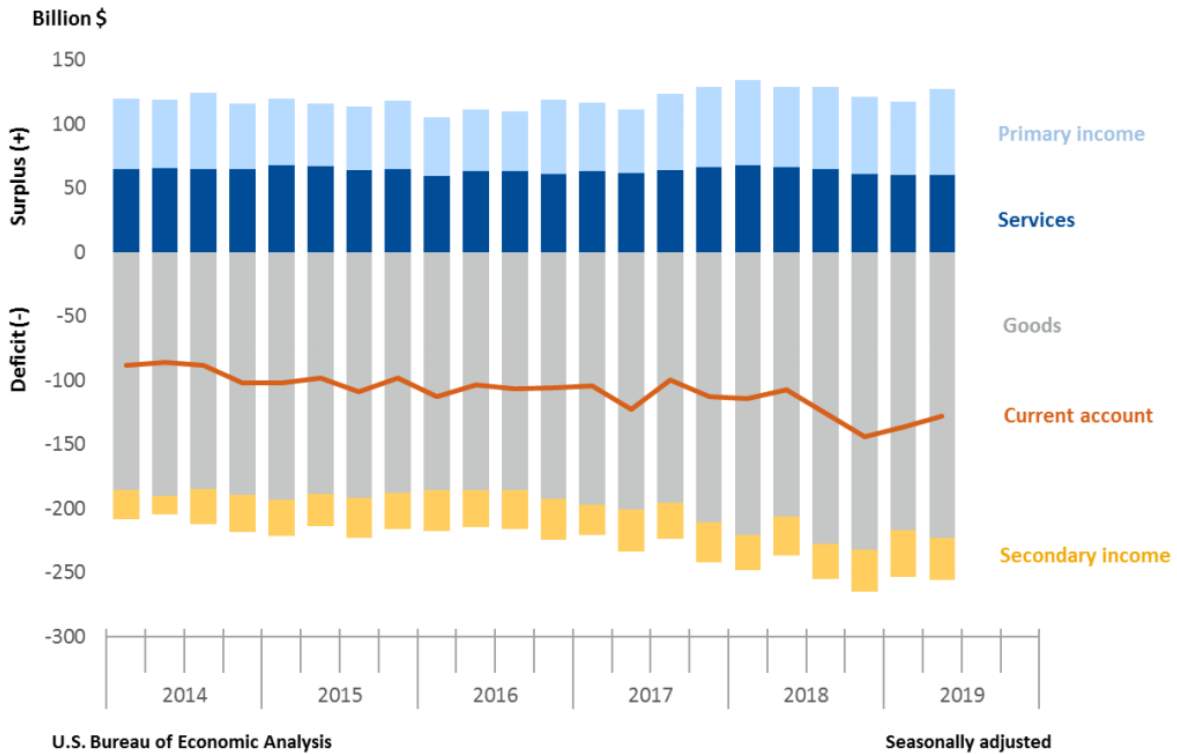


Bureau of Economic Analysis

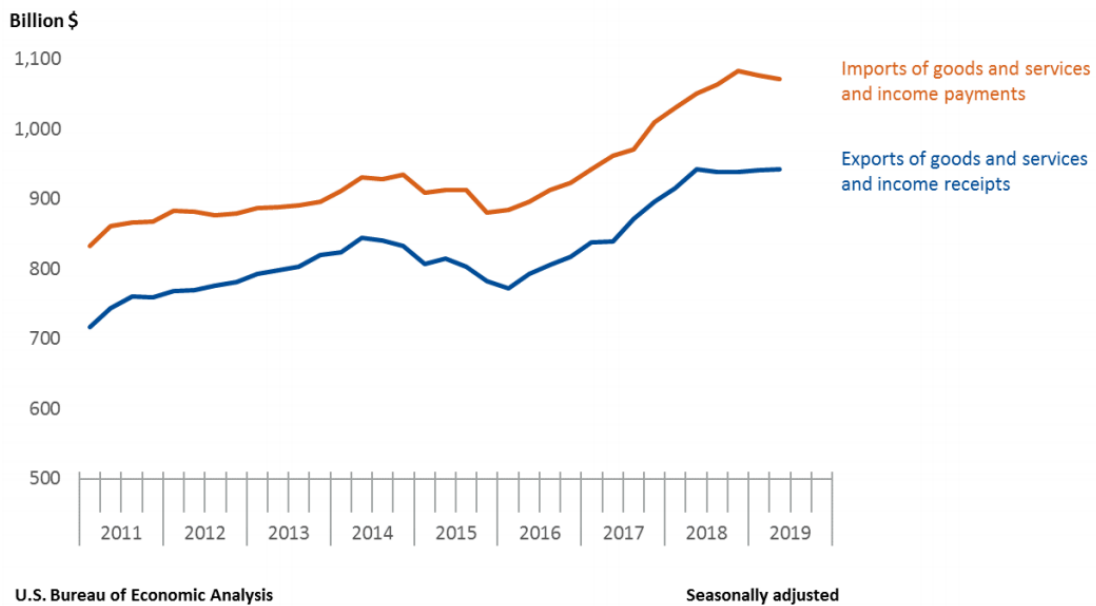
Thursday, [US International Transactions](#): "The US current account deficit, which reflects the combined balances on trade in goods and services and income flows between US residents and residents of other countries, narrowed by \$8.0 billion, or 5.9 percent, to \$128.2 billion in the second quarter of 2019. . . . The second quarter deficit was 2.4 percent of current dollar gross domestic product, down from 2.6 percent in the first quarter. The \$8.0 billion narrowing of the current account deficit in the second quarter mainly reflected an expanded surplus on primary income. Exports of goods and services to, and income received from, foreign residents increased \$2.1 billion, to \$943.0 billion, in the

second quarter. Imports of goods and services from, and income paid to, foreign residents decreased \$5.9 billion, to \$1.07 trillion.”

Quarterly U.S. Current Account and Component Balances



Quarterly U.S. Current Account Transactions

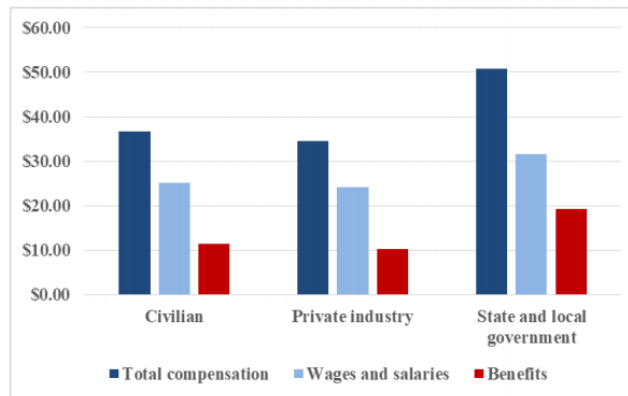


Thursday, [Initial Claims](#): “In the week ending September 14, the advance figure for seasonally adjusted initial claims was 208,000, an increase of 2,000 from the previous week’s revised level. . . . The 4-week moving average was 212,250, a decrease of 750 from the previous week’s revised average.” Initial claims in Tennessee were 2,041, representing a decrease of 83 from the previous week.

Bureau of Labor Statistics

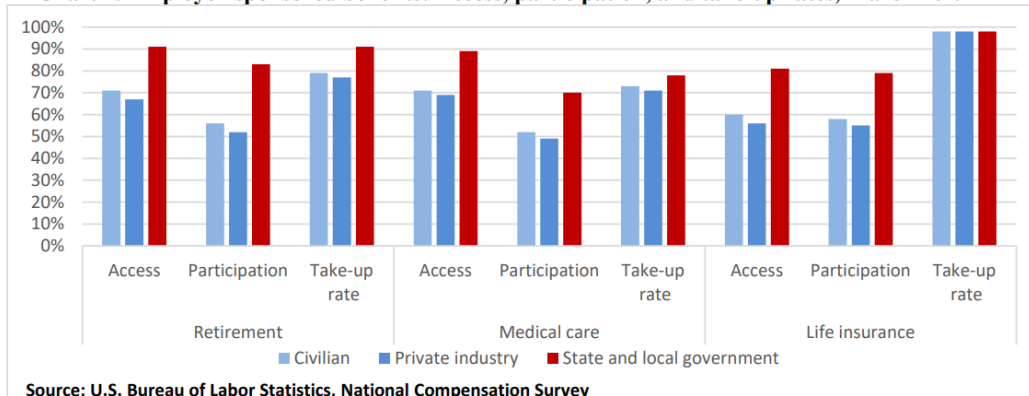
Tuesday, [Employer Costs for Employee Compensation](#): “Employer costs for employee compensation averaged \$36.61 per hour worked in June 2019. . . . Wages and salaries averaged \$25.12 per hour worked and accounted for 68.6 percent of these costs, while benefit costs averaged \$11.48 and accounted for the remaining 31.4 percent.”

Chart 1. Employer costs per employee hour worked, June 2019



Thursday, [Employee Benefits](#): “Retirement benefits were available to 91 percent of state and local government workers in March 2019. . . . Retirement benefits include defined benefit and defined contribution plans. Sixty-nine percent of state and local government workers in the lowest 10th percent wage category and 95 percent of workers in the highest 10th percent wage category had access to retirement benefits. Seventy-seven percent of private industry workers had access to and participated in employer-provided retirement benefits. . . . Retirement benefits were available to 31 percent of workers in the lowest 10th percent wage category and 88 percent of workers in the highest 10th percent wage category.”

Chart 1. Employer-sponsored benefits: Access, participation, and take-up rates, March 2019



Friday, [State Employment and Unemployment](#): “Unemployment rates were lower in August in 5 states, higher in 3 states, and stable in 42 states and the District of Columbia.” Preliminary numbers for

August 2019 show Tennessee's unemployment rate remains unchanged from July at 3.5 percent. Vermont's unemployment rate is the lowest at 2.1 percent, and Alaska's is the highest at 6.2 percent.

Federal Reserve

Wednesday, [FOMC](#): In a statement accompanying its rate cut, the Federal Open Markets Committee (FOMC) said, "Information received since the Federal Open Market Committee met in July indicates that the labor market remains strong and that economic activity has been rising at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Although household spending has been rising at a strong pace, business fixed investment and exports have weakened. On a 12-month basis, overall inflation and inflation for items other than food and energy are running below 2 percent."

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): "Mortgage applications decreased 0.1 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages . . . increased to 4.01 percent from 3.82 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 3.42 percent from 3.28 percent."

National Association of Realtors

Thursday, [Existing Home Sales](#): "Total existing-home sales . . . rose 1.3% from July to a seasonally adjusted annual rate of 5.49 million in August. Overall sales are up 2.6% from a year ago (5.35 million in August 2018). . . . Existing-home sales in the South increased 0.9% to an annual rate of 2.33 million in August, up 3.6% from a year ago. The median price in the South was \$240,300, up 5.4% from one year ago." According to Lawrence Yun, NAR's chief economist, "as expected, buyers are finding it hard to resist the current rates."

The Conference Board

Thursday, [Leading Economic Index](#): The index "for the US was unchanged in August, remaining at 112.1 (2016 = 100), following a 0.4 percent increase in July, and no change in June. 'The US LEI remained unchanged in August, following a large increase in July. Housing permits and the Leading Credit Index offset the weakness in the index from the manufacturing sector and the interest rate spread,' said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. 'The recent trends in the LEI are consistent with a slow but still expanding economy, which has been primarily driven by strong consumer spending and robust job growth.'"

