

Economic Update, December 8, 2023  
Submitted by Michael Mount

Summary: This month's jobs report was solid, buoyed in part by gains in healthcare, government, and manufacturing workers returning from strikes. Other economic news this week was mixed. While the unemployment rate decreased from 3.9 percent to 3.7 percent, the number of job openings continued to decrease. Services expanded, but new orders for manufactured goods decreased. Mortgage rates fell but so did economic optimism, which, according to RealClearMarkets, was led by a drop in confidence in government economic policies.

**Federal Government Indicators and Reports**

U.S. Census

Monday, [Factory Orders](#): "New orders for manufactured goods in October, down following two consecutive monthly increases, decreased \$21.8 billion or 3.6 percent to \$576.8 billion."

Thursday, [Wholesale Trade](#): "October 2023 sales of merchant wholesalers . . . were \$667.9 billion, down 1.3 percent from the revised September level and were down 0.4 percent from the revised October 2022 level."

U.S. Bureau of Labor Statistics

Tuesday, [Job Openings](#): "The number of job openings decreased to 8.7 million on the last business day of October. . . . Over the month, the number of hires and total separations changed little at 5.9 million and 5.6 million, respectively."

Chart 1. Job openings rate, seasonally adjusted, October 2021 - October 2023

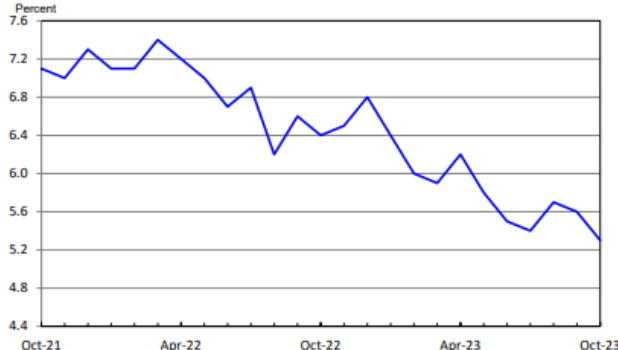
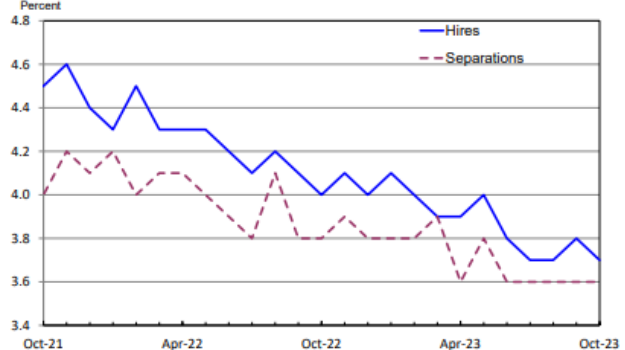


Chart 2. Hires and total separations rates, seasonally adjusted, October 2021 - October 2023



Wednesday, [Productivity and Costs](#): "Nonfarm business sector labor productivity increased 5.2 percent in the third quarter of 2023. . . . Unit labor costs in the nonfarm business sector decreased 1.2."

Friday, [Jobs Report](#): "Total nonfarm payroll employment increased by 199,000 in November, and the unemployment rate edged down to 3.7 percent. . . . Job gains occurred in health care and government. Employment also increased in manufacturing, reflecting the return of workers from a strike. Employment in retail trade declined."

Bureau of Economic Analysis

Wednesday, [International Trade](#): "The goods and services deficit was \$64.3 billion in October, up \$3.1 billion from \$61.2 billion in September, revised. . . . October exports were \$258.8 billion, \$2.6 billion less than September exports. October imports were \$323.0 billion, \$0.5 billion more than September imports."

Department of Labor

Thursday, [Initial Claims](#): “In the week ending December 2, the advance figure for seasonally adjusted initial claims was 220,000, an increase of 1,000 from the previous week's revised level.”

### **Economic Indicators and Confidence**

S&P Global

Tuesday, [Sector Purchasing Managers' Index \(PMI\)](#): “Only three out of seven U.S. sectors recorded an expansion in business activity during November, down from five in October. . . . Basic Materials returned to growth in November, while there were renewed declines in the Consumer Goods, Financials and Technology sectors.”

Tuesday, [Services PMI](#): “U.S. service sector firms signaled further growth in November as output and new business expanded.” The index “posted 50.8 in November, matching the earlier released 'flash' estimate and little-changed from October's reading of 50.6.”

Institute for Supply Management

Tuesday, [Services PMI](#): “Economic activity in the services sector expanded in November for the 11th consecutive month.” The index “registered 52.7 percent.”

Tuesday, [Logistics Manager's Index](#): “November's Logistics Manager's Index read in at 49.4, down (-7.1) from October's reading of 56.5. This dip back into (very mild) contraction ends what had been three consecutive months of expanding rates of growth.”

RealClearMarkets/TIPP

Tuesday, [Economic Optimism Index](#): The index “fell 10.1 percent in December to 40.0. The index has remained in negative territory for 28 consecutive months now. . . . Confidence in Federal Economic Policies . . . fell from 41.5 in November to 36.1, reflecting a 13.0 percent change.”

ADP

Wednesday, [Private Employment](#): “Private sector employment increased by 103,000 jobs in November and annual pay was up 5.6 percent year-over-year.”

Challenger, Gray, & Christmas, Inc.

Thursday, [Job Cuts](#): “U.S.-based employers announced 45,510 cuts in November, a 24 percent increase from the 36,836 cuts announced one month prior. It is 41 percent lower than the 76,835 cuts announced in the same month in 2022.”

### **Mortgages and Housing Markets**

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 2.8 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$726,200 or less) decreased to 7.17 percent from 7.37 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages decreased to 6.80 percent from 6.88 percent.”