

Economic Update, April 12, 2024
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Summary: Indicators and reports from the Federal Government this week show increases in the Consumer Price Index for All Urban Consumers, the Producer Price Index for final demand, and Wholesale Inventories. Real earnings remained unchanged, while business formations displayed a slight decrease. Initial unemployment claims decreased at the national level while displaying a slight increase at the state level. The Small Business Optimism Index, the Economic Optimism Index, and the preliminary results of the Index of Consumer Sentiment all fell. In terms of the housing market, mortgage applications slightly increased despite an increase in both 15 and 30-year fixed-rate mortgages.

Federal Government Indicators and Reports

Bureau of Labor Statistics

Wednesday, [Real Earnings](#): “Real average hourly earnings for all employees were unchanged from February to March. . . . This result stems from an increase of 0.3 percent in average hourly earnings combined with an increase of 0.4 percent in the Consumer Price Index for All Urban Consumers (CPI-U).”

Wednesday, [Consumer Price Index](#): “The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4 percent in March. . . . The index for shelter rose in March, as did the index for gasoline. Combined, these two indexes contributed over half of the monthly increase in the index for all items.”

Thursday, [Producer Price Indexes](#): “The Producer Price Index for final demand rose 0.2 percent in March, seasonally adjusted. . . . Final demand prices moved up 0.6 percent in February and 0.4 percent in January. On an unadjusted basis, the index for final demand increased 2.1 percent for the 12 months ended in March, the largest advance since rising 2.3 percent for the 12 months ended April 2023.”

Friday, [Import and Export Prices](#): “Prices for U.S. imports advanced 0.4 percent in March following a 0.3-percent rise the previous month. . . . Higher prices for fuel and nonfuel imports contributed to the overall increase. U.S. export prices rose 0.3 percent in March, after advancing 0.7 percent in February.”

U.S. Census Bureau

Wednesday, [Monthly Wholesale Inventories](#): “February 2024 sales of merchant wholesalers, except manufacturers’ sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$673.7 billion, up 2.3 percent from the revised January level and were up 0.8 percent from the revised February 2023 level. . . . Total inventories of merchant wholesalers. . . . were \$901.1 billion at the end of February, up 0.5 percent from the revised January level. Total inventories were down 1.5 percent from the revised February 2023 level.”

Thursday, [Business Formations](#): “Projected Business Formations (within 4 quarters) for March 2024, adjusted for seasonal variation, were 28,492, a decrease of 0.2 percent compared to February 2024. . . . In other words, the Census Bureau is projecting that 28,492 new business startups with payroll tax liabilities will form within 4 quarters of application from all the business applications filed during

March 2024. The 0.2 percent decrease indicates that for March 2024 there will be 0.2 percent fewer businesses projected to form within 4 quarters of application, compared to the analogous projections for February 2024.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending April 6, the advance figure for seasonally adjusted initial claims was 211,000, a decrease of 11,000 from the previous week’s revised level.” In Tennessee, the advance figure for initial claims filed during the week ending April 6 was 3,198, an increase of 579 from the previous week.

Other Economic Indicators and Forecasts

Federal Reserve Bank of New York

Monday, [Consumer Expectations](#): “For the third consecutive month, median one-year ahead inflation expectations remained unchanged at 3.0 percent in March. . . . Median one-year ahead expected earnings growth was unchanged at 2.8 percent for the second consecutive month. . . . Median expected growth in household income was unchanged at 3.1 percent in March.”

National Federation of Independent Businesses

Tuesday, [Small Business Optimism Index](#): “THE NFIB Small Business Optimism Index decreased by 0.9 of a point in March to 88.5, the lowest level since December 2012. . . . Twenty-five percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), up two points from February.”

RealClear Markets

Tuesday, [Economic Optimism Index](#): “The RealClearMarkets/TIPP Economic Optimism Index, a leading gauge of consumer sentiment, dropped 0.7 percent in April to 43.2. The index has remained in negative territory for 32 consecutive months since September 2021.”

University of Michigan

Friday, [Preliminary Consumer Survey](#): The Index of Consumer Sentiment fell to 77.9 in April from 79.4 in March, according to the preliminary results. The preliminary results also show a decrease in Current Economic Conditions (to 79.3 in April from 82.5 in March), and the Index of Consumer expectations (to 77.0 in April from 77.4 in March).

Mortgages and Housing Markets

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, increased 0.1 percent on a seasonally adjusted basis from one week earlier. . . . The Refinance Index increased 10 percent from the previous week and was 4 percent higher than the same week one year ago. . . . The unadjusted Purchase Index decreased 4 percent compared with the previous week and was 23 percent lower than the same week one year ago.”

Freddie Mac

Thursday, [Mortgage Rates](#): “The 30-year fixed-rate mortgage (FRM) averaged 6.88 percent as of April 11, 2024, up from last week when it averaged 6.82 percent. A year ago at this time, the 30-year FRM averaged 6.27 percent. The 15-year FRM averaged 6.16 percent, up from last week when it averaged 6.06 percent. A year ago at this time, the 15-year FRM averaged 5.54 percent.”