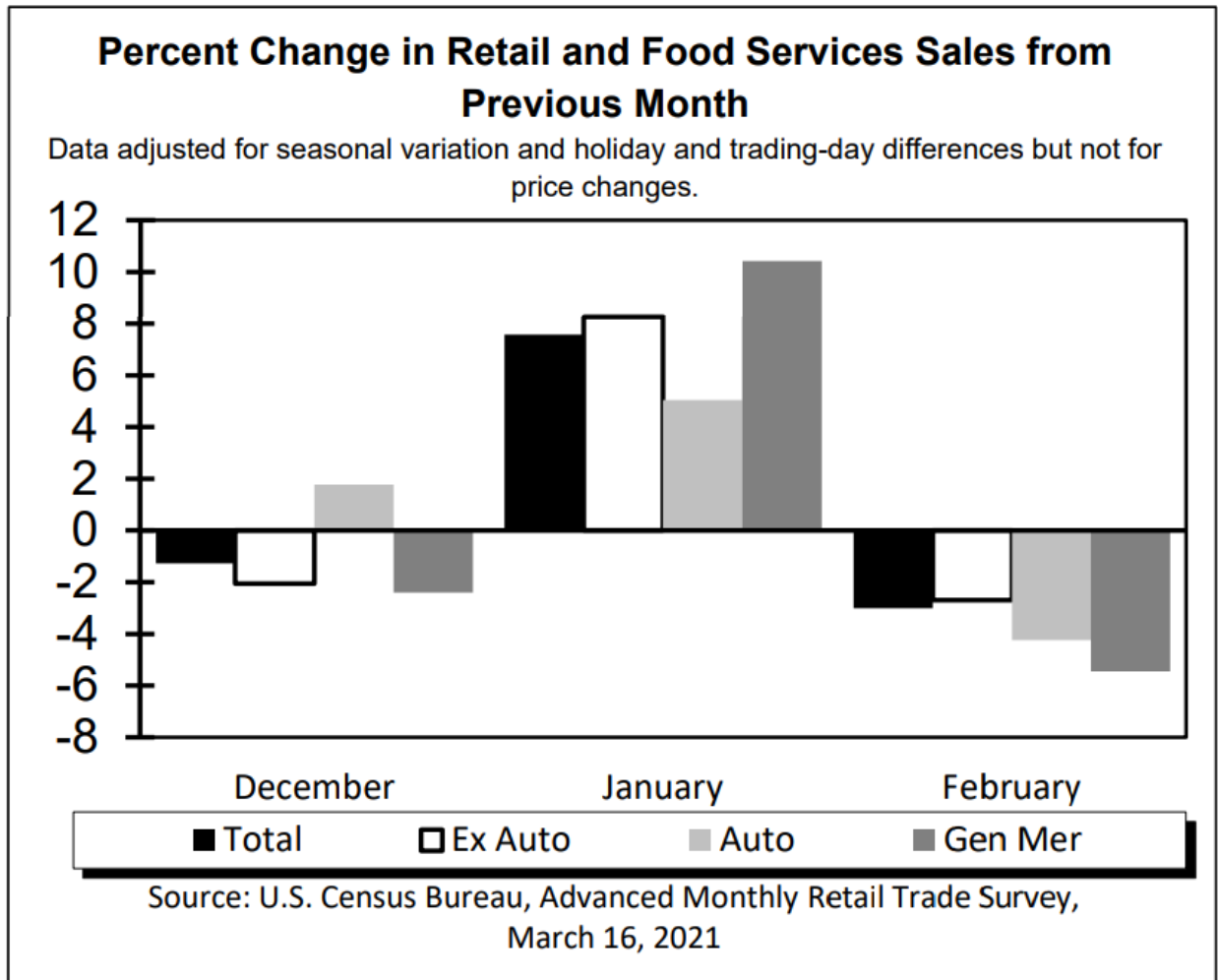


Summary: Economic indicators were mostly down this week, but economists remain upbeat. Although retail sales, industrial production, and home building slumped last month, economists expect strong economic growth in 2021. For instance, the Conference Board expects the U.S. economy to expand by 5.5 percent this year. Their leading economic index continued to improve but at a slower pace. The unemployment rate for Tennessee decreased to 5.1 percent in January—better than the national rate of 6.3 percent.

Federal Government Indicators and Reports

US Census

Tuesday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for February 2021 . . . were \$561.7 billion, a decrease of 3.0 percent from the previous month, and 6.3 percent above February 2020. . . . The December 2020 to January 2021 percent change was revised from up 5.3 percent to up 7.6 percent.”



Tuesday, [Manufacturing and Trade](#): “The combined value of distributive trade sales and manufacturers’ shipments for January . . . was estimated at \$1,568.5 billion, up 4.7 percent from December 2020 and was up 7.1 percent from January 2020.”

Wednesday, [Housing Starts](#): “Privately-owned housing starts in February were at a seasonally adjusted annual rate of 1,421,000. This is 10.3 percent below the revised January estimate of 1,584,000 and is 9.3 percent below the February 2020 rate of 1,567,000.”

Bureau of Labor Statistics

Monday, [State Employment and Unemployment](#): “Unemployment rates were lower in January in 33 states and the District of Columbia and stable in 17 states. . . . The national unemployment rate, 6.3 percent, fell by 0.4 percentage point over the month, but was 2.8 points higher than in January 2020.” The unemployment rate for Tennessee decreased 0.5 points to 5.1 percent in January 2021.

Tuesday, [Import and Export Prices](#): “U.S. import prices advanced 1.3 percent in February following a 1.4-percent increase in January. . . . Higher fuel and nonfuel prices contributed to the advances in each of the past 2 months. Prices for U.S. exports also rose in February, increasing 1.6 percent, after advancing 2.5 percent the previous month.”

Thursday, [Employment Situation of Veterans](#): “The unemployment rate for veterans who served on active duty in the U.S. Armed Forces at any time since September 2001—a group referred to as Gulf War-era II veterans—rose to 7.3 percent in 2020. . . . The jobless rate for all veterans increased to 6.5 percent in 2020. These increases reflect the effect of the coronavirus pandemic on the labor market.”

Thursday, [Employee Compensation](#): “Employer costs for employee compensation for civilian workers averaged \$38.60 per hour worked in December 2020. . . . Wages and salaries cost employers \$26.53 and accounted for 68.7 percent of total costs, while benefits cost \$12.07 and accounted for the remaining 31.3 percent.”

Thursday, [Initial Claims](#): “In the week ending March 13, the advance figure for seasonally adjusted initial claims was 770,000, an increase of 45,000 from the previous week’s revised level. . . . The 4-week moving average was 746,250, a decrease of 16,000 from the previous week’s revised average .”

US Treasury

Monday, [International Capital Flows](#): “The sum total in January of all net foreign acquisitions of long-term securities, short-term U.S. securities, and banking flows was a net TIC inflow of \$106.3 billion. . . . Taking into account transactions in both foreign and U.S. securities, net foreign purchases of long-term securities were \$90.8 billion.”

Economic Indicators and Confidence

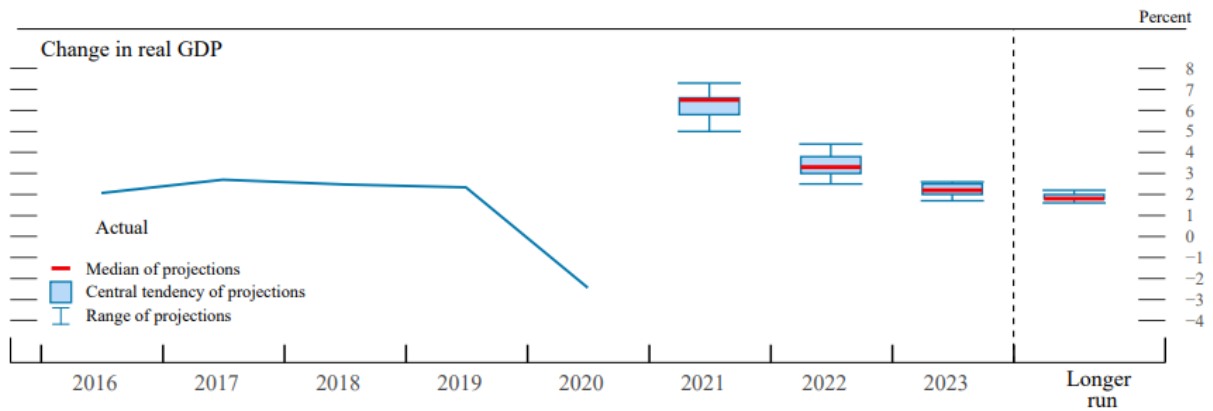
Federal Reserve

Tuesday, [Industrial Production and Capacity Utilization](#): “In February, total industrial production decreased 2.2 percent. Manufacturing output and mining production fell 3.1 percent and 5.4 percent, respectively; the output of utilities increased 7.4 percent. . . . Capacity utilization for the industrial sector decreased 1.7 percentage points in February to 73.8 percent, a rate that is 5.8 percentage points below its long-run (1972–2020) average.”

Wednesday, [FOMC Statement](#): “Following a moderation in the pace of the recovery, indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak. Inflation continues to run below 2 percent. . . . The Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent

with the Committee’s assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time.”

Figure 1. Medians, central tendencies, and ranges of economic projections, 2021–23 and over the longer run



Source: [Federal Reserve](#).

The Conference Board

Thursday, [Leading Index](#): The index “increased 0.2 percent in February to 110.5 (2016 = 100), following a 0.5 percent increase in January and a 0.4 percent increase in December. ‘The U.S. LEI continued rising in February, suggesting economic growth should continue well into this year,’ said Ataman Ozyildirim, Senior Director of Economic Research at the Conference Board. ‘Indeed, the acceleration of the vaccination campaign and a new round of large fiscal supports are not yet fully reflected in the LEI. With those developments, the Conference Board now expects the pace of growth to improve even further this year, with the U.S. economy expanding by 5.5 percent in 2021.’”

