

Summary: The economic news was mostly good, including the jobs report released last Friday, which showed 916,000 jobs were added in March. Growth in the services sector continued to accelerate, although manufacturing expansion slowed. Economic optimism hit its highest level since February 2020. One bit of bad news was that initial claims for unemployment insurance increased by 16,000 to 744,000. The trade deficit increased by \$3.3 billion.

Federal Government Indicators and Reports

US Census

Monday, [Manufactured Goods](#): “New orders for manufactured goods in February, down following nine consecutive monthly increases, decreased \$4.1 billion or 0.8 percent to \$505.7 billion. . . . This followed a 2.7 percent January increase.” New orders for non-defense capital goods, excluding aircraft, decreased 0.9 percent.

Wednesday, [International Trade](#): “The goods and services deficit was \$71.1 billion in February, up \$3.3 billion from \$67.8 billion in January, revised. . . . February exports were \$187.3 billion, \$5.0 billion less than January exports. February imports were \$258.3 billion, \$1.7 billion less than January imports.”



U.S. Bureau of Economic Analysis
U.S. Census Bureau

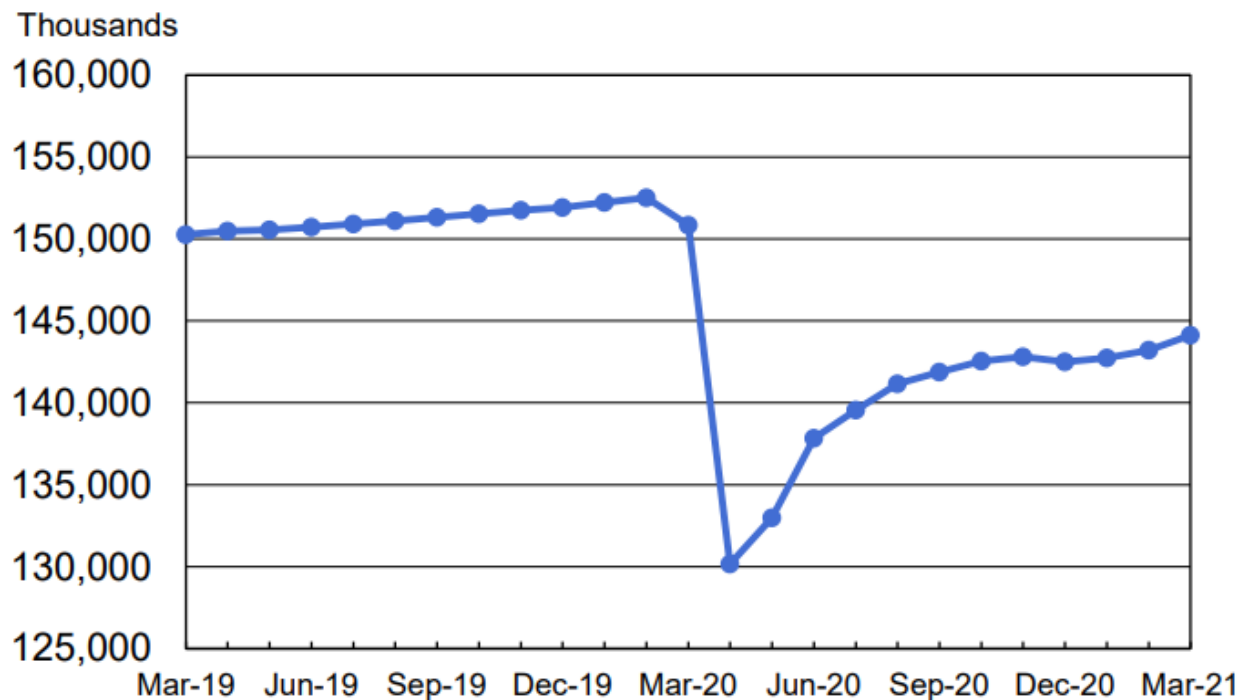
U.S. International Trade in Goods and Services
April 7, 2021

Friday, [Wholesale Trade](#): “February 2021 sales of merchant wholesalers . . . were \$538.3 billion, down 0.8 percent from the revised January level, but were up 6.4 percent from the revised February 2020 level.”

Bureau of Labor Statistics

Last Friday, [Employment Situations](#): “Total nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0 percent. . . . These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic. Job growth was widespread in March, led by gains in leisure and hospitality, public and private education, and construction.”

Chart 2. Nonfarm payroll employment, seasonally adjusted, March 2019 – March 2021



Tuesday, [Job Openings and Labor Turnover](#): “The number of job openings edged up to 7.4 million on the last business day of February. . . . Hires also edged up to 5.7 million while total separations were little changed at 5.5 million.”

Wednesday, [Metro Area Employment and Unemployment](#): “Unemployment rates were higher in February than a year earlier in 383 of the 389 metropolitan areas, lower in 4 areas, and unchanged in 2 areas.” Tennessee’s unemployment rate, at 4.9 percent in February 2021, was up from 3.8 percent a year earlier. But the February 2021 rate was down from 5.4 percent in January. February 2021 unemployment rates within the state’s metropolitan areas ranged from 4.0 percent (Nashville-Davidson—Murfreesboro—Franklin) to 6.3 percent (Memphis).

Department of Labor

Thursday, [Initial Claims](#): “In the week ending April 3, the advance figure for seasonally adjusted initial claims was 744,000, an increase of 16,000 from the previous week’s revised level. . . . The 4-week moving average was 723,750, an increase of 2,500 from the previous week’s revised average.” Initial claims in Tennessee for the week ending April 3 were 10,847, an increase of 2,697 from the previous week.

Economic Indicators and Confidence

IHS Markit

Monday, [US Composite PMI](#): The index “posted 59.7 in March, up slightly from 59.5 in February, to signal the fastest upturn in private sector business activity since August 2014. Although the expansion in manufacturing sector production eased, service providers registered a marked rise in output.”

Monday, [US Sector PMI](#): “All seven broad categories monitored by the US Sector PMI series registered an increase in output during March and a similar pattern was seen for incoming new work. Employment growth continued in six of the seven categories, with consumer services the only exception. Meanwhile, strong cost pressures persisted in March, led by a survey-record rise in input prices across the basic materials category.”

ISM

Monday, [Services PMI](#): The index “registered an all-time high of 63.7 percent, 8.4 percentage points higher than the February reading of 55.3 percent. The previous high was in October 2018, when the [index] registered 60.9 percent. The March reading indicates the 10th straight month of growth for the services sector, which has expanded for all but two of the last 134 months.”

IDB/TIPP

Tuesday, [Economic Optimism](#): “Optimism over the U.S. economy keeps skipping ahead to new Covid-era highs, propelled by vaccines and stimulus checks.” The index “rose one point to 56.4 in April, after jumping 3.5 points in March. . . . It was the fourth straight monthly gain and the highest reading since early February 2020.”

Federal Reserve

Wednesday, [FOMC Minutes](#): “The COVID-19 pandemic and the measures undertaken to contain its spread continued to affect economic activity in the United States and abroad. The information available at the time of the March 16–17 meeting suggested that U.S. real gross domestic product (GDP) was expanding in the first quarter of 2021 at a pace that was faster than in the fourth quarter of last year, although the level of real GDP had likely not yet returned to the level seen before the onset of the pandemic. Labor market conditions improved in January and February, but employment was still well below its level at the start of 2020. Consumer price inflation through January—as measured by the 12-month percentage change in the price index for personal consumption expenditures (PCE)—remained well below 2 percent.”

Mortgages and Housing Markets

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 5.1 percent from one week earlier. . . . ‘Mortgage rates resumed their upward move last week, with the 30-year fixed rate at 3.36 percent. The return of rates to the highest level since last June contributed to a slowdown in applications for both purchases and refinances. The rapidly recovering economy and improving job market is generating sizeable home buying demand, but activity in recent weeks is constrained by quicker home-price growth and extremely low inventory,’ said Joel Kan, MBA’s Associate Vice President of Economic and Industry Forecasting.”