

Submitted by Bob Moreo

Summary: Much of the new information available this week deals with the housing market. The Census Bureau reported residential permits and starts were up in March, but only for multi-family buildings, while completions decreased. With more starts and fewer completions, [MarketWatch noted](#) that “the construction backlog continued to grow, as the number of housing projects under construction rose 2.3 percent from the previous month and 24 percent from a year ago.” The [National Association of Home Builders](#) reported declining builder confidence, citing concerns that “escalating material costs have significantly decreased housing affordability conditions.” Mortgage rates have risen above 5 percent. Broadly, indications are that the economy is continuing to expand at a moderate pace.

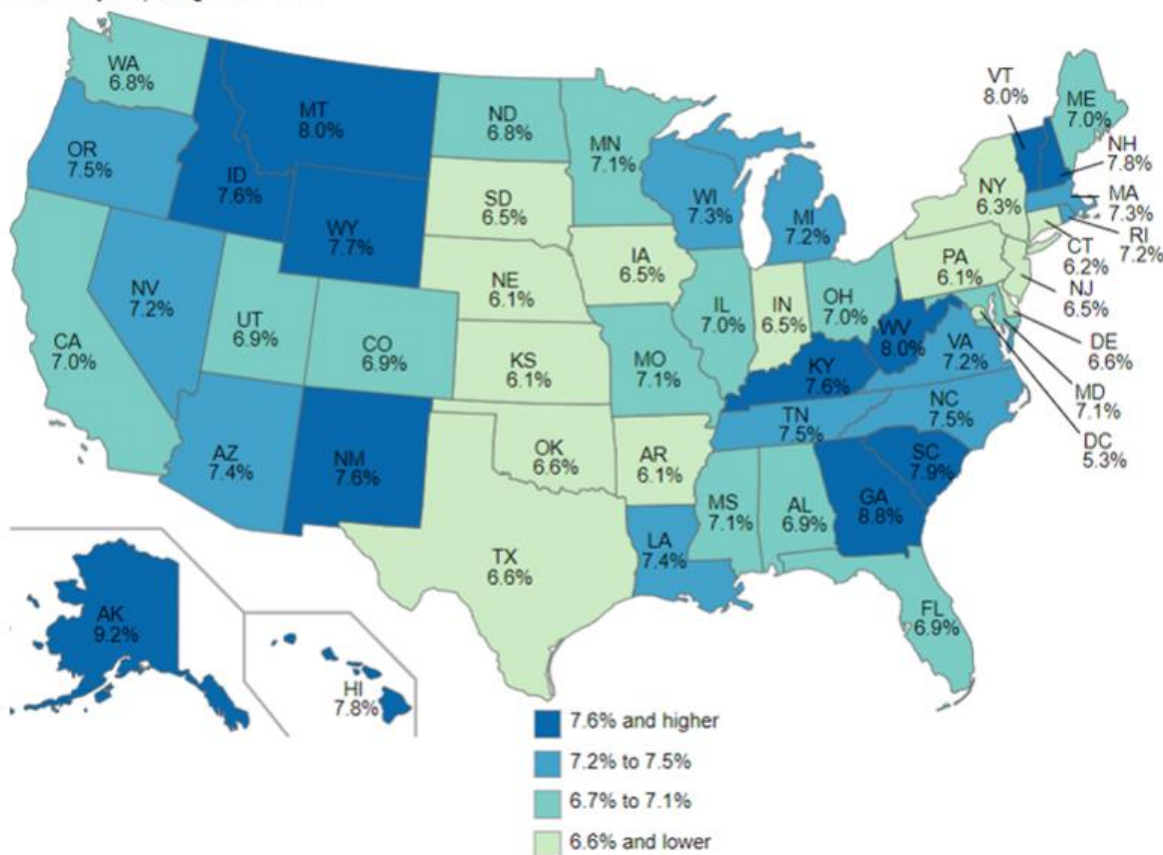
### **Federal Government Indicators and Reports:**

Bureau of Labor Statistics

Wednesday, [State Job Openings and Labor Turnover](#): “Job openings rates decreased in 13 states, increased in 6 states, and were little changed in 31 states and the District of Columbia on the last business day of February.” The job openings rate in Tennessee decreased from 7.9 percent in January to 7.5 percent in February. February’s 260,000 job openings level was down from 272,000 in January. Hiring was up and total separations were down.

**Map 1. Job openings rates by state, seasonally adjusted, February 2022**

Total U.S. job openings rate = 7.0%



## Census Bureau

Tuesday, [New Residential Construction](#): “Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,873,000. This is 0.4 percent above the revised February rate . . . and is 6.7 percent above the March 2021 rate. . . . Single-family authorizations in March were at a rate of 1,147,000; this is 4.8 percent below the revised February figure.” Total housing starts in March were up 0.3 percent from February, although single-family starts were down 1.7 percent. Completions were down 4.5 percent overall, with single-family completions falling 6.4 percent.

## Department of Labor

Thursday, [Unemployment Insurance Weekly Claims](#): “In the week ending April 16, the advance figure for seasonally adjusted week initial claims was 184,000, a decrease of 2,000 from the previous week's revised level. . . . The advance number for seasonally adjusted unemployment insured during the week ending April 9 was 1,417,000, a decrease of 58,000 from the previous week's unrevised level. . . . This is the lowest level for insured unemployment since February 21, 1970.”

The unadjusted number of Tennesseans with continuing claims for the week ending April 9 was 10,897—1,328 fewer than the prior week. The unadjusted advance number of initial claims filed in Tennessee during the week ending April 16 was 2,098—285 fewer than the week prior.

## Federal Reserve Board

Wednesday, [The Beige Book](#): “[Overall] economic activity expanded at a moderate pace since mid-February. Several Districts reported moderate employment gains despite hiring and retention challenges in the labor market. Consumer spending accelerated among retail and non-financial service firms, as COVID-19 cases tapered across the country. Manufacturing activity was solid overall across most Districts, but supply chain backlogs, labor market tightness, and elevated input costs continued to pose challenges on firms’ abilities to meet demand.”

In the Sixth District, which covers Middle and East Tennessee, the Federal Reserve Bank of Atlanta reported, “Economic activity expanded moderately, on balance, from mid-February through March.” Notably for Tennessee: “Some improvement in business travel and conventions was reported, although this segment continues to lag leisure travel.” The Nashville housing market, along with Atlanta, Tampa, and Orlando, “experienced the sharpest declines in affordability over the past year.” Sixth-District manufacturers “reported moderate to severe supply chain disruptions including supplier delays, difficulties locating alternate suppliers, production delays and delays in the delivery/ shipping of final inventories. Most respondents expect these disruptions to continue over the next 6-12 months.”

In the Eighth District, which covers West Tennessee, the Federal Reserve Bank of St. Louis reported: “Economic conditions have improved at a moderate pace since our previous report. The pace of hiring rose modestly, and wage growth remained strong.” However, regarding consumer spending, “West Tennessee consumer sentiment about current and future conditions has worsened since December. Memphis general retailers experienced a slow first quarter, citing ongoing supply chain and product availability issues, and have a mixed outlook for the upcoming months.” In agriculture, “Tennessee saw the most growth of all District states, with a moderate increase of 10 percent in acres planted [for corn, cotton, rice, and soybeans.]”

## **Economic Indicators and Confidence:**

The Conference Board

Thursday, [Leading Economic Indicators](#): “The Conference Board Leading Economic Index for the U.S. increased by 0.3 percent in March to 119.8 (2016 = 100), following a 0.6 percent increase in February. The LEI increased by 1.9 percent in the six-month period from September 2021 to March 2022.” Senior Director of Economic Research Ataman Ozyildirim said, “This broad-based improvement signals economic growth is likely to continue through 2022 despite volatile stock prices and weakening business and consumer expectations. The Conference Board projects 3.0 percent year-over-year U.S. GDP growth in 2022, which is slower than the 5.6 percent pace of 2021, but still well above pre-covid trend.”

S&P Global (Dow Jones)

Tuesday, [S&P/Experian Consumer Credit Default Indices](#): In March, the composite consumer credit default rate “rose two basis points to 0.48 percent. The bank card default rate increased 12 basis points to 2.27 percent. The auto loan default rate rose four basis points to 0.56 percent while the first mortgage default rate was one basis point higher at 0.35 percent.”

S&P Global (IHS Markit)

Friday, [S&P Global Flash U.S. Composite Purchasing Managers’ Index](#): “The headline Flash U.S. PMI Composite Output Index registered 55.1 in April, down from 57.7 in March. The latest data indicated a strong rise in private sector output, but one that was subdued by the impact of inflation on customer spending. . . . At 54.7 in April, down from 58.0 in March . . . the U.S. Services Business Activity Index indicated a solid rise in service sector output at the start of the second quarter of 2022. That said, the rate of activity growth eased to the slowest since January. . . . [The] U.S. Manufacturing PMI posted 59.7 in April, up from 58.8 in March, to signal a marked improvement in operating conditions across the manufacturing sector. Overall growth was the strongest for seven months.”

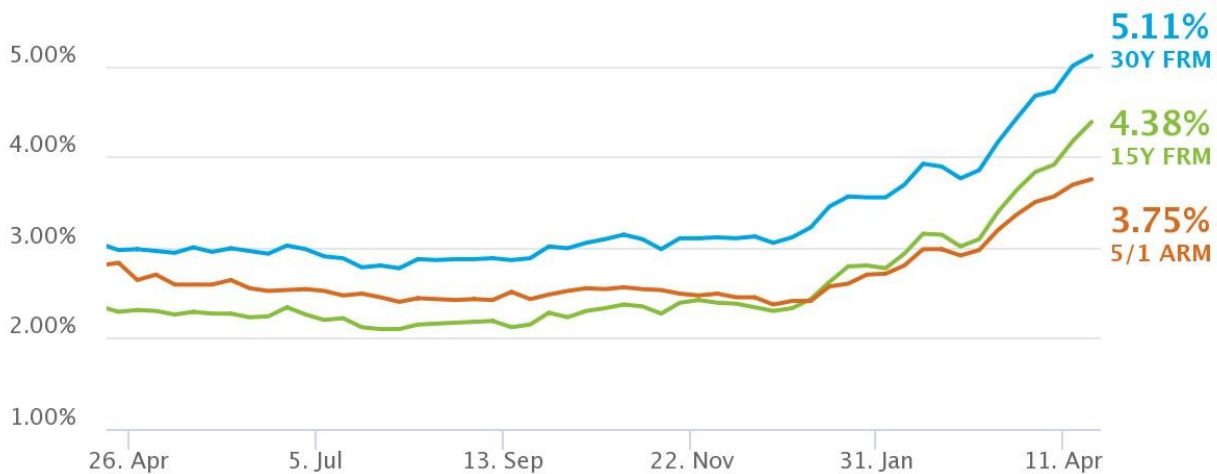
## **Mortgages and Housing Markets:**

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): This week’s survey showed a “30-year fixed-rate mortgage averaged 5.11 percent with an average 0.8 point as of April 21, 2022, up from last week when it averaged 5.00 percent. A year ago at this time, the 30-year FRM averaged 2.97 percent.”



Primary Mortgage Market Survey®  
U.S. weekly average mortgage rates as of 04/21/2022



Mortgage Bankers Association

Wednesday, [Weekly Mortgage Applications Survey](#): “Mortgage applications decreased 5.0 percent from one week earlier, according to data . . . for the week ending April 15, 2022. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances increased to 5.20 percent from 5.13 percent.”

National Association of Home Builders

Monday, [Housing Market Index](#): “Builder confidence in the market for newly built single-family homes moved two points lower to 77 in April. . . . This is the fourth straight month that builder sentiment has declined.” NAHB Chairman Jerry Konter said, “Despite low existing inventory, builders report sales traffic and current sales conditions have declined to their lowest points since last summer as a sharp jump in mortgage rates and persistent supply chain disruptions continue to unsettle the housing market.”

National Association of Realtors

Wednesday, [Existing-Home Sales](#): Existing-home sales data showed that “housing market activity this March weakened 2.7 percent from February 2022. March's existing-home sales reached a 5.77 million seasonally adjusted annual rate. March's sales of existing homes declined 4.5 percent from March 2021. . . . The national median existing-home price for all housing types reached its highest point, at \$375,300, in March, up 15 percent from a year ago.”