

Economic Update, February 10, 2023
Submitted by Michael Mount

Summary: The Conference Board's Employment Trends improved in January, but initial claims for unemployment insurance increased last week. Governor Waller of the Federal Reserve expects inflation to decrease as personal consumption grows modestly. Mortgage applications increased last week as mortgage interest rates continued to fall. Also of note, the St. Louis Fed has released a fact sheet about [childcare costs and Tennessee's economy for 2021](#).

Federal Government Indicators and Reports

Bureau of Economic Analysis

Tuesday, [International Trade](#): "The goods and services deficit was \$67.4 billion in December, up \$6.4 billion from \$61.0 billion in November, revised. . . . December exports were \$250.2 billion, \$2.2 billion less than November exports. December imports were \$317.6 billion, \$4.2 billion more than November imports."

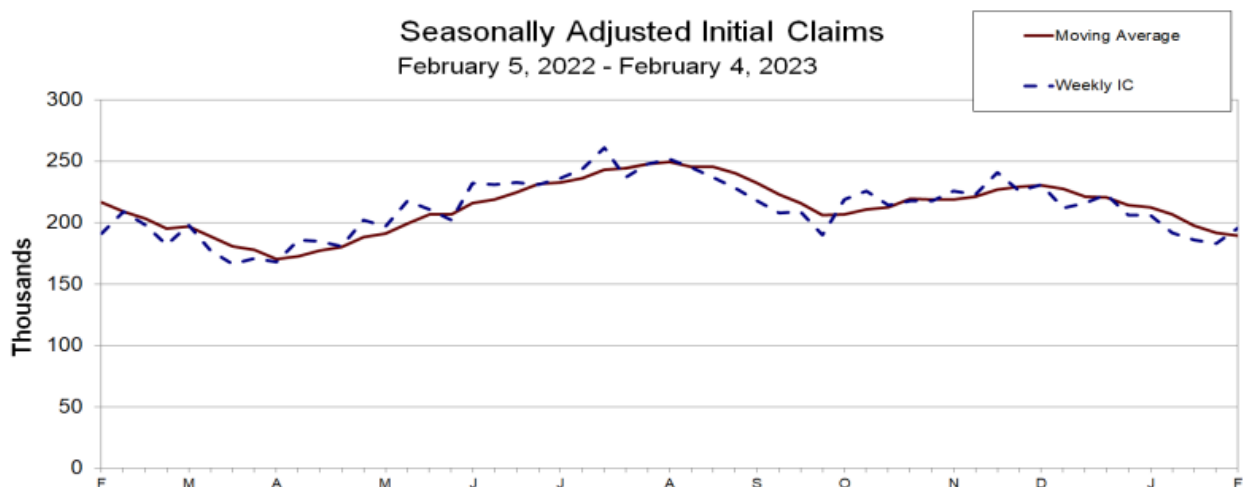
Wednesday, [Wholesale Trade](#): "December 2022 sales of merchant wholesalers . . . were \$687.8 billion, virtually unchanged from the revised November level, but were up 7.3 percent from the revised December 2021 level." Wholesale inventories increased 0.1 percent.

Bureau of Transportation Statistics

Wednesday, [Freight Transportation Services Index](#): The index "rose 0.6 percent in December from November, rising for the first month after two months of decline. . . . From December 2021 to December 2022 the index rose 0.5 percent."

Department of Labor

Thursday, [Initial Claims](#): "In the week ending February 4, the advance figure for seasonally adjusted initial claims was 196,000, an increase of 13,000 from the previous week's unrevised level of 183,000."

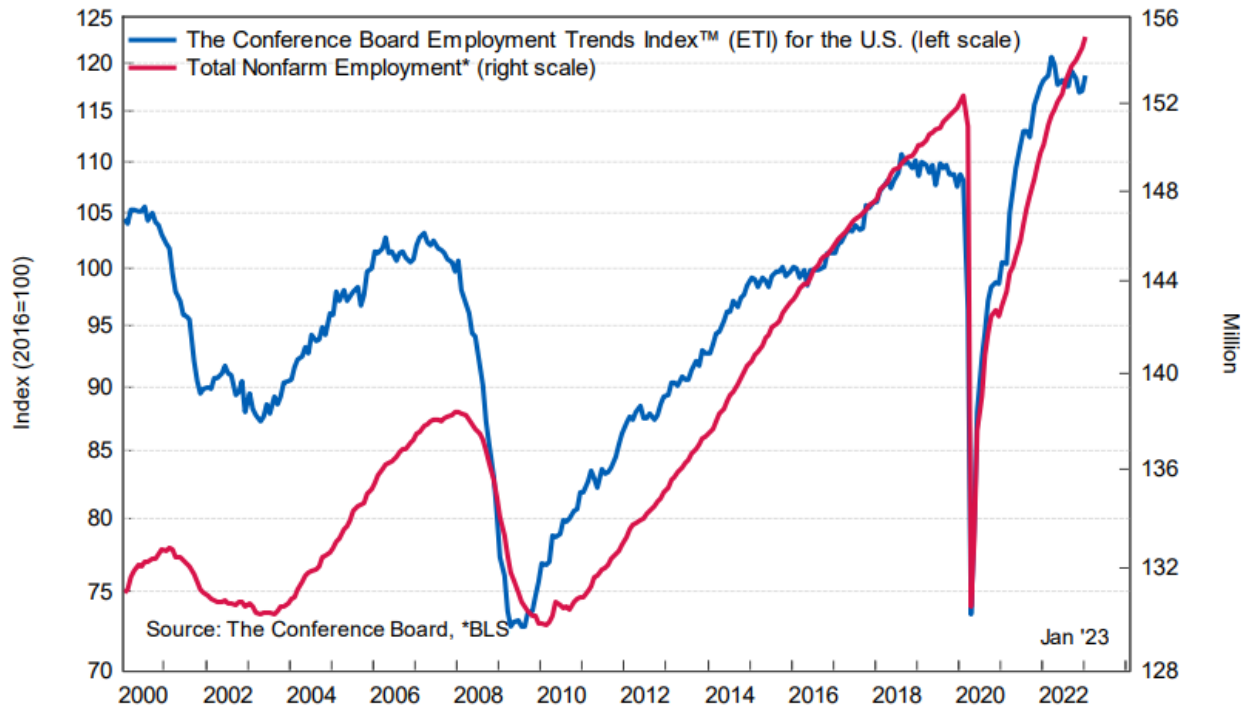


Economic Indicators and Confidence

The Conference Board

Monday, [Employment Trends Index](#): The index "rose in January to 118.74, up from an upwardly revised 117.06 in December 2022."

The Conference Board Employment Trends Index™, January 2000 to Present



Investor's Business Daily

Tuesday, [Economic Optimism](#): The index “rose 1.8-points to 45.1 in February. That put the index at a 10-month high, but still in pessimistic territory, below the 50 neutral level, for an 18th straight month. . . . The IBD/TIPP Poll finds that 27 percent of adults say their wages have kept pace with inflation, up from 21 percent in January. Meanwhile, 48 percent say wages haven't kept up with inflation, down from 52 percent.”

Federal Reserve

Tuesday, [Consumer Credit](#): “In 2022, consumer credit increased 7.8 percent, with revolving and nonrevolving credit increasing 14.8 percent and 5.6 percent, respectively.”

Wednesday, [Waller Speech](#): “The big picture is that the U.S. economy is adjusting well so far to the higher interest rates that are necessary to rein in inflation. But inflation remains quite elevated, and so more needs to be done. . . . Looking forward, I expect personal consumption will grow modestly and price increases will moderate.”

University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment was essentially unchanged at 1.5 index points above January. . . . After three consecutive months of increases, sentiment is now 6 percent above a year ago but still 14 percent below two years ago, prior to the current inflationary episode.”

Mortgages and Housing Markets

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 7.4 percent from one week earlier. . . . The 30-year fixed mortgage rate inched lower to 6.18 percent, its fifth consecutive

weekly decline. The 30-year fixed rate is almost a percentage point below its recent high of 7.16 percent in October 2022. . . . Overall applications remained 58 percent lower than a year ago and rates are still significantly higher, however, this week's results are a step in the right direction.”