

Economic Update, April 14, 2017  
Submitted by Reuben Kyle

Summary: The week's economic news was not exuberant but not bad. Consumer confidence continues to be strong though that did not show up in retail sales, which were down. Labor market indicators were also not bad but not great as the JOLTS showed that hiring slowed. Initial claims remain low. Inflation measures were down while real earnings were strong.

Census Bureau

Friday, [Advance Monthly Sales of Retail and Food Services](#): The preliminary report for March 2017 is that total retail and food service sales were down by 0.2% from February. Likewise, retail trade sales fell by 0.2%. Total sales were 5.2% higher than in March 2016.

Friday, [Manufacturing and Trade, Inventories and Sales](#): In February 2017, sales of distributive trade and shipments of manufacturers' were 0.2% higher than in January and 7.1% above those in February 2016. Inventories were up by 0.3%, and the inventory/sales ratio was 1.35.

Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover Survey \(JOLTS\)](#): In February 2017, the number of job openings was 5.7 million, slightly higher than the 5.6 million in January. The number of hires dropped from 5.4 million in January and to 5.3 million in February. The quit rate was 2.2%, compared with 2.1% the month before.

Wednesday, [U.S. Import and Export Price Indexes](#): In March 2017, the Import Price Index fell by 0.2% but that index is up by 4.2% since March 2016. The March decline was the result of a 3.8% drop in fuel prices, which have increased by 50.2% over the past 12 months. The U.S. Export Price Index was up by 0.2% in March and by 3.6% since March 2016. Agricultural prices led that index, increasing 0.9% from February and 5.3% since March, a year ago.

Thursday, [Producer Price Index \(PPI\)](#): In March 2017, the PPI for Final Demand declined by 0.1% after two consecutive increases in January and February. Since March 2016, the index has risen by 2.3%. Both the indexes for goods and the index for services fell by the same 0.1%. The drop in the goods index was led by a 2.9% decrease in the energy index. In the case of services, the decline was the result of falling prices for trade and for transportation and warehousing. Excluding food, energy, and trade the total index has risen by 1.7% over the prior 12-month period.

Friday, [Consumer Price Index \(CPI\)](#): In March 2017, the CPI for All Urban Consumers fell by 0.3%. Since March 2016, the index is up by 2.4%. Gasoline prices fell by 6.2% in March, prompting the drop in the CPI. Excluding food and energy, the index was down by 0.1%.

Friday, [Real Earnings](#): In March 2017, an increase of 0.2% in average hourly earnings combined with the 0.3% decline in the CPI resulted in a 0.5% increase in real average hourly earnings. Over the previous 12-month period, real average hourly earnings have risen by 0.3%. In the case of Production and Nonsupervisory Workers, that index was also up by 0.5%, but from March 2016 to March 2017, real average hourly earnings of Production and Nonsupervisory workers were unchanged.

U.S. Department of Labor

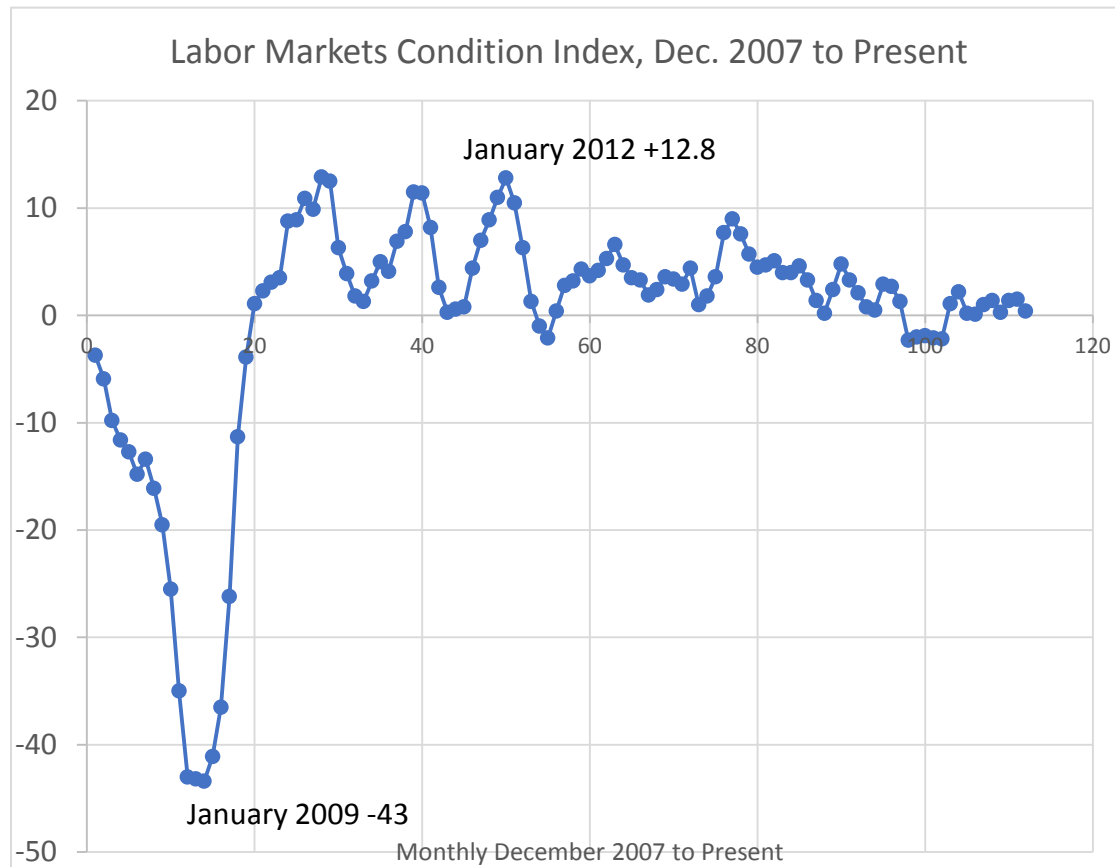
Thursday, [Initial Claims](#): For the week ending April 8, 2017, new claims for unemployment insurance fell by 1,000 to 234,000, and the four-week moving average dropped by 3,000 to 247,250. In the previous week ending April 1, three states reported increases of 1,000 or more initial claims, and five states reported decreases of 1,000 or more. Tennessee reported an increase of 385 new claims.

U.S. Department of Transportation

Thursday, [February 2017 Freight Transportation Services Index](#): The latest index reading is 126.4, up from 124.5 in December and January. This index is the highest level reached since its inception in 2000 (2000 = 100). “The February increase in the Freight TSI was broad based, with growth in all freight transportation modes except pipeline.”

Board of Governors of the Federal Reserve

Monday, Labor Market Conditions Index: The March 2017 index is 0.4, down from 1.5 in February. The graph below shows the index since the beginning of the past recession.



Bloomberg.com

Thursday, [Consumer Comfort Index](#): The latest index stands at 51.0, up from 50.2 the previous week.

The University of Michigan

Thursday, [Consumer Sentiment Index](#): The mid-April 2017 index reads 98.0, up from 96.8 in the final March report. “Consumer sentiment inched upward in early April mainly due to more favorable views of current economic conditions. The Current Economic Conditions Index rose to its highest level since 2000 and nearly reached its all-time peak of 121.1 set in 1999. “