

Economic Update, March 28, 2024

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Summary: Federal government indicators this week show increases in orders and shipments of manufactured goods, as well as an adjusted increase in fourth-quarter GDP readings for 2023. Initial unemployment claims decreased at the national and state levels. The Chicago Fed's National Activity Index increased—the monthly index is designed to measure economic activity and inflationary pressure. In terms of the housing market, new residential sales fell slightly from January to February 2024 but were well above February 2023. [Mortgage applications decreased](#) slightly from the previous week, “as homebuyers continue to hold out for lower mortgage rates and for more listings to hit the market.”

Federal Government Indicators and Reports

U.S. Census Bureau

Tuesday, [Durable Goods](#): “New orders for manufactured durable goods in February, up following two consecutive monthly decreases, increased \$3.7 billion or 1.4 percent to \$277.9 billion. . . . Shipments of manufactured durable goods in February, up following two consecutive monthly decreases, increased \$3.5 billion or 1.2 percent to \$282.7 billion.”

Bureau of Economic Analysis

Thursday, [GDP Fourth Quarter 2023](#): “Real gross domestic product (GDP) increased at an annual rate of 3.4 percent in the fourth quarter of 2023, according to the ‘third’ estimate. . . . The update primarily reflected upward revisions to consumer spending and nonresidential fixed investment that were partly offset by a downward revision to private inventory investment.”

U.S. Department of Labor

Thursday, [Initial Claims](#): “In the week ending March 23, the advance figure for seasonally adjusted initial claims was 210,000, a decrease of 2,000 from the previous week’s revised level.” In Tennessee, initial claims for the week ending March 23 were 2,745, a decrease of 370 from the previous week.

Other Economic Indicators and Forecasts

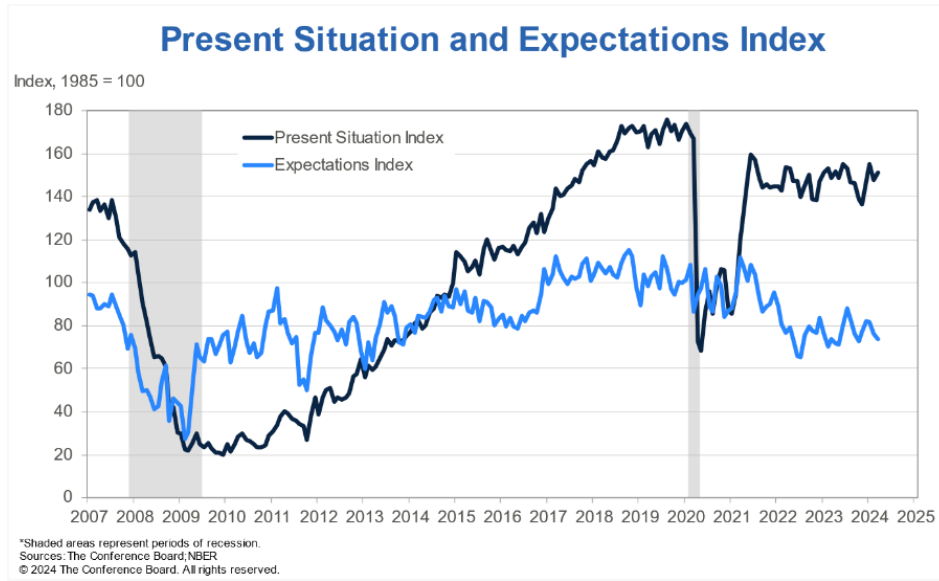
Federal Reserve Bank of Chicago

Monday, [National Activity Index](#): “The Chicago Fed National Activity Index (CFNAI) increased to +0.05 in February from -0.54 in January. All four broad categories of indicators used to construct the index increased from January, and three categories made positive contributions in February.” Positive values for the CFNAI are associated with above-average growth for the national economy and negative values with below-average growth.

The Conference Board

Tuesday, [Consumer Confidence](#): “The Conference Board Consumer Confidence Index was 104.7 in March, essentially unchanged from a downwardly revised 104.8 in February. The Present Situation

Index—based on consumers’ assessment of current business and labor market conditions—increased to 151.0 in March from 147.6 in February. Meanwhile, the Expectations Index—based on consumers’ short-term outlook for income, business, and labor market conditions—fell to 73.8, down from 76.3 last month. An Expectations Index reading below 80 often signals a forthcoming recession.”



Mortgages and Housing Markets

U.S. Census Bureau

Monday, [New Residential Sales](#): “Sales of new single-family houses in February 2024 were at a seasonally adjusted annual rate of 662,000. . . . This is 0.3 percent below the revised January rate of 664,000 but is 5.9 percent above the February 2023 estimate of 625,000. . . . The median sales price of new houses sold in February 2024 was \$400,500. The average sales price was \$485,000. . . . The seasonally adjusted estimate of new houses for sale at the end of February was 463,000. This represents a supply of 8.4 months at the current sales rate.”

Federal Housing Finance Agency

Tuesday, [House Price Index](#): “U.S. house prices fell in January, down 0.1 percent from December. . . . House prices rose 6.3 percent from January 2023 to January 2024.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 0.7 percent from one week earlier . . . or the week ending March 22, 2024. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$766,550 or less) decreased to 6.93 percent from 6.97 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages decreased to 6.46 percent from 6.49 percent.” According to Joel Kan, MBA’s vice president and deputy chief economist, “Purchase applications were essentially unchanged, as homebuyers continue to hold out for lower mortgage rates and for more listings to hit the market.”

National Association of Realtors

Thursday, [Pending Home Sales](#): “Pending home sales in February grew 1.6 percent. . . . The Pending Home Sales Index (PHSI) – a forward-looking indicator of home sales based on contract signings – increased to 75.6 in February. Year over year, pending transactions were down 7.0 percent. . . . The South PHSI rose 1.1 percent to 89.5 in February, falling 8.5 percent from the prior year.”