

Economic Update, July 26, 2024
Submitted by Michael Mount

Summary: U.S. GDP growth came in strong at 2.8 percent in the second quarter of 2024, and Standard and Poor's (S&P) composite Purchasing Managers' Index (PMI) indicates that the U.S. economy has been outperforming the UK, Japan, and the eurozone over the past three months. Durable goods orders decreased 6.6 percent, driven by a 20.5 percent decrease in transportation, though new orders for nondefense capital goods, excluding aircraft, grew 1.0 percent. The U.S. Census updated its [estimates](#) of county-level uninsured health rates.

Federal Government Indicators and Reports

U.S. Census

Wednesday, [International Trade](#): "The international trade deficit was \$96.8 billion in June, down \$2.5 billion from \$99.4 billion in May. Exports of goods for June were \$172.3 billion, \$4.3 billion more than May exports. Imports of goods for June were \$269.2 billion, \$1.7 billion more than May imports.

Thursday, [Uninsured Health Rates](#): "The rate of Americans under age 65 without health insurance decreased in 627 counties and increased in 23 counties between 2021 and 2022."

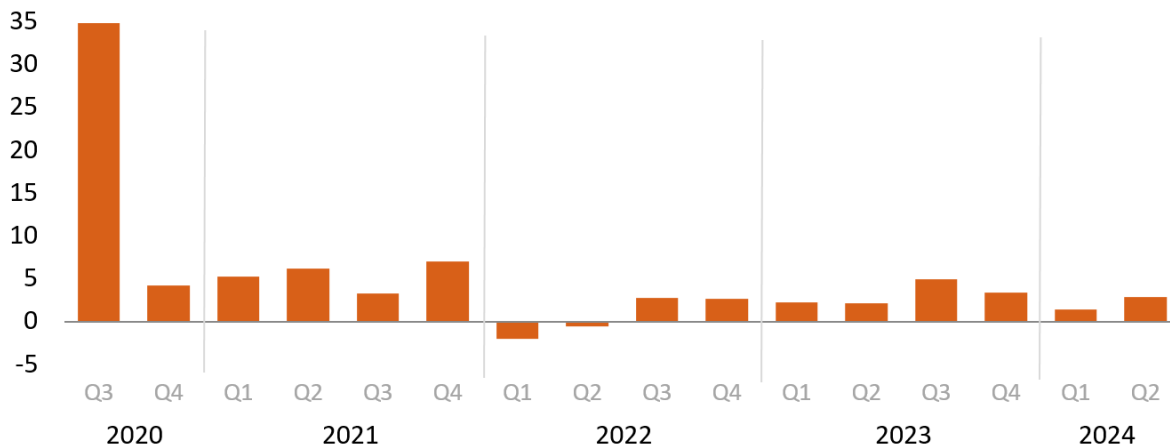
Thursday, [Durable Goods](#): "New orders for manufactured durable goods in June, down following four consecutive monthly increases, decreased \$18.6 billion or 6.6 percent to \$264.5 billion. . . . This followed a 0.1 percent May increase. . . . Transportation equipment, down two of the last three months, drove the decrease, \$19.6 billion or 20.5 percent to \$75.8 billion." New orders for nondefense capital goods, excluding aircraft, an indicator of business spending plans, increased 1.0 percent.

Bureau of Economic Analysis

Tuesday, [Direct Investment](#): "The U.S. direct investment abroad position, or cumulative level of investment, increased \$364.0 billion to \$6.68 trillion at the end of 2023. . . . The foreign direct investment in the United States position increased \$227.0 billion to \$5.39 trillion at the end of 2023."

Thursday, [Gross Domestic Product](#): "Real gross domestic product (GDP) increased at an annual rate of 2.8 percent in the second quarter of 2024. . . . In the first quarter, real GDP increased 1.4 percent. . . . The price index for gross domestic purchases increased 2.3 percent in the second quarter, compared with an increase of 3.1 percent in the first quarter."

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

Friday, [Personal Income](#): “Personal income increased \$50.4 billion (0.2 percent at a monthly rate) in June. . . . The Personal Consumption Expenditures (PCE) price index increased 0.1 percent. Excluding food and energy, the PCE price index increased 0.2.”

Bureau of Labor Statistics

Wednesday, [Business Employment](#): “The difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 344,000 jobs in the private sector during the fourth quarter of 2023.”

Wednesday, [State Job Openings and Labor Turnover](#): “Job openings rates increased in 6 states and decreased in 1 state on the last business day of May. . . . Hires rates and total separations rates both increased in 3 states and decreased in 1 state.” In Tennessee, job openings decreased by 22,000, hires increased by 10,000, and separations increased by 6,000.

Department of Labor

Thursday, [Initial Claims](#): “In the week ending July 20, the advance figure for seasonally adjusted initial claims was 235,000, a decrease of 10,000 from the previous week's revised level.” In Tennessee, initial claims increased by 789 to 4,272.

Economic Indicators and Confidence

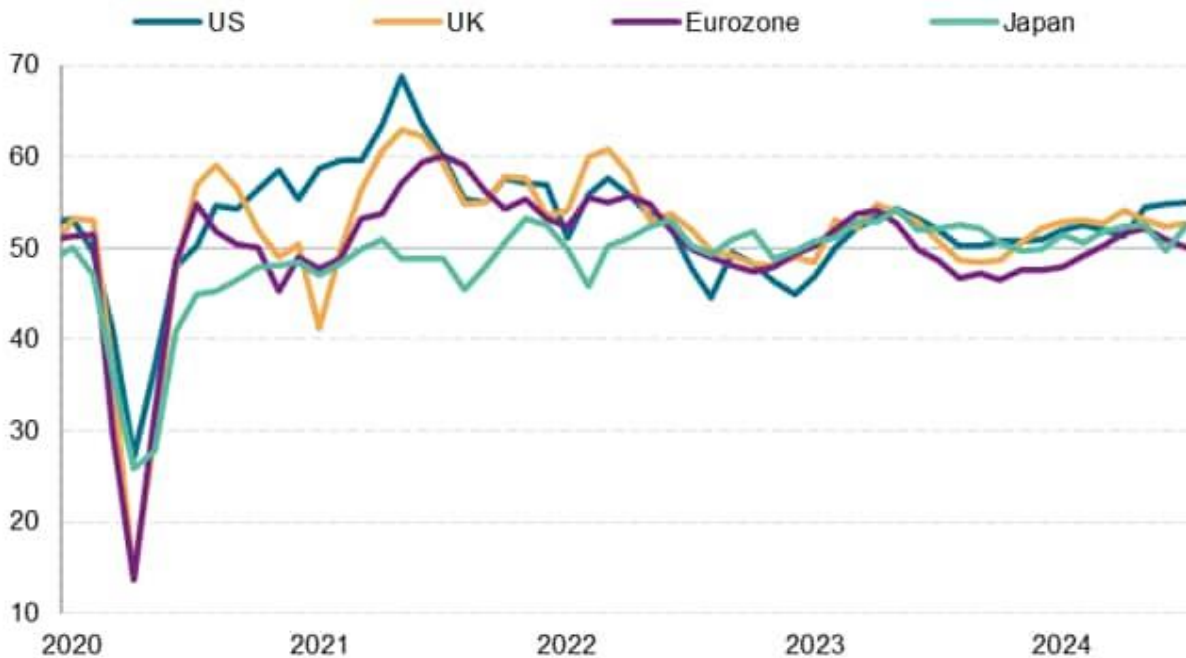
Federal Reserve

Monday, [National Activity Index](#): The index “decreased to +0.05 in June from +0.23 in May.” Positive values are associated with above-average economic growth.

S&P Global

Wednesday, [Composite PMI](#): “U.S. business activity growth edged up to its fastest for 27 months in July, according to flash PMI survey data from S&P Global, signaling an encouragingly strong start to the third quarter.” “[U.S. growth](#) accelerated to the fastest since April 2022, outpacing the other 'G4' major developed economies for a third successive month.”

Flash PMI output indicators of 'G4' economies



Data compiled July 24, 2024.

PMI covers manufacturing and services. 50 = no change on prior month.

Sources: S&P Global PMI with HCOB (Eurozone) and au Jibun Bank (Japan).

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University of Michigan

Friday, [Consumer Sentiment](#): The index decreased from 68.2 in June to 66.4 in July. “Sentiment has lifted 33 percent above the June 2022 historic low, but it remains guarded as high prices continue to drag down attitudes, particularly for those with lower incomes.”

Mortgages and Housing Markets

S&P Global

Tuesday, [Existing Home Sales](#): “Existing-home sales fell in June as the median sales price climbed to the highest price ever recorded for the second consecutive month.” Sales decreased 5.4 percent, and the median sales price was \$426,900.

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 2.2 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$766,550 or less) decreased to 6.82 percent from 6.87 percent.”

U.S. Census

Thursday, [New Residential Sales](#): “Sales of new single-family houses in June 2024 were at a seasonally adjusted annual rate of 617,000. . . . This is 0.6 percent below the revised May rate of 621,000. . . . The median sales price of new houses sold in June 2024 was \$417,300. The average sales price was \$487,200.”