

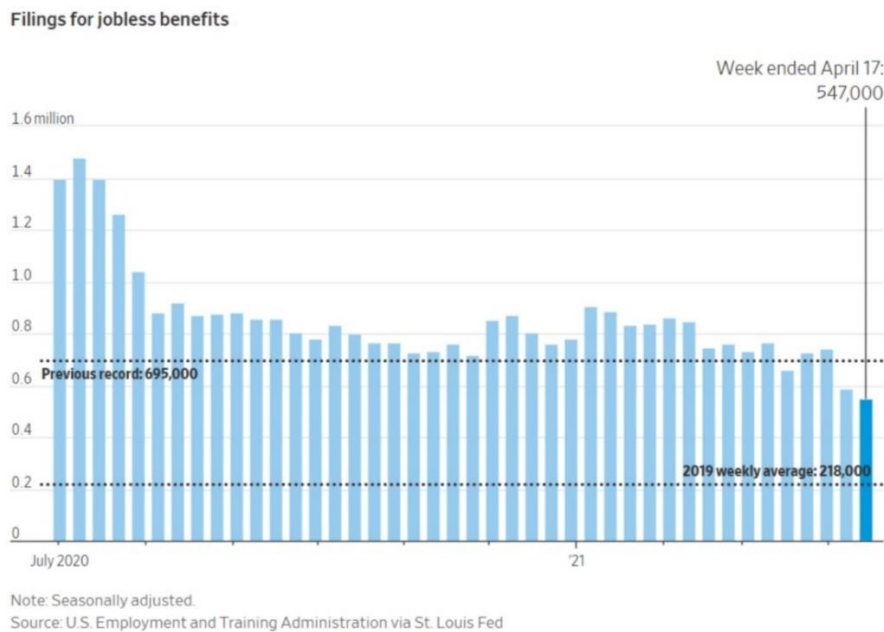
Economic Update, April 23, 2021  
Submitted by Kevin Vanzant

Summary: In a light week for economic data, US manufacturing showed signs of continuing growth as all signs point to substantial GDP growth for the entire economy in 2021. Jobless claims declined to 547,000 last week, a new pandemic low and another indication of a strengthening labor market, though jobless claims in Tennessee increased slightly. Existing home sales declined by 3.7 percent in March, as supply dropped and prices rose, while new home sales increased by 20.7 percent over the same period, in part because of the supply shortage of existing homes. Mortgage applications were up 8.6 percent last week as interest rates declined, the first overall increase in weekly applications since the end of February 2021.

**Federal Government Indicators and Reports**

Department of Labor

Thursday, [Unemployment Insurance Weekly Claims](#): “In the week ending April 17, the advance figure for seasonally adjusted initial claims was 547,000, a decrease of 39,000 from the previous week’s revised level. This is the lowest level for initial claims since March 14, 2020 when it was 256,000. . . . The 4-week moving average was 651,000, a decrease of 27,750 from the previous week’s revised average. This is the lowest level for this average since March 14, 2020 when it was 225,500.” In Tennessee, initial claims for the week ending April 17 were 13,291, an increase of 1,870 from the previous week.



Source for figure: [The Wall Street Journal](#)

**Economic Indicators and Confidence**

IHS Markit

Friday, [Composite PMI Output Index](#): “Adjusted for seasonal factors, the IHS Markit Flash U.S. Composite PMI Output Index posted 62.2 in April, up from 59.7 in March, to reach the highest since data collection began in October 2009. The overall upturn was supported by quicker increases in services and manufacturing output amid looser COVID-19 measures and the reopening of many service sector

businesses. The rise in manufacturing production was, however, weighed down by difficulties sourcing raw materials and ongoing supplier delivery delays, which were the most extensive on record.”

## IHS Markit Composite PMI and U.S. GDP



### Mortgages and Housing Markets

Mortgage Bankers Association of America

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 8.6 percent from one week earlier. . . . The Refinance Index increased 10 percent.” According to Joel Kan, MBA’s Associate Vice President of Economic and Industry Forecasting, “Mortgage rates dropped to their lowest levels in around two months, prompting a small resurgence in refinance activity after six weeks of declines. . . . The spring housing market also saw a boost from lower rates. . . . MBA expects the purchase market to remain strong, with the recovering job market and supportive demographics fueling housing demand in the months ahead.”

National Association of Realtors

Thursday: [Existing Home Sales and Sales Price](#): “The median existing-home sales price in March rose by a record-breaking annual pace of 17.2% to a historic high of \$329,100, with all regions posting double-digit price gains. . . . Existing-home sales fell 3.7% from the prior month to a seasonally-adjusted annual rate of 6.01 million as sales in all major regions declined. From one year ago when home sales first started to fall due to the pandemic, sales are higher by 12.3%. As of the end of March, housing inventory slightly rose to 1.07 million units, down by 28.2% year-over-year. Properties typically sold in 18 days, a record low.”

US Census Bureau

Friday, [New Residential Sales](#): “Sales of new single-family houses in March 2021 were at a seasonally adjusted annual rate of 1,021,000. . . . This is 20.7 percent above the revised February rate of 846,000 and is 66.8 percent above the March 2020 estimate of 612,000. . . . The median sales price of new houses sold in March 2021 was \$330,800. The average sales price was \$397,800. . . . The

seasonally-adjusted estimate of new houses for sale at the end of March was 307,000. This represents a supply of 3.6 months at the current sales rate.”

 <b>NEW RESIDENTIAL SALES</b> <b>MARCH 2021</b>	
<b>New Houses Sold<sup>1</sup>:</b>	<b>1,021,000</b>
<b>New Houses For Sale<sup>2</sup>:</b>	<b>307,000</b>
<b>Median Sales Price:</b>	<b>\$330,800</b>
<b>Next Release: May 25, 2021</b>	
<sup>1</sup> Seasonally Adjusted Annual Rate (SAAR)	
<sup>2</sup> Seasonally Adjusted	
Source: U.S. Census Bureau, HUD, April 23, 2021	

