

Submitted by Carly Van Syckle

Summary: Indicators for Consumer and Producer Price Indexes along with U.S. Import and Export Price Indexes all slightly increased this week. Initial claims for unemployment insurance increased at both the national and state level while the Federal Reserve Bank of New York said that labor market expectations were slightly deteriorating. In terms of the housing market, the Home Purchase Sentiment Index increased to its highest level since May 2022, and mortgage applications increased from the previous week as 30-year fixed-rate and 15-year fixed-rate mortgages both decreased.

Federal Government Indicators and Reports

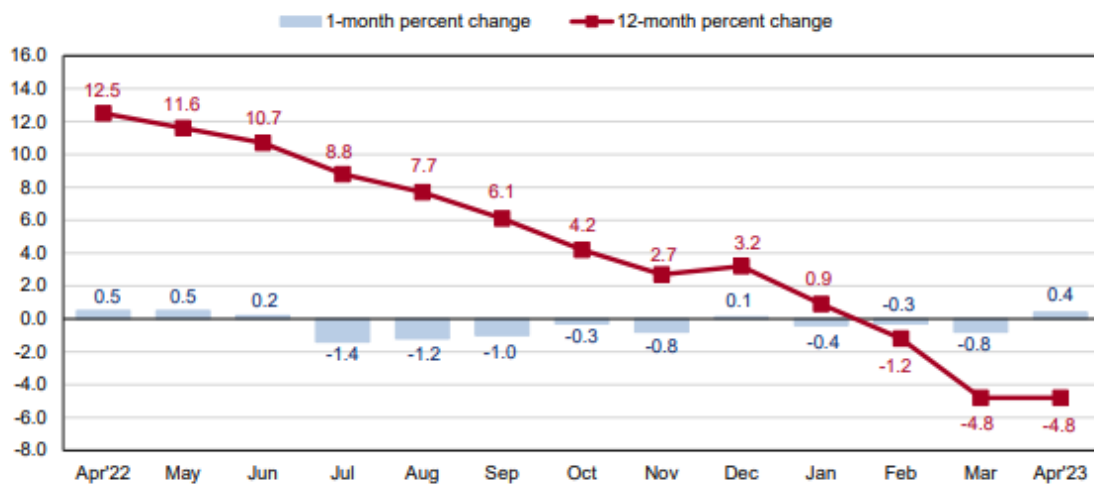
Bureau of Labor Statistics

Wednesday, [Consumer Price Index](#): “The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4 percent in April on a seasonally adjusted basis, after increasing 0.1 percent in March. . . . Over the last 12 months, the all items index increased 4.9 percent before seasonal adjustment. . . . The index for shelter was the largest contributor to the monthly all items increase.”

Thursday, [Producer Price Index](#): “The Producer Price Index for final demand advanced 0.2 percent in April, seasonally adjusted. . . . Final demand prices fell 0.4 percent in March and were unchanged in February. On an unadjusted basis, the index for final demand moved up 2.3 percent for the 12 months ended in April.”

Friday, [U.S. Import and Export Price Indexes](#): “Prices for U.S. imports increased 0.4 percent in April following a 0.8-percent decline in March. . . . Higher fuel prices drove the advance in April. The price index for U.S. exports rose 0.2 percent in April, after declining 0.6 percent the previous month.”

Chart 1. One-month and 12-month percent changes in the Import Price Index: April 2022 – April 2023



Bureau of Transportation Statistics

Wednesday, [Transportation Service Index](#): “The Freight Transportation Services Index (TSI), which is based on the amount of freight carried by the for-hire transportation industry, fell 4.1 percent in March from February, falling after a one month increase. . . . From March 2022 to March 2023 the index fell 4.3 percent.”

Census Bureau

Monday, [Monthly Wholesale Trade](#): “March 2023 sales of merchant wholesalers, except manufacturers’ sales branches and offices, after adjustment for seasonal variations. . . . were \$655.3 billion, down 2.1 percent from the revised February level and were down 2.9 percent from the revised March 2022 level. . . . [Inventories] were \$918.5 billion at the end of March, virtually unchanged from the revised February level. Total inventories were down 9.1 percent from the revised March 2022 level. . . . The March inventories/sales ratio . . . was 1.40. The March 2022 ratio was 1.25.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending May 6, the advance figure for seasonally adjusted initial claims was 264,000, an increase of 22,000 from the previous week’s unrevised level of 242,000. This is the highest level for initial claims since October 30, 2021 when it was 264,000.”

For Tennessee in the week ending in May 6, the advance figure (unadjusted) for initial claims was 2,536, an increase of 357 from the prior week. The advanced figure for insured unemployment for the week ending April 29 was 12,471, down 447 from the prior week.

Economic Indicators and Confidence

Federal Reserve Bank of New York

Monday, [Consumer Expectations](#): The April 2023 Survey of Consumer Expectations “shows that inflation expectations declined at the short-term horizon, but increased slightly at the medium- and longer-term horizons. Labor market expectations deteriorated slightly, with unemployment expectations and perceived job loss risk increasing and job finding expectations decreasing. Perceptions and expectations of credit conditions were mixed.”

The Conference Board

Monday, [Employment Trends Index](#): The index “increased in April to 116.18, up from a downwardly revised 115.51 in March 2023.” Frank Steemers, senior economist at The Conference Board, noted: “The Index signals job gains will likely continue, albeit somewhat slower, over the next few months. We continue to forecast a short and mild recession starting in 2023 although it may take until later in the year to see substantial weakening in job growth, or monthly job losses.”

Mortgages and Housing Markets

Fannie Mae

Monday, [Home Purchase Sentiment Index](#): “The Fannie Mae Home Purchase Sentiment Index (HPSI) increased in April to its highest level since May 2022, jumping 5.5 points to 66.8. . . . While the component remains negative on net—meaning more respondents than not expect mortgage rates to go up over the next year—in April, 22 percent of consumers indicated that they expect mortgage rates to go down, compared to only 12 percent last month. . . . [and] affordability constraints continue to hinder overall homebuying sentiment, with only 23 percent of respondents indicating it’s a good time to buy a home.”

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “30-year fixed-rate mortgage averaged 6.35 percent as of May 11, 2023, down from last week when it averaged 6.39 percent. A year ago at this time, the 30-year FRM averaged 5.30 percent. . . . 15-year fixed-rate mortgage averaged 5.75 percent, down slightly from last week when it averaged 5.76 percent. A year ago at this time, the 15-year FRM averaged 4.48 percent.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 6.3 percent from one week earlier.”