

Economic Update, April 5, 2019  
Submitted by Michael Mount

Summary: The jobs report is good, rebounding from a down month in February (see chart on nonfarm payroll), and 44 percent of economists surveyed by the Wall Street Journal say full employment is finally here (see chart at the bottom). Only 202,000 people filed an initial claim for unemployment insurance last week, [the lowest number since 1969](#). Mortgage rates continued to fall, leading to an 18.6 percent increase in mortgage applications last week.

US Census

Monday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for February 2019 . . . were \$506.0 billion, a decrease of 0.2 percent from the previous month, but 2.2 percent above February 2018.” Excluding motor vehicles and parts, the decrease from January 2019 was 0.4 percent.

Monday, [Business Inventories](#): “Manufacturers’ and trade inventories . . . were estimated at an end-of-month level of \$2,013.9 billion, up 0.8 percent from December 2018 and were up 5.3 percent from January 2018.”

Monday, [Construction Spending](#): Total construction spending increased 1.0 percent from January to February 2019. Private construction increased 0.2 percent, and public construction increased 3.6 percent.

Tuesday, [Durable Goods](#): “New orders for manufactured durable goods in February decreased \$4.2 billion or 1.6 percent to \$250.6 billion. . . . This decrease, down following three consecutive monthly increases, followed a 0.1 percent January increase.”

Institute for Supply Management

Monday, [Manufacturing](#): “Economic activity in the manufacturing sector expanded in March, and the overall economy grew for the 119th consecutive month.” The index “registered 55.3 percent, an increase of 1.1 percentage points from the February reading of 54.2 percent.” (Readings greater than 50 indicate the economy is generally expanding.)

Wednesday, [Non-Manufacturing](#): “Economic activity in the non-manufacturing sector grew in March for the 110th consecutive month.” The index “registered 56.1 percent, which is 3.6 percentage points lower than the February reading of 59.7 percent.” (Readings greater than 50 indicate the economy is generally expanding.)

Department of Labor

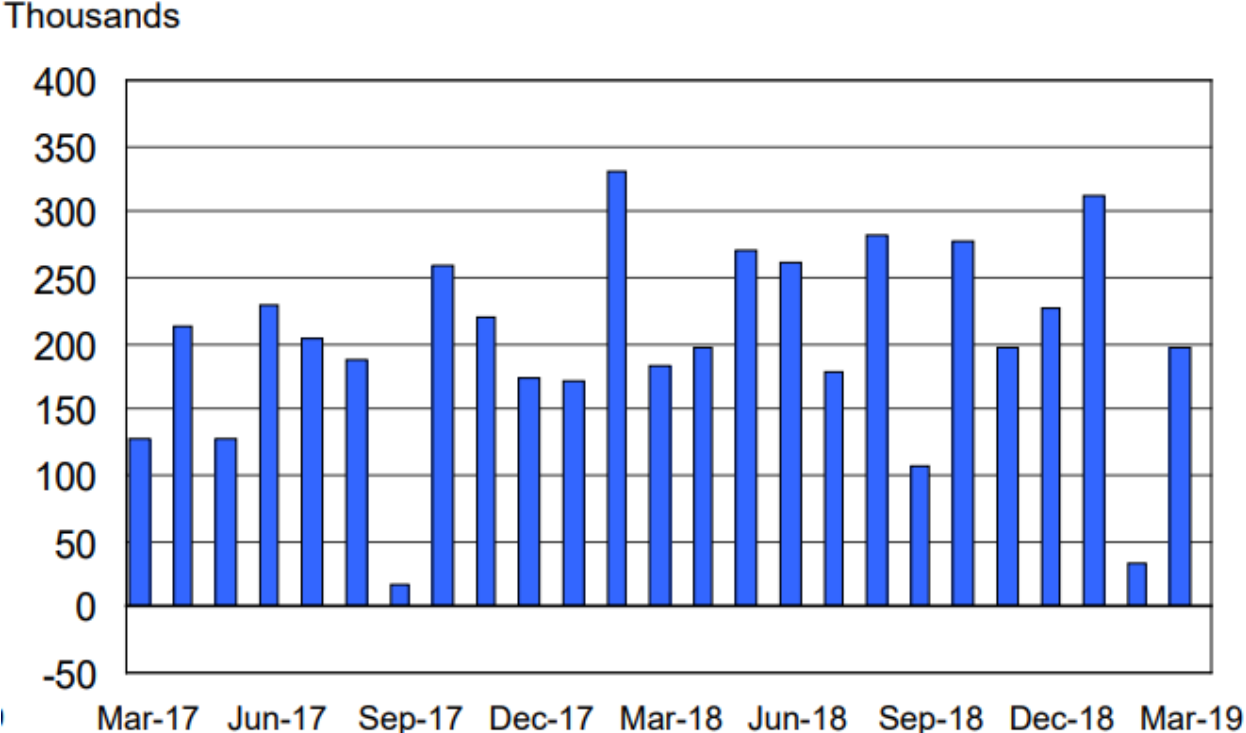
Thursday, [Initial Claims](#): “In the week ending March 30, the advance figure for seasonally adjusted initial claims was 202,000, a decrease of 10,000 from the previous week’s revised level.”

Bureau of Labor Statistics

Wednesday, [Metropolitan Area Employment and Unemployment](#): “The national unemployment rate in February was 4.1 percent, not seasonally adjusted, down from 4.4 percent a year earlier.” Cities in Tennessee ranged from 2.4 percent (Nashville-Davidson-Murfreesboro-Franklin) to 3.8 percent (Clarksville and Memphis).

Friday, [Jobs Report](#): “Total nonfarm payroll employment increased by 196,000 in March, and the unemployment rate was unchanged at 3.8 percent. . . . Notable job gains occurred in health care and in professional and technical services.” Private sector employment increased 182,000, and government employment increased 14,000.

**Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, March 2017 – March 2019**



Source: Bureau of Labor Statistics.

**ADP**

Wednesday, [Private Sector Employment](#): “Private sector employment increased by 129,000 jobs from February to March.”

**Challenger**

Thursday, [Job Cuts](#): “U.S.-based employers announced plans to cut 60,587 jobs from their payrolls in March, down 21% from the 76,835 cuts announced in February.”

**Mortgage Bankers Association**

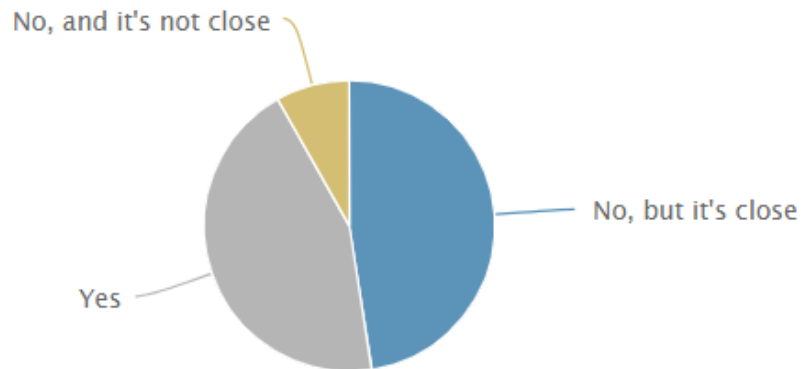
Wednesday, [Mortgage Applications](#): “Mortgage applications increased 18.6 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$484,350 or less) decreased to 4.36 percent from 4.45 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages decreased to 3.78 percent from 3.87 percent.”

Federal Reserve

Thursday, [Patrick Harker](#): “My outlook for rates remains, at most, one hike for 2019 and one for 2020.”

## Q&A: Is full employment finally here?

Has the U.S. economy reached full employment?



Source: Wall Street Journal Economic Forecasting Survey.