

Economic Update, May 24, 2019  
Submitted by Michael Mount

Summary: The National Activity Index flipped from positive to negative, indicating below average growth, and the Purchasing Managers' Index indicated slowing growth for both manufacturing and services. Both new and existing home sales decreased from one month earlier, but labor market indicators remained strong.

US Census

Thursday, [New Residential Sales](#): "Sales of new single-family houses in April 2019 were at a seasonally adjusted annual rate of 673,000. . . . This is 6.9 percent below the revised March rate of 723,000, but is 7.0 percent above the April 2018 estimate of 629,000. The median sales price of new houses sold in April 2019 was \$342,200. The average sales price was \$393,700. The seasonally-adjusted estimate of new houses for sale at the end of April was 332,000. This represents a supply of 5.9 months at the current sales rate."

Friday, [Durable Goods](#): "New orders for manufactured durable goods in April decreased \$5.4 billion or 2.1 percent to \$248.4 billion. . . . This decrease, down two of the last three months, followed a 1.7 percent March increase. . . . Nondefense new orders for capital goods in April decreased \$3.9 billion or 5.0 percent to \$74.0 billion."

Bureau of Labor Statistics

Wednesday, [County Employment and Wages](#): "From December 2017 to December 2018, employment increased in 296 of the 349 largest U.S. counties." From December 2017 to December 2018, employment in Tennessee increased 1.8 percent, and average weekly wages increased 3.0 percent.

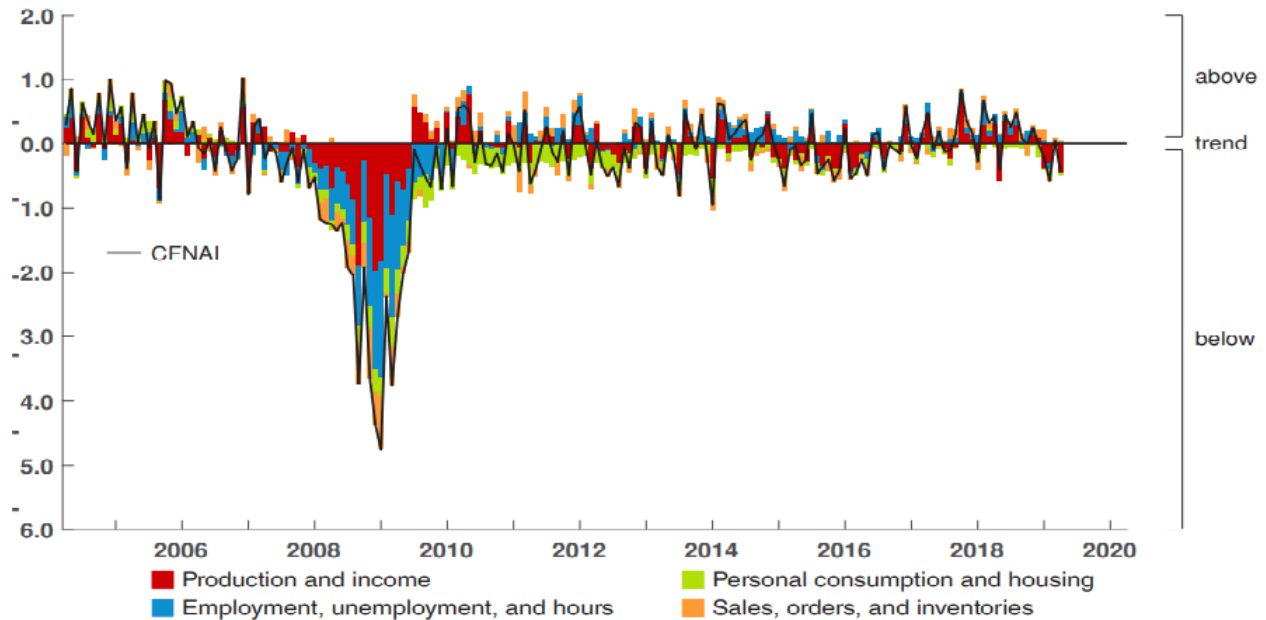
Department of Labor

Thursday, [Initial Claims](#): "In the week ending May 18, the advance figure for seasonally adjusted initial claims was 211,000, a decrease of 1,000 from the previous week's unrevised level of 212,000." Initial claims in Tennessee increased 267.

Federal Reserve

Monday, [National Activity Index](#): "Led by declines in production-related indicators," the index "fell to -0.45 in April from +0.05 in March." Negative values for the monthly index are associated with the national economy expanding below its historical trend (average) rate.

### Chicago Fed National Activity Index, by Categories



Wednesday, [FOMC Minutes](#): “Labor market conditions remained strong and real gross domestic product (GDP) increased at a solid rate in the first quarter even as household spending and business fixed investment rose more slowly in the first quarter than in the fourth quarter of last year. Consumer price inflation, as measured by the 12-month percentage change in the price index for personal consumption expenditures (PCE), declined, on net, in recent months and was somewhat below 2 percent in March.”

National Association of Realtors

Tuesday, [Existing Home Sales](#): “Existing-home sales saw a minor decline in April, continuing March’s drop in sales.” Sales “fell 0.4% from March to a seasonally adjusted annual rate of 5.19 million in April. Total sales are down 4.4% from a year ago (5.43 million in April 2018).”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 2.4 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 4.33 percent from 4.40 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages remained unchanged at 3.78 percent.”

IHS Markit

Thursday, [Purchasing Managers’ Index](#): “May PMI data revealed a further slowdown in U.S. private sector output growth in May, as a struggling manufacturing economy was accompanied by a notable downshift in gear in the service sector. At 50.9 in May, down from 53.0 in April,” the index “indicated the slowest expansion in overall business activity since May 2016.”