

Economic Update, November 11, 2016
Submitted by Reuben Kyle

Summary: The economic news of the week was tame compared to the other news. If anything, the economic news was modestly positive. Labor markets remain stable with the JOLTS report showing almost no change in the number of job openings, initial claims fell, and the Fed's labor market measure was up. Two consumer confidence measures were up, and those surveys would have been done before Tuesday (election day). The DOT freight index was down slightly but wholesale figures rose. Oh, and the gasoline pipeline issue was resolved so that gas prices have dropped a bit.

Dr. Ratajczak's [Weekly Commentary](#)

Monday: This report was clearly written before Election Day and Dr. R gives his assessment of the post-election prospects of the candidates' economic policies. On to current economic issues, he states that his current prediction of 4th quarter GDP growth is 2.6% and he gives some reasons why that might be low. He also gives his current forecast for November job gains at 175,000 but he says that is just his starting point to be adjusted with new information. This week, his detailed analysis is of the employment situation by sector.

Census Bureau

Wednesday, [Monthly Wholesale Trade: Sales and Inventories](#): September 2016 sales by merchant wholesalers rose by 0.2% from August and by 0.4% from September 2015. Inventories increased by 0.1% for the month and were down by 0.1% from a year earlier. The inventory/sales ratio was 1.33, unchanged from the prior month.

Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover Survey \(JOLTS\)](#): In September 2016, the number of job openings was 5.5 million, which was fractionally higher than in August, but the number of hires fell by 200,000 to 5.1 million while separations fell slightly to 4.9 million. The quits rate was 2.1%, unchanged for, at least, the previous four months but up from 1.9% a year earlier.

Wednesday, [Quarterly Data Series on Business Employment Dynamics](#): "From December 2015 to March 2016, gross job gains from opening and expanding private sector establishments were 7.0 million, a decrease of 866,000 jobs from the previous quarter, the U.S. Bureau of Labor Statistics reported today. Over this period, gross job losses from closing and contracting private sector establishments were 6.8 million, a decrease of 59,000 jobs from the previous quarter. Gross job gains are the sum of increases in employment from expansions at existing units and the addition of new jobs at opening units. Gross job losses are the result of contractions in employment at existing units and the loss of jobs at closing units." Gross job gains minus gross jobs lost is the net gain (or loss) in employment and the number is 194,000 in the first quarter of 2016.

Thursday, [Nonfatal Occupational Injuries and Illnesses Requiring Days Away From Work](#): In 2015, the rate of "nonfatal injury and illness requiring days away from work to recuperate" was 104.0 per 10,000 full-time workers compared with 107.1 in 2014. In the private sector, the occupations with the highest number of cases include heavy and tractor-trailer drivers; laborers and freight, stock, and material movers; and nursing assistants. Among state and local government workers, the highest incidence occurred in police and sheriff's patrol officers; firefighters; janitors and cleaners; teaching assistants; and correctional officers and jailers. The report includes considerable detail on types of injuries and illnesses.

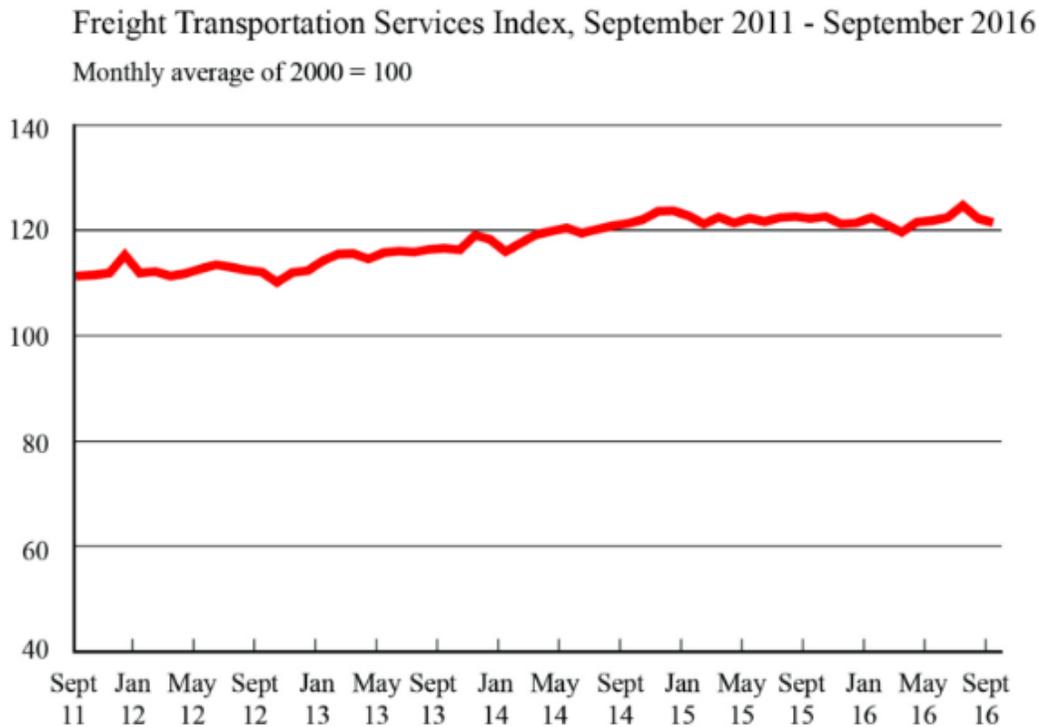
U.S. Department of Labor

Thursday: [Initial Claims](#) for unemployment insurance fell by 11,000 to 254,000 in the week ending November 5, 2016, and the four-week moving average increased by 1,750 to 259,750. In the

previous week, ending October 31, four states reported increases of 1,000 or more new claims, and two states reported decreases of 1,000 or more. Tennessee reported an increase of 55 new claims.

U.S. Department of Transportation

Wednesday, [Freight Services Index](#): In September 2016, the index was 121.5, down 0.6% from August but 28.2% higher than at its trough in April 2009 during the recession. This index is a measure of the shipments in tons and ton-miles for all modes of for-hire transportation. The chart below shows the index since September 2011.



Board of Governors of the Federal Reserve

Monday, Labor Market Conditions Index: The October 2016 index is +0.7 and only the third positive reading this year.

Bloomberg.com

Thursday, [Consumer Comfort Index](#): The latest index reading is 45.1 compared with 44.6 the previous week. This survey was done before the election. "The recent gains keep the CCI solidly on track for its best year since pre-recession 2007. It's averaged 43.3 this year to date, better than its long-term average, 41.7 in weekly surveys since late 1985, albeit still short of its pre-recession average, 45.3."

University of Michigan

Friday, [Consumer Sentiment Index](#): The mid-November 2016 index is at 91.6, up from 87.2 in the final October reading. "The Sentiment Index in early November erased the small October decline to climb to its highest level since mid-2016 and rise slightly above the 2016 average of 91.1. The recent gain in sentiment was driven by an improved outlook for the economy."

Gallup.com

Monday, [U.S. Consumer Spending Measure](#): The average daily spending by U.S. consumers in October 2016 was \$93, up slightly from the \$91 in September. This latest measure was the highest for

October since Gallup began collecting the number in 2008. "Americans' spending remains relatively strong between the back-to-school and holiday seasons, which is an encouraging economic sign. October spending has been fairly constant, and robust, since 2013.... November's spending average may be more indicative of actual holiday spending because it has served as a springboard for December. If spending inches higher this month, it could suggest a positive trend that could continue into December, a critical month for retail sales."

Reuters.com

Monday, [Colonial Pipeline Restarted](#): On Sunday, November 6, 2016, the damaged gasoline pipeline was restarted. The pipeline delivers 1.3 million barrels of gasoline from Houston, Texas to Linden, New Jersey every day. "In a statement posted on a company website on Sunday, Colonial said it would take three days following the restart for gasoline shipments to begin arriving at the Linden terminal." Monday morning, the futures price of gasoline fell by almost two cents per gallon.