

Economic Update, May 24, 2024  
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Summary: Federal government indicators this month displayed an increase in selected services total revenue for the first quarter of the month, while initial unemployment claims for the week ending May 18 showed a decrease from the prior week. The Federal Reserve Bank of Chicago's national activity index decreased in April as consumer sentiment fell to its lowest reading in about five months. In the housing market, new home sales in April were down 4.7 percent from March, while mortgage applications increased slightly as both 30- and 15-year fixed-rate mortgage rates decreased.

### **Federal Government Indicators and Reports**

U.S. Census Bureau

Thursday, [Selected Services](#): "Advance U.S. selected services total revenue for the first quarter of 2024, adjusted for seasonal variation but not for price changes, was \$5,536.6 billion, an increase of 2.3 percent from the fourth quarter of 2023 and up 6.7 percent from the first quarter of 2023."

Thursday, [New Home Sales](#): "Sales of new single-family houses in April 2024 were at a seasonally adjusted annual rate of 634,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 4.7 percent below the revised March rate of 665,000 and is 7.7 percent below the April 2023 estimate of 687,000. . . . The median sales price of new houses in April 2024 was \$433,500. The average sales price was \$505,700."

Department of Labor

Thursday, [Initial Claims](#): "In the week ending May 18, the advance figure for seasonally adjusted initial claims was 215,000, a decrease of 8,000 from the previous week's revised level. The previous week's level was revised up by 1,000 from 222,000 to 223,000." In Tennessee, the advance figure for initial claims filed during the week ending May 18 was 3,114, an increase of 6 from the previous week.

### **Economic Indicators and Confidence**

Federal Reserve Bank of Chicago

Thursday, [Chicago Fed National Activity Index](#): "The Chicago Fed National Activity Index (CFNAI) decreased to -0.23 in April from -0.04 in March. Three of the four broad categories of indicators used to construct the index decreased from March, and all four categories made negative contributions in April."

S&P Global

Thursday, [Flash U.S. Composite Purchasing Managers' Index \(PMI\)](#): "U.S. business activity growth accelerated sharply to its fastest for just over two years in May, according to provisional PMI survey data from S&P Global, signaling an improved economic performance midway through the second quarter. The service sector led the upturn, reporting the largest output rise for a year, but manufacturing also showed strong growth. . . . Although companies continued to report lower employment, the rate of job losses moderated amid improved business confidence for the year ahead

and higher order book intakes. . . . Both input and output prices meanwhile rose at faster rates, with manufacturing having taken over as the main source of price growth over the past two months.”

University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment fell back about 10 percent this May following three consecutive months of very little change. This 8.1 index-point decrease is statistically significant and brings sentiment to its lowest reading in about five months. . . . Year-ahead inflation expectations edged up from 3.2 percent last month to 3.3 percent this month, remaining above the 2.3-3.0 percent range seen in the two years prior to the pandemic. Long-run inflation expectations held steady at 3.0 percent for the second straight month.”

### **Mortgages and Housing Markets**

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, increased 1.9 percent on a seasonally adjusted basis from one week earlier. . . . The Refinance Index increased 7 percent from the previous week and was 21 percent higher than the same week one year ago. The seasonally adjusted Purchase Index decreased 1 percent from one week earlier.”

National Association of Realtors

Wednesday, [Existing Home Sales](#): “Total existing-home sales—completed transactions that include single-family homes, townhomes, condominiums and co-ops—slid 1.9 percent from March to a seasonally adjusted annual rate of 4.14 million in April. Year over year, sales fell 1.9 percent (down from 4.22 million in April 2023). . . . Total housing inventory registered at the end of April was 1.21 million units, up 9 percent from March and 16.3 percent from one year ago (1.04 million). Unsold inventory sits at a 3.5-month supply at the current sales pace, up from 3.2 months in March and 3.0 months in April 2023. For homes priced \$1 million or more, inventory and sales increased by 34 percent and 40 percent, respectively, from a year ago.”

Freddie Mac

Thursday, [Mortgage Rates](#): “The 30-year Fixed Rate Mortgage (FRM) averaged 6.94 percent as of May 23, 2024, down from last week when it averaged 7.02 percent. A year ago at this time, the 30-year FRM averaged 6.57. . . . The 15-year FRM averaged 6.24 percent, down from last week when it averaged 6.28 percent. A year ago at this time, the 15-year FRM averaged 5.97 percent.”