

Economic Update, April 13, 2018
Submitted by Dave Keiser

Summary: Steady and cautious is the best way I can sum up this week's economic news. We'll start with the steady stuff. Unemployment claims were down slightly this week and job openings and quit rates were unchanged from last month. Import prices also stayed steady. And the Consumer Comfort Index rose to its highest point since February 2001. But while other measures of consumer confidence remain relatively high as well, they have decreased somewhat in the last month.

Census Bureau

Tuesday, [Monthly Wholesale Trade](#): "February 2018 sales of merchant wholesalers . . . were \$495.9 billion, up 1.0 percent from the revised January level and were up 6.8 percent from the February 2017 level. . . . Total inventories of merchant wholesalers were \$625.6 billion at the end of February, up 1.0 percent from the revised January level. Total inventories were up 5.5 percent from the revised February 2017 level."

Bureau of Labor Statistics

Tuesday, [Producer Price Index \(PPI\)](#): In March 2018, the PPI for Final Demand advanced 0.3 percent (seasonally adjusted) after increases of 0.2 percent in February and 0.4 percent in January. "Over 70 percent of the broad-based advance in March can be traced to the index for final demand services less trade, transportation, and warehousing. . . . A major factor in the March advance in prices for final demand services was the index for outpatient care (partial), which climbed 0.4 percent."

Wednesday, [Consumer Price Index](#): In March 2018, the Consumer Price Index for All Urban Consumers (CPI-U) decreased 0.1 percent on a seasonally adjusted basis after rising 0.2 percent in February. "Over the last 12 months, the all items index rose 2.4 percent before seasonal adjustment. A decline in the gasoline index more than outweighed increases in the indexes for shelter, medical care, and food to result in the slight seasonally adjusted decline in the all items index. The energy index fell sharply due mainly to the 4.9-percent decrease in the gasoline index. The index for food rose 0.1 percent over the month, with the indexes for food at home and food away from home both increasing."

Wednesday, [Real Earnings](#): "Real average hourly earnings for all employees increased 0.4 percent from February to March, seasonally adjusted. . . . This result stems from a 0.3-percent increase in average hourly earnings combined with a 0.1-percent decrease in the Consumer Price Index for All Urban Consumers (CPI-U). Real average weekly earnings increased 0.4 percent over the month due to the increase in real average hourly earnings combined with no change in the average workweek."

Thursday, [U.S. Imports and Export Price Index](#): In March 2018, U.S. import prices recorded no change, following a 0.3-percent increase in February. "Higher nonfuel prices offset declining prices for imported fuel in March. Prices for U.S. exports advanced 0.3 percent in March, after rising 0.2 percent the previous month."

Friday, [Job Openings and Labor Turnover Survey \(JOLTS\)](#): "The number of job openings was little changed at 6.1 million on the last business day of February. . . . Over the month, hires and separations were little changed at 5.5 million and 5.2 million, respectively." The quit rate was unchanged at 2.2 percent, and the layoffs and discharges rate was little changed at 1.1 percent.

Friday, [Usual Weekly Earnings of Wage and Salary Workers](#): In the first quarter of 2018, median weekly earnings of the nation's 113.4 million full-time wage and salary workers were \$881 (not seasonally adjusted). "This was 1.8 percent higher than a year earlier, compared with a gain of 2.2 percent in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period."

U.S. Department of Labor

Thursday, [Initial Claims](#): In the week ending April 7, 2018, new claims for unemployment insurance fell by 9,000 to 233,000, and the four-week moving average increased by 1,750 to 230,000. In the previous week ending March 31, the largest increases in initial claims were in Illinois (+2,504), Pennsylvania (+2,443), New Jersey (+2,081), Ohio (+1,496), and Michigan (+1,471), while the largest decreases were in Texas (-3,120), Connecticut (-1,005), Massachusetts (-877), Florida (-641), and New York (-556). Tennessee reported an increase of 195 new claims for the week ending March 31.

U.S. Department of Transportation

Wednesday, [Freight Transportation Services Index](#) (TSI): The TSI, “which is based on the amount of freight carried by the for-hire transportation industry, fell 0.1 percent in February from January, falling for the second consecutive month. The February 2018 index level (127.5) was 34.5 percent above the April 2009 low during the most recent recession.”

Bloomberg.com

Thursday, [Consumer Comfort Index](#): The latest index rose from 57.2 to 58, the highest it has been since Feb. 2001. “Sustained strength in the job market and more take-home pay . . . continue to lift Americans’ spirits despite stock-market swings. . . . Following the latest increase, the personal finances index is now just 4 points short of an all-time high reached in 1998, while the buying-climate measure is 6.6 points from its 2000 record. The figures are in sync with the government’s latest jobs report, which showed steady improvement in the labor market.” But while the index of sentiment climbed in three of the four regions, led by the Midwest, it fell in the South.

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 1.9 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$453,100 or less) decreased to 4.66 percent from 4.69 percent. . . . The average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (greater than \$453,100) decreased to 4.53 percent from 4.56 percent.”

National Federation of Independent Business

Tuesday, [Small Business Optimism Index](#): “The 104.7 March reading, down from 107.6 in February, remains among the highest in survey history. . . . ‘It has been a remarkable 16 months for small business optimism,’ said NFIB President and CEO Juanita Duggan. . . . ‘They’ve been so optimistic that they feel confident enough to raise wages and invest in their business, which grows the economy.’”

The University of Michigan

Friday, [Consumer Sentiment Index](#): The mid-April 2018 index reads 97.8, down from 101.4 in the final March report. “Consumer sentiment slipped in early April, largely reversing the gains recorded in the prior two months. The small decline was widely shared by all age and income subgroups and across all regions of the country.”