

Summary: Though the war in Ukraine and [its potential effects on the U.S. economy](#) (e.g. higher energy costs) cast a shadow on the other economic news this week, there were a few bright spots. Private sector output looked strong for both goods and services in February, real GDP growth strengthened in the fourth quarter of 2021, and initial claims for unemployment insurance decreased. However, according to IHS Markit, “February also saw a survey record rise in average prices charged for goods and services,” even as the Purchasing Managers’ Index (PMI) edged up. And consumer sentiment softened, which the University of Michigan attributed to “inflationary declines in personal finances, [and] a near universal awareness of rising interest rates.”

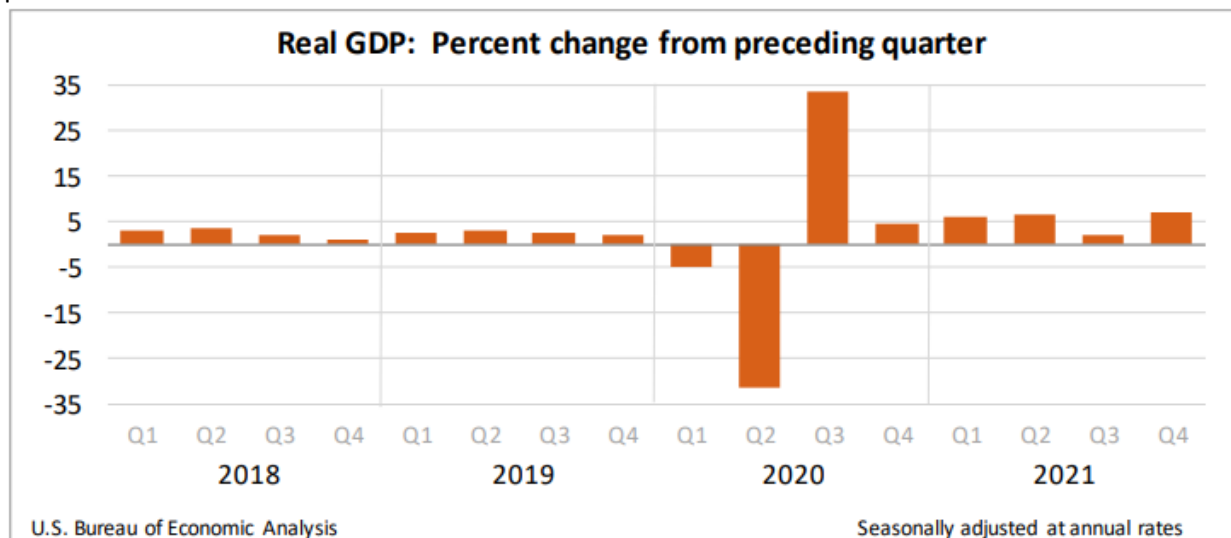
Federal Government Indicators and Reports

U.S. Census

Friday, [Durable Goods](#): “New orders for manufactured durable goods in January increased . . . 1.6 percent to \$277.5 billion.” New orders for nondefense capital goods, excluding aircraft, increased 0.9 percent to \$80.0 billion.

Bureau of Economic Analysis

Thursday, [Gross Domestic Product](#): “Real gross domestic product (GDP) increased at an annual rate of 7.0 percent in the fourth quarter of 2021,” whereas “in the third quarter, real GDP increased 2.3 percent.”



Friday, [Personal Income and Outlays](#): “Personal income increased \$9.0 billion (less than 0.1 percent) in January,” while the personal consumption expenditures “price index increased 0.6 percent” for the month and “6.1 percent from one year ago.”

Bureau of Labor Statistics

Wednesday, [Major Work Stoppages](#): “In 2021, there were 16 major work stoppages beginning in the year.”

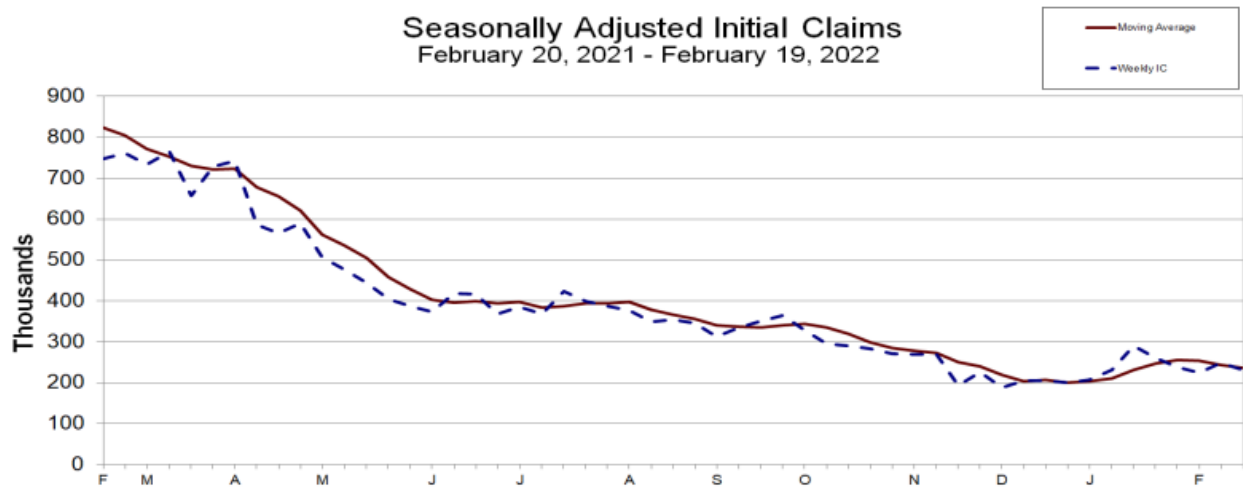
Wednesday, [County Employment and Wages](#): “From September 2020 to September 2021, employment increased in 332 of the 343 largest U.S. counties.” For Tennessee’s five largest counties (excluding Davidson), percentage increases in employment ranged from 2.2 percent in Hamilton County

to 6.7 percent in Williamson County. Increases in wages ranged from 5.3 percent in Williamson County to 10.3 percent in Shelby County.

Thursday, [Persons with a Disability](#): “In 2021, 19.1 percent of persons with a disability were employed, up from 17.9 percent in 2020. . . . For persons without a disability, 63.7 percent were employed in 2021, up from 61.8 percent in the prior year.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending February 19, the advance figure for seasonally adjusted initial claims was 232,000, a decrease of 17,000 from the previous week's revised level. The previous week's level was revised up by 1,000 . . . to 249,000.”



Economic Indicators and Confidence

IHS Markit

Tuesday, [PMI Composite](#): The index increased from 51.1 to 56.0 from January to February 2022. “Growth of private sector output in the U.S. gained considerable momentum in February as companies reported a notable recovery in demand from COVID-related disruptions at the start of the year. Services firms led the rise, although manufacturers likewise registered a stronger increase in output, buoyed by a slight easing of supply bottlenecks. However, February also saw a survey record rise in average prices charged for goods and services.”

The Conference Board

Tuesday, [Consumer Confidence](#): The index decreased from 111.1 to 110.5 from January to February 2022. “Concerns about inflation rose again in February, after posting back-to-back declines. Despite this reversal, consumers remain relatively confident about short-term growth prospects. While they do not expect the economy to pick up steam in the near future, they also do not foresee conditions worsening. Nevertheless, confidence and consumer spending will continue to face headwinds from rising prices in the coming months.”

Federal Reserve

Thursday, [National Activity Index](#): The index “rose to +0.69 in January from +0.07 in December.”

University of Michigan

Friday, [Consumer Sentiment](#): The index decreased from 67.2 to 62.8 from January to February 2022. “The February descent resulted from inflationary declines in personal finances, a near universal awareness of rising interest rates, falling confidence in the government's economic policies, and the most negative long-term prospects for the economy in the past decade.”

Mortgages and Housing Markets

U.S. Census

Thursday, [New Residential Sales](#): “Sales of new single-family houses in January 2022 were at a seasonally adjusted annual rate of 801,000. . . . This is 4.5 percent below the revised December rate of 839,000 and is 19.3 percent below the January 2021 estimate of 993,000.”

S&P/Case Schiller

Tuesday, [Home Prices](#): The index “reported an 18.8 percent annual gain in December, remaining the same from the previous month.”

Federal Housing Finance Agency

Tuesday, [House Prices](#): “U.S. house prices rose 17.5 percent from the fourth quarter of 2020 to the fourth quarter of 2021.” Of the 50 states, Tennessee ranked fifth with a 24.1 percent increase.

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 13.1 percent from one week earlier. . . . Mortgage applications dropped to their lowest level since December 2019 last week, as mortgage rates continued to inch higher. The 30-year fixed rate was 4.06 percent, almost a full percentage point higher than a year ago.”