

Economic Update, July 19, 2019
Submitted by Michael Mount

Summary: Retail sales came in strong for June, increasing at an annual rate of 3.4 percent above June 2018. Retail trade, finance and insurance, and health care and social assistance were the leading contributors to GDP growth in the first quarter of 2019. But new orders for manufacturing, housing permits, and unemployment insurance claims worsened, causing the leading economic index to tick down (see chart at bottom).

US Census

Tuesday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for June 2019 . . . were \$519.9 billion, an increase of 0.4 percent from the previous month, and 3.4 percent above June 2018.”

Tuesday, [Business Inventories](#): “Manufacturers’ and trade inventories . . . were estimated at an end-of-month level of \$2,036.4 billion, up 0.3 percent from April 2019 and were up 5.3 percent from May 2018.”

Bureau of Economic Analysis

Friday, [GDP by Industry](#): “Finance and insurance; retail trade; and health care and social assistance were the leading contributors to the increase in U.S. economic growth in the first quarter of 2019. According to gross domestic product (GDP) by industry statistics . . . 16 of 22 industry groups contributed to the overall 3.1 percent increase in real GDP in the first quarter.”

Bureau of Labor Statistics

Tuesday, [US Import and Export Prices](#): “U.S. import prices decreased 0.9 percent in June . . . after recording no change in May. Falling prices for both fuel and nonfuel imports in June contributed to the overall decrease. Prices for U.S. exports fell 0.7 percent in June following a 0.2-percent decline the previous month.”

Wednesday, [Weekly Earnings](#): “Median weekly earnings of the nation’s 117.6 million full-time wage and salary workers were \$908 in the second quarter of 2019. . . . This was 3.7 percent higher than a year earlier, compared with a gain of 1.8 percent in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending July 13, the advance figure for seasonally adjusted initial claims was 216,000, an increase of 8,000 from the previous week’s revised level.”

Federal Reserve

Tuesday, [Industrial Production](#): “Industrial production was unchanged in June, as increases for both manufacturing and mining offset a decline for utilities. For the second quarter as a whole, industrial production declined at an annual rate of 1.2 percent, its second consecutive quarterly decrease. . . . Capacity utilization for the industrial sector decreased 0.2 percentage point in June to 77.9 percent, a rate that is 1.9 percentage points below its long-run (1972–2018) average.

Wednesday, [Beige Book](#): “The outlook generally was positive for the coming months, with expectations of continued modest growth, despite widespread concerns about the possible negative impact of trade-related uncertainty.”

National Association of Home Builders

Tuesday, [Housing Market Index](#): The index increased to 65 in July 2019, after decreasing from 66 in May to 64 in June. The South and West regional indexes improved, while the Northeast and Midwest declined.

The Conference Board

Thursday, [Leading Economic Index](#): The index “declined 0.3 percent in June to 111.5 (2016 = 100), following no change in May, and a 0.1 percent increase in April.” The decline was “primarily driven by weaknesses in new orders for manufacturing, housing permits, and unemployment insurance claims.”

