

Economic Update, March 15, 2019
Submitted by Michael Mount

Summary: Real earnings growth increased 0.3 percent from January to February 2019 (see chart below). Consumer sentiment improved overall but fell for households with incomes in the top third. Initial claims for unemployment insurance remained around 225,000 per week; reports for recent weeks have ranged from 200,000 to 253,000 (see second chart below).

Census

Monday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for January 2019 . . . were \$504.4 billion, an increase of 0.2 percent from the previous month, and 2.3 percent above January 2018.”

Monday, [Manufacturing and Trade](#): “The combined value of distributive trade sales and manufacturers’ shipments for December . . . was estimated at \$1,445.0 billion, down 1.0 percent from November 2018, but was up 2.1 percent from December 2017. Manufacturers’ and trade inventories . . . were estimated at an end-of-month level of \$1,994.5 billion, up 0.6 percent from November 2018 and were up 4.8 percent from December 2017.”

Wednesday, [Durable Goods](#): “New orders for manufactured durable goods in January increased \$0.9 billion or 0.4 percent to \$255.3 billion. . . . Nondefense new orders for capital goods in January increased \$2.0 billion or 2.5 percent to \$80.3 billion.”

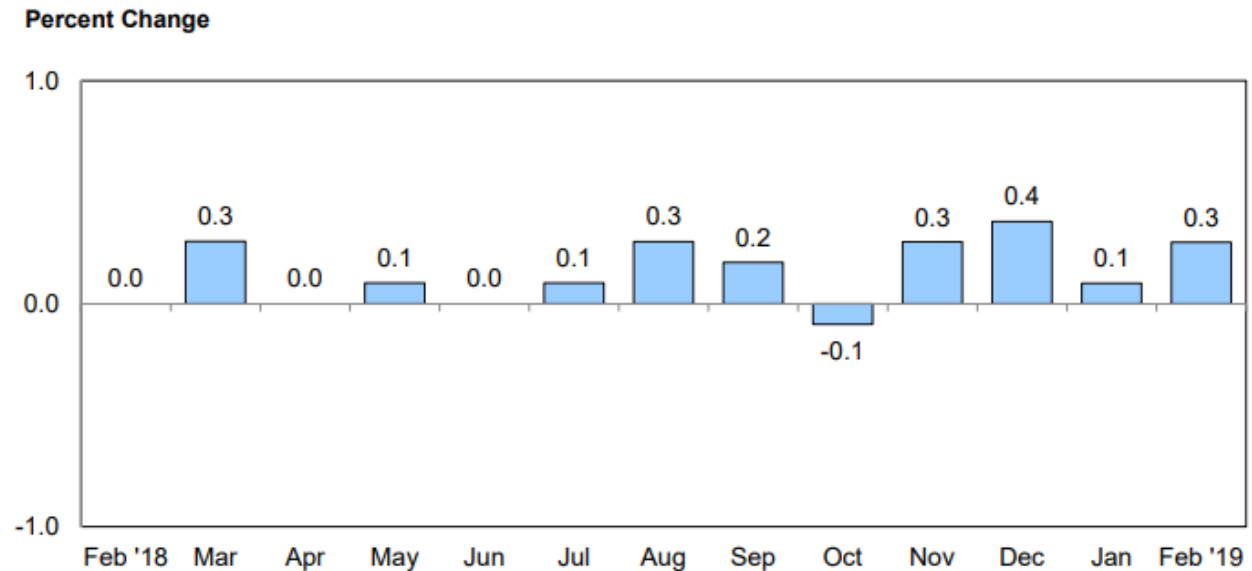
Wednesday, [Construction](#): The annualized value of construction put in place increased 1.3 percent from \$1,263,141,000,000 in December 2018 to \$1,279,636,000,000 in January 2019. Public construction increased 4.9 percent while private construction increased by 0.2 percent.

Thursday, [Residential Sales](#): “Sales of new single-family houses in January 2019 were at a seasonally adjusted annual rate of 607,000. . . . This is 6.9 percent below the revised December rate of 652,000 and is 4.1 percent below the January 2018 estimate of 633,000.”

Bureau of Labor Statistics

Tuesday, [Real Earnings](#): “Real average hourly earnings for all employees increased 0.3 percent from January to February. . . . This result stems from a 0.4-percent increase in average hourly earnings combined with a 0.2-percent increase in the Consumer Price Index for All Urban Consumers (CPI-U).”

Chart 1: Over-the-month percentage change in real average hourly earnings for all employees, seasonally adjusted, February 2018 – February 2019



Source: Bureau of Labor Statistics.

Tuesday, [Consumer Price Index](#): “The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in February on a seasonally adjusted basis after being unchanged in January. . . . Over the last 12 months, the all items index increased 1.5 percent before seasonal adjustment.”

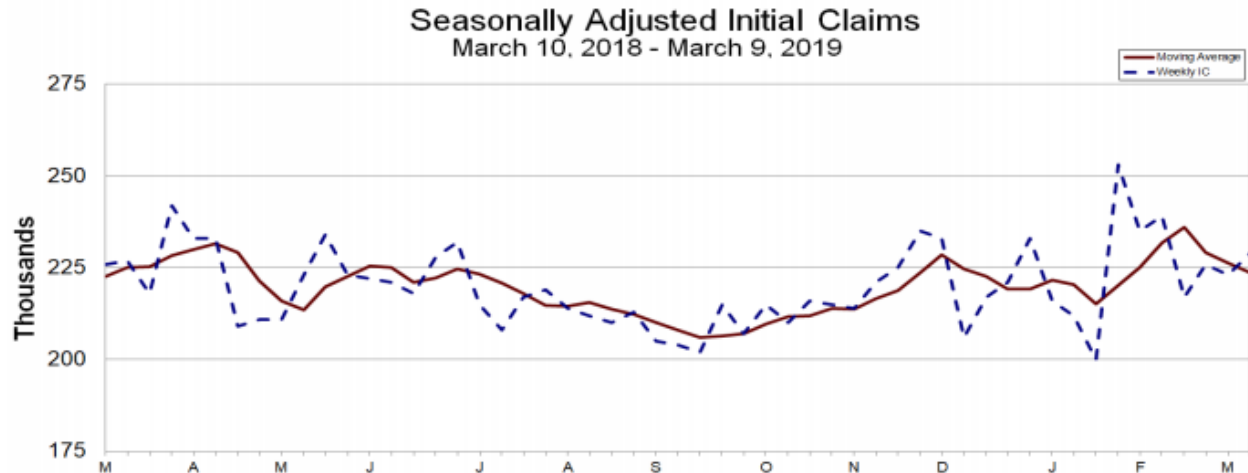
Wednesday, [Producer Price Index](#): “The Producer Price Index for final demand edged up 0.1 percent in February. . . . On an unadjusted basis, the final demand index moved up 1.9 percent for the 12 months ended in February.”

Thursday, [US Import and Export Prices](#): “Prices for U.S. imports advanced 0.6 percent in February . . . after ticking up 0.1 percent in January and falling 1.4 percent in December. The February increase was led by higher fuel prices. U.S. export prices rose 0.6 percent in February following decreases of 0.5 percent and 0.7 percent the previous 2 months.”

Friday, [Job Openings and Labor Turnover \(JOLT\)](#): “The number of job openings was little changed at 7.6 million on the last business day of January. . . . Over the month, hires and separations were little changed at 5.8 million and 5.6 million, respectively.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending March 9, the advance figure for seasonally adjusted initial claims was 229,000, an increase of 6,000 from the previous week's unrevised level of 223,000.”



Source: US Department of Labor.

Federal Reserve

Monday, [Consumer Expectations](#): “Median inflation expectations at both the one-year and three-year horizons declined by 0.2 percentage points to 2.8% in February. . . . Median one-year ahead earnings growth expectations increased marginally from 2.4% in January to 2.5% in February. . . . The mean probability that the U.S. unemployment rate will be higher one year from now . . . declined from 40.6% in January to 37.2%.”

National Federation of Independent Businesses

Tuesday, [Small Business Optimism](#): The index “improved modestly in February, increasing 0.5 points to 101.7. Views about future business conditions and the current period as a good time to expand improved as did plans to make capital outlays.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 2.3 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$484,350 or less) decreased to 4.64 percent from 4.67 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages decreased to 4.02 percent from 4.08 percent.”

University of Michigan

Friday, [Consumer Sentiment](#): “The early March gain in sentiment was entirely due to households with incomes in the bottom two-thirds of the distribution, whose sentiment rose to 97.4 from 90.0 in February. Sentiment fell among households with incomes in the top third to 98.5 in early March from 101.7 in February. The difference that accounted for the divergence was how households evaluated their personal finances, as lower income households expressed much more positive assessments. . . . Moreover, all income groups voiced more positive prospects for growth in the overall economy during the year ahead.”