

Economic Update, August 30, 2024
Submitted by Carly Van Syckle

Summary: Federal Government indicators and reports displayed an increase in durable goods orders in July along with an increase in personal income, imports of goods, and retail inventories. Real gross domestic product increased in the second quarter of the year. Initial unemployment claims decreased at a national and state level the week ending August 24. Consumer's assessment of current market conditions as well as consumers' short-term outlook for income, business, and market conditions improved from July to August. The University of Michigan's consumer sentiment survey displayed 36 percent above the all-time historic low of June 2022 as short and long-run economic outlooks and sentiment increased. In the housing market, mortgage applications increased slightly while mortgage rates continued to drop. U.S. house prices were up in the second quarter of 2024, as pending house sales slipped to 70.2 in July, the lowest reading since the index began tracking in 2001.

Federal Government Indicators and Reports:

U.S. Census Bureau

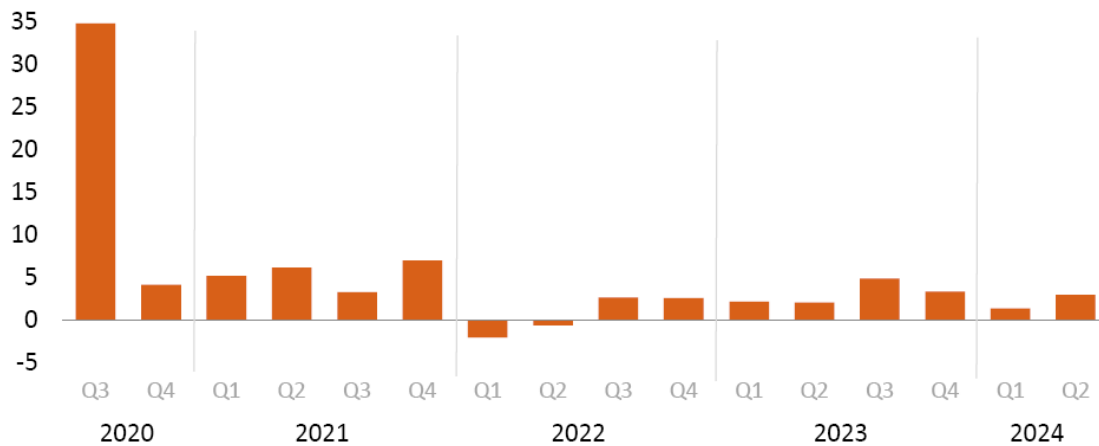
Monday, [Durable Goods Orders](#): "New orders for manufactured durable goods in July, up five of the last six months, increased \$26.1 billion or 9.9 percent to \$289.6 billion, the U.S. Census Bureau announced today. This followed a 6.9 percent June decrease. Excluding transportation, new orders decreased 0.2 percent. Excluding defense, new orders increased 10.4 percent. Transportation equipment, up two of the last three months, drove the increase, \$26.4 billion or 34.8 percent to \$102.2 billion."

Thursday, [Advance Trade and Inventories](#): "The international trade deficit was \$102.7 billion in July, up \$6.1 billion from \$96.6 billion in June. Exports of goods for July were \$172.9 billion, virtually unchanged from June exports. Imports of goods for July were \$275.6 billion, \$6.1 billion more than June imports. . . . Retail inventories for July, adjusted for seasonal variations and trading day differences, but not for price changes, were estimated at an end-of-month level of \$811.4 billion, up 0.8 percent from June 2024, and were up 6.8 percent from July 2023."

Bureau of Economic Analysis

Thursday, [Gross Domestic Product](#): "Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2024, according to the "second" estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP increased 1.4 percent. . . . The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. Compared to the first quarter, the acceleration in real GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in consumer spending. These movements were partly offset by a downturn in residential fixed investment."

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

Friday, [Personal Income](#): “Personal income increased \$75.1 billion (0.3 percent at a monthly rate) in July, according to estimates released today by the U.S. Bureau of Economic Analysis. Disposable personal income (DPI), personal income less personal current taxes, increased \$54.8 billion (0.3 percent) and personal consumption expenditures (PCE) increased \$103.8 billion (0.5 percent). The PCE price index increased 0.2 percent. Excluding food and energy, the PCE price index increased 0.2 percent. Real DPI increased 0.1 percent in July and real PCE increased 0.4 percent; goods increased 0.7 percent and services increased 0.2 percent.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending August 24, the advance figure for seasonally adjusted initial claims was 231,000, a decrease of 2,000.” In Tennessee, the advance figure for initial claims filed during the week ending August 24 was 2,602, a decrease of 204 from the previous week.”

Economic Indicators and Confidence:

The Conference Board

Tuesday, [Consumer Confidence](#): “The Conference Board Consumer Confidence Index rose in August to 103.3 from an upwardly revised 101.9 in July. The Present Situation Index—based on consumers’ assessment of current business and labor market conditions—improved to 134.4 from 133.1 in July. The Expectations Index—based on consumers’ short-term outlook for income, business, and labor market conditions—also improved in August to 82.5. As the Expectations Index for July was revised up to 81.1, August marked the second consecutive month of the Index above 80. (A reading below the threshold of 80 usually signals a recession ahead.)”

University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment confirmed its early-month reading; after drifting down for four months, sentiment inched up 1.5 index points above July and is currently 36 percent above the all-time historic low from June 2022. Consumers’ short- and long-run economic outlook improved, with both figures reaching their most favorable levels since April 2024 and a

particularly sizable 10 percent improvement for long-run expectations that was seen across age and income groups.

Mortgages and Housing Markets:

Federal Housing Finance Agency

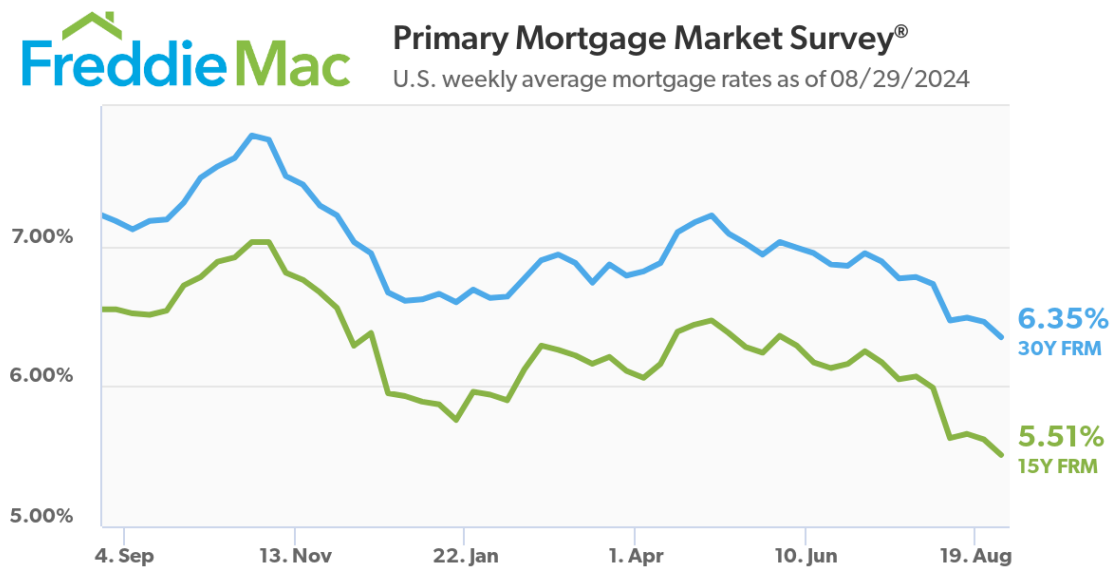
Tuesday, [House Price Index](#): “U.S. house prices rose 5.7 percent between the second quarter of 2023 and the second quarter of 2024, according to the Federal Housing Finance Agency (FHFA) House Price Index. House prices were up 0.9 percent compared to the first quarter of 2024. FHFA’s seasonally adjusted monthly index for June was down 0.1 percent from May.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, increased 0.5 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 1 percent compared with the previous week. The Refinance Index decreased 0.1 percent from the previous week and was 85 percent higher than the same week one year ago. The seasonally adjusted Purchase Index increased 1 percent from one week earlier. The unadjusted Purchase Index decreased 1 percent compared with the previous week and was 9 percent lower than the same week one year ago.”

Freddie Mac

Thursday, [Mortgage Rates](#): “The 30-year fixed-rate mortgage (FRM) averaged 6.35 percent as of August 29, 2024, down from last week when it averaged 6.46 percent. A year ago at this time, the 30-year FRM averaged 7.18 percent. The 15-year FRM averaged 5.51 percent, down from last week when it averaged 5.62 percent. A year ago at this time, the 15-year FRM averaged 6.55 percent.”



National Association of Realtors

Thursday, [Pending Home Sales](#): “The Pending Home Sales Index (PHSI)—a forward-looking indicator of home sales based on contract signings—slipped to 70.2 in July, the lowest reading since the index began tracking in 2001. Year over year, pending transactions were down 8.5 percent.”