

April 2025

May 6, 2025

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- *"Uncertainty"* extended into April as the White House announced a series of reciprocal tariffs on a number of countries and then granted a 90-day pause. At the same time, the administration increased levies to 145% on goods from China (smartphones, computers and other electronics exempted) as Beijing imposed a 125% tariff on U.S. goods.
- The equity market remained volatile with stocks whipsawing throughout the month as investors assessed the impact of increased trade tensions. Equities ultimately closed out the month mixed with the Nasdaq eking out a 0.9% gain, while the Dow and S&P 500 ended lower for the third consecutive month.
- Treasury yields declined in April with the 2-year falling 28bps and the 10-year slipping 5bps, to finish the first month of Q2 at 3.60% and 4.16%, respectively.
- GDP contacted for the first time in three years, falling 0.3% in Q1, as consumers pared back spending and as imports surged with businesses stockpiling goods ahead of planned levies.
- Fears of continued weakness in the overall economy have prompted calls for a potential downturn or outright recession, as well as the likelihood of further monetary policy relief with the market pricing in at least three cuts by year-end.

Market Activity and Commodities

- **Equities** – Stocks ended a volatile month of April mixed after posting declines in March. The Nasdaq rose 0.9% in April, closing at 17,446.34. On the other hand, beginning at 5,611.85, the S&P 500 declined 0.8% in April to close at 5,569.06. The Dow, meanwhile, dropped 3.2% from 42,001.76 to 40,669.36. Year-to-date, the Dow is down 4.1%, while the S&P 500 is down 5.3% and the Nasdaq is 9.5% lower.
- **Treasuries –** Treasury yields were lower in April after ending mixed in March. The 2-year Treasury yield closed out April at 3.60%, down 28bps since March's close and marking a seven-month low. The 10-year Treasury yield, meanwhile, closed out April at 4.16%, down 5bps from March's close, a five-month low.

- **Commodities**
  - (Apr 30) – Crude oil plunged 18.6% in April from $71.48 to $58.21 a barrel, the largest monthly drop since November 2021 and following a 2.4% rise in March. The decline in crude prices is largely a result of a potential increase in production from Saudi Arabia and as increased tariffs are likely to dampen demand for oil with U.S. economic activity contracting in the first quarter.
  - (Apr 30) – Gold rose 5.3% in April to close at $3,288.71 per ounce, hitting an all-time high of $3,423.98 per ounce on April 21. Year-to-date, gold is up 23.7% due to heightened market uncertainty surrounding fiscal policy measures, particularly tariffs.

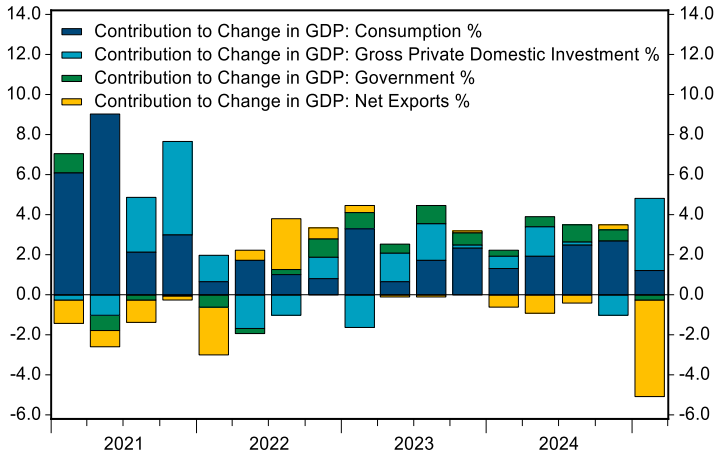
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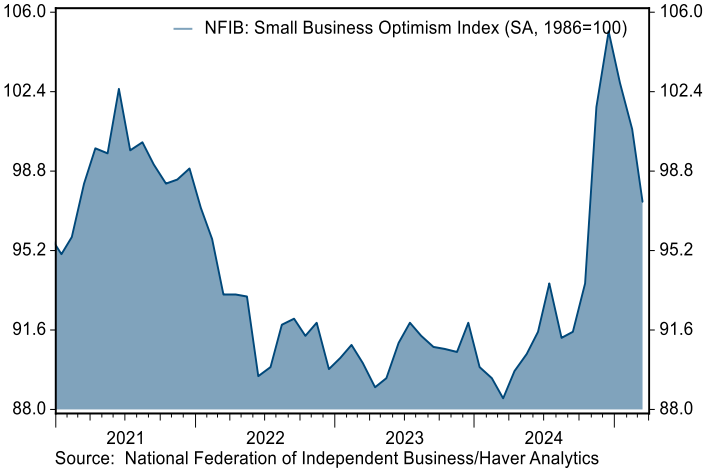
National Growth and Outlook

- **NFIB Small Business Optimism** (Apr 8) – The NFIB Small Business Optimism Index fell 3.3 points to 97.4 March, surpassing the expected decline to 99.0 and the largest monthly point drop since June 2022. In the details of the report, only 88% of firms say they have no plans to hire in the next three months, up from 85% in February, while 91% of owners reported that now is not a good time to expand their business, up from 88% reported in February. Additionally, 21% of firms expect the economy to improve, down 16 points from February, and the third consecutive decline. The NFIB Uncertainty Index, meanwhile, fell eight points to 96 after reaching the second highest reading on record in February.
- **Leading Index** (Apr 21) – The Leading Index fell 0.7% in March, two-tenths of a percentage point more than expected and the largest monthly decline since September 2023. Over the past 12 months, the Leading Index dropped 3.5%, marking the largest annual decline since October of last year.
- **Chicago Fed National Activity Index** (Apr 24) – The Chicago Fed Index unexpectedly dropped into negative territory, falling from +0.24 (revised up from +0.18) to -0.03 in March, a two-month low. According to the median forecast, the index was expected to fall to +0.12. The Chicago Fed Index draws on 85 economic indicators; a reading below zero indicates below-trend growth in the national economy and a sign of easing pressures on future inflation. In March, 41 of the 85 monthly individual indicators made positive contributions, while 44 made negative contributions.
- **GDP** (Apr 30) – GDP fell 0.3% on an annualized basis in the preliminary Q1 report, marking a three-year low. The four-quarter average, meanwhile, declined from 2.5% to 2.1%. In the details of the report, personal consumption rose 1.8% in the preliminary Q1 report, surpassing the median forecast of 1.2%, albeit still marking the smallest gain since mid-2023. Goods consumption, meanwhile, rose 0.5%, due to a 2.7% gain in nondurables consumption. Durables consumption, on the other hand, dropped 3.4%, the largest quarterly decline since Q2 2021. Services consumption gained 2.4% in the preliminary Q1 report, following a 3.0% rise in Q4. Gross private investment – a gauge of business spending – jumped 21.9%, reflecting an increased inventory buildup ahead of planned tariffs. Inventories rose by $140.1B in the first quarter, the largest buildup since Q1 2022. As a result, inventories contributed 2.3% to Q1 GDP. Thus, excluding inventories, fixed investment rose a lesser 7.8% in the first-round Q1 report, still marking the strongest quarterly gain in seven quarters. Nonresidential investment – including office buildings and factories – rose 9.8%, due to a 22.5% jump in equipment investment, the largest gain since Q3 2020 as businesses purchased aircraft and computers ahead of planned levies. Also, intellectual property investment climbed 4.1%, and structures investment rose 0.4% in the preliminary first-quarter report. Residential investment, meanwhile, rose 1.3% in the preliminary Q1 report following a 5.5% increase in Q4. On the trade side, exports rose 1.8%, while imports surged 41.3% in the first-round Q1 report, the most in five years. As a result, net exports subtracted 4.8% from Q1 GDP. So, stripping out inventories and trade, real final sales to domestic purchasers rose 2.3% at the start of the year, albeit down from a more robust 3.0% increase in Q4. Finally, government consumption fell 1.4% in the preliminary Q1 report, the first quarterly decline since Q2 2022. Federal spending dropped 5.1%, with national defense spending declining 8.0%. Nondefense spending, meanwhile, slipped 1.0%, while state and local spending increased 0.8%. In addition, the Core PCE Price Index rose more than expected in the preliminary Q1 report, gaining 3.5%, a one-year high. According to the median forecast, the Core PCE Price Index was expected to rise 3.1%.

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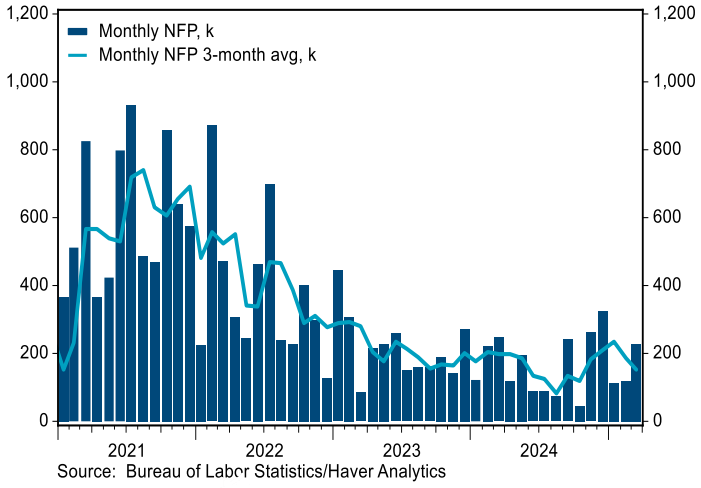
Source: National Federation of Independent Business/Haver Analytics

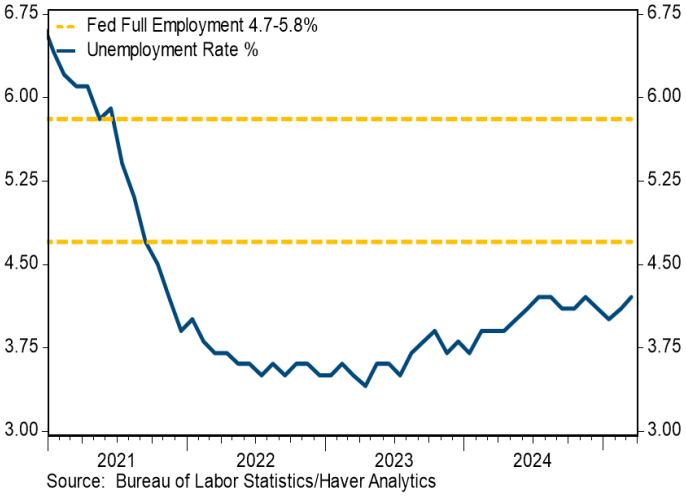
Employment

- **Initial Jobless Claims**
  - (Apr 3) – Initial jobless claims unexpectedly declined 6k to 219k in the week ending March 29, a seven-week low. The four-week average fell from 224k to 223k. Continuing claims, or the total number of people that quality for benefits under unemployment insurance, jumped from 1.85M to 1.90M in the week ending March 22, the highest since November 2021 as people not currently in the workforce are finding it harder to obtain a new job.
  - (Apr 10) – Initial jobless claims rose 4k to 223k in the week ending April 5, a two-week high. The four-week average, meanwhile, remained at 223k for the second consecutive week. Continuing claims, or the total number of people collecting ongoing unemployment benefits declined from 1.89M to 1.85M in the week ending March 29.
  - (Apr 17) – Initial jobless claims unexpectedly fell 9k to 215k in the week ending April 12, the lowest since early February. According to the median forecast, jobless claims were expected to rise to 215k. The four-week average, meanwhile, declined from 223k to 221k. On the other hand, continuing claims, or those who continue to file for unemployment benefits, rose from 1.84M to 1.89M in the week ending April 5, a two-week high.
  - (Apr 24) – Initial jobless claims rose 6k to 222k in the week ending April 19, as expected and a two-week high. The four-week average, on the other hand, ticked down 1k to 220k. Continuing claims, or the total number of unemployed individuals who qualify for benefits, dropped 37k to 1.84M in the week ending April 12, the lowest since the start of February.
- **JOLTS** (Apr 1) – The number of job openings according to JOLTS – the Job Openings and Labor Turnover Survey – dropped more than forecasted, falling to 7.57M in February from a revised 7.76M. In the details of the report, the quits rate remained at 2.0% for a second consecutive month, with the layoffs rate was also unchanged at 1.1% in February for the fifth consecutive month. The ratio of job openings to unemployed people, meanwhile, decreased from 1.13 to 1.07 in the second month of the year, a five-month low.
- **Nonfarm Payrolls** (Apr 4) – Nonfarm payrolls rose by 228k in March, exceeding the 140k gain expected, and marking a three-month high. The three-month average, however, fell from 184k to 152k, the weakest pace since October. February payrolls were revised down from a 151k gain to a 117k increase. With additional revisions to previous months, the overall change in nonfarm payrolls (March data + net revisions) was 180k. In the details of the report, private payrolls rose by 209k in March following a 116k rise the month prior. Goods-producing payrolls, meanwhile, increased 12k, due to a 13k rise in construction payrolls and a 1k gain in manufacturing payrolls. Private service producing payrolls rose by 197k in March following a 90k gain in February. Education and health payrolls led the gain in services payrolls in March, rising

77k following a 60k gain in February. Trade and transport payrolls increased 48k, due to a 24k rise in retail trade payrolls, and leisure and hospitality payrolls climbed 43k, the largest monthly gain in three months. Additionally, financial services payrolls rose 9k and professional and business services payrolls inched up 3k, despite a 6k fall in temporary help payrolls. Also on the weaker side, information payrolls fell 2k in March, the largest decline in two months. Finally, government payrolls rose by 19k in March following a 1k increase in February with federal payrolls dropping 4k in March following an 11k drop in February.

- **Participation Rate** (Apr 4) – The labor force participation rate unexpectedly ticked up one-tenth of a percentage point from 62.4% to 62.5% at the end of Q1, a two-month high. According to the median forecast, the participation rate was expected to remain steady at 62.4% in March.
- **Unemployment Rate** (Apr 4) – Household employment rose by 201k in March, and the labor force, meanwhile, increased by 232k. Thus, the unemployment rate unexpectedly ticked up a tenth of a percentage point to 4.2% in March, a four-month high, albeit still well below the Fed's full employment range. According to the median forecast, the unemployment rate was expected to remain steady at 4.1% for a second consecutive month.
- **Average Hourly Earnings** (Apr 4) – Average hourly earnings rose 0.3% in March, as expected and following a 0.2% increase in February. Year-over-year, wages rose 3.8%, the smallest annual increase in eight months.
- **Average Weekly Hours** (Apr 4) – The average workweek remained at 34.2 hours in March for the second consecutive month.





Consumer Activity and Confidence

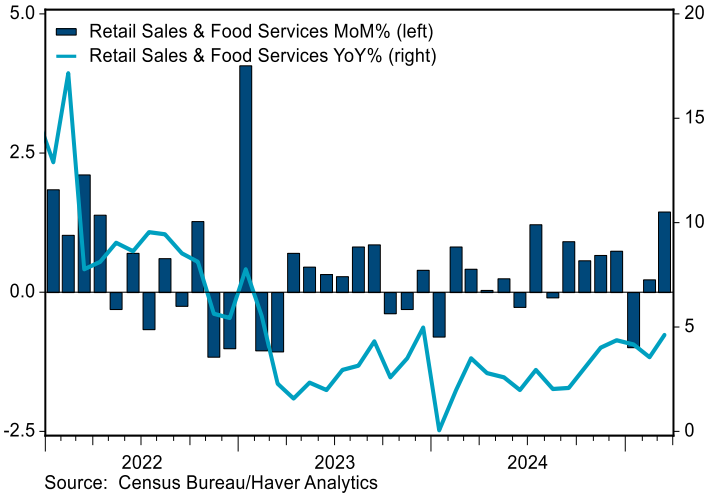
- **Vehicle Sales** (Apr 1) – Total vehicle sales surged from 16.0m to 17.8m in March, well surpassing expectations as consumers rushed to purchase vehicles ahead of April 3 when planned tariffs went into effect on imported cars. Over the past 12 months, vehicle sales rose 13.3%, marking the largest annual increase since December 2023.
- **Consumer Credit** (Apr 7) – Consumer credit unexpectedly fell by nearly $810 million in February, the first decline in three months. According to the median forecast, consumer credit was expected to rise by $15.0 billion. Revolving credit outstanding – including credit cards – rose $128 million. Non-revolving credit – including car loans and school tuition loans – fell by $938 million, the first drop in about a year.
- **Retail Sales** (Apr 16) – Retail sales surged in March after a lackluster average pace of -0.4% across January and February. Rising 1.4% at the end of Q1, the gain was largely in line with expectations and marks the largest monthly increase since January 2023. Year-over-year, retail sales increased 4.6% in March, the strongest annual gain since December 2023. The monthly gain in headline sales was largely a result of a pickup in auto sales, as consumers sought to purchase vehicles ahead of planned tariffs, with car sales rising 5.3%, the largest monthly increase since January 2023. Thus, excluding

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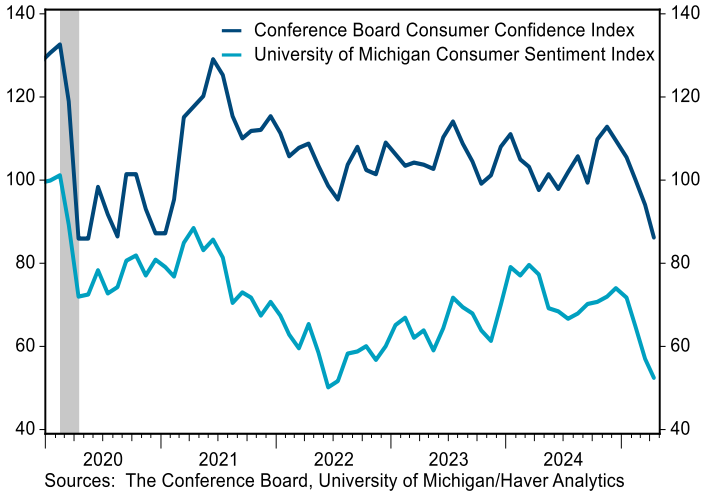
autos, retail sales rose 0.5% in the third month of 2025 and climbed 3.6% over the past 12 months. Gasoline station sales, meanwhile, declined 2.5% in March, the second consecutive month of decrease. Excluding autos and gasoline, retail sales increased 0.8% in March and rose 4.5% year-over-year. Finally, excluding food, autos, building materials and gasoline station sales, control group sales rose 0.4% in March, less than the 0.6% gain expected and following a 1.3% rise in February. Over the past 12 months, control group sales rose 4.6%, the smallest annual increase in two months. In the details of the report, building materials sales climbed 3.3% in March following five consecutive months of decline, and sporting goods sales rose 2.4% following two consecutive months of decline. Also, electronics sales gained 0.8%, health and personal care sales increased 0.7%, general merchandise sales rose 0.6%, despite a 0.3% drop in department store sales in the third month of the year, and miscellaneous sales also increased 0.7% in March. Additionally, clothing sales increased 0.4%, food and beverage sales rose 0.2%, and non-store retailer sales gained 0.1% at the end of Q1. On the other hand, furniture sales fell 0.7% in March, the largest monthly decline since the start of the year.

- **University of Michigan Consumer Sentiment**
    - (Apr 11) – The University of Michigan Consumer Sentiment Index dropped 6.2 points to a reading of 50.8 in the preliminary April report, surpassing the expected decline to 53.8 and marking the fourth consecutive month of descent as well as a near three-year low. In the details of the report, a gauge of current conditions fell 7.3 points to 56.5, the lowest reading since June 2022, and a gauge of future expectations dropped 5.4 points from 52.6 to 47.2 in the preliminary April report, the lowest reading since 1980, as consumers brace for further uncertainty and potentially higher inflation. In fact, a measure of short-term inflation expectations soared 170bps in the latest report from 5.0% in March (already a more than two-year high) to 6.7% in the preliminary April report, the highest since 1981. A measure of longer-term inflation expectations also increased, rising 30bps to 4.4%, the highest since 1991.
    - (Apr 25) – The University of Michigan Consumer Sentiment Index was unexpectedly revised higher from 50.8 to 52.2 in the final April print, still marking a 4.8 point drop from March and the lowest reading since 2022. In the details of the report, a gauge of current conditions was revised up 3.3 points to 59.8, marking the lowest reading since December 2022, and a gauge of future expectations was revised up slightly from 47.2 to 47.3 in the final April report, the lowest reading since July 2022, as consumers brace for further uncertainty and potentially higher inflation. In fact, a measure of short-term inflation expectations soared 150bps in the latest report from 5.0% in March (already a more than two-year high) to 6.5% in the final April report, the highest reading since 1981. Meanwhile, a measure of longer-term inflation expectations also increased in April, rising 30bps from March to 4.4%, the highest since 1991.
- **Consumer Confidence** (Apr 29) – The Conference Board's Consumer Confidence Index fell more than expected, dropping 7.9 points from 93.9 (revised up from 92.9) to 86.0 in April, the fifth consecutive month of decline and the lowest reading in nearly five years. According to the median forecast, confidence was expected to decline to a reading of 88.0 at the start of Q2. In the details of the report, a gauge of current conditions slipped 0.9 points to 133.5, a seven-month low, and a gauge of future expectations plunged 12.5 points to 54.4, the lowest reading since 2011.
- **Consumer Spending and Income** (Apr 30) – Personal income rose 0.5% in March, a tenth of a percentage point more than expected and following a 0.7% increase in February (revised down from the 0.8% gain initially reported). Consumer spending, meanwhile, increased 0.7% in March, also a tenth of a percentage point more than expected and following an upwardly revised 0.5% rise the month prior. Year-over-year, consumer spending increased 5.6%, down slightly from the 5.7% annual gain the month prior, while personal income rose 4.3% in March, a two-month low. Adjusting for inflation, real consumer spending jumped 0.7%, two-tenths of a percentage point more than expected and the largest monthly gain since January 2023. Real income, meanwhile, gained 0.5% in March, the largest increase in more than a year. Over the past 12 months, real spending rose 3.3%, the largest annual increase since December 2023, and real disposable personal income increased 2.0% at the end of Q1, a three-month high.

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Source: Census Bureau/Haver Analytics



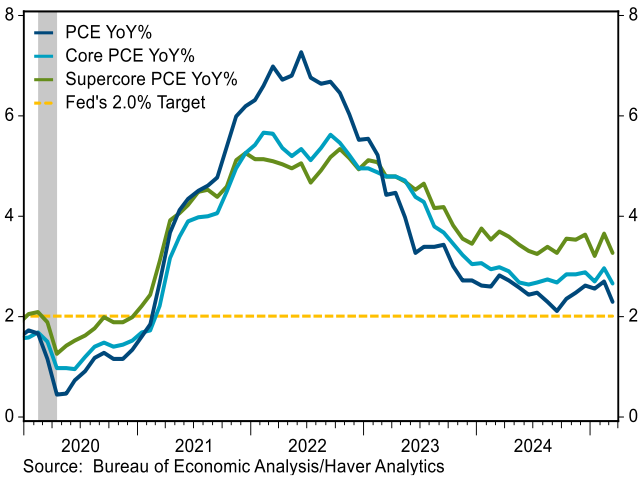
Sources: The Conference Board, University of Michigan/Haver Analytics

Inflation

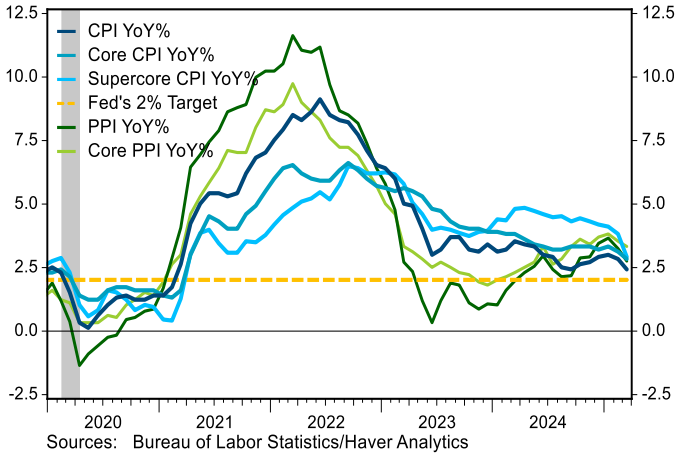
- **CPI** (Apr 10) – The CPI (Consumer Price Index) unexpectedly fell 0.1% in March, the first monthly decline since May 2020. According to the median forecast, the CPI was expected to rise 0.1% at the end of the first quarter. Year-over-year, consumer prices rose 2.4%, a tenth of a percentage point less than expected and the second month of cooling following four consecutive months of acceleration. At 2.4%, this marks the smallest annual gain in six months. Food prices rose 0.4% while energy prices dropped 2.4% in March following a 0.2% gain in February. Excluding food and energy costs, the core CPI rose 0.1% in March, less than the 0.3% gain expected and down from the 0.2% gain in February. Year-over-year, the core CPI increased 2.8%, two-tenths of a percentage point less than expected and marking the smallest annual increase since March 2021. In the details of the report, apparel prices climbed 0.4%, and shelter prices increased 0.2% with a 0.4% gain in the OER in March, the largest monthly increase in five months. Also, medical care prices rose 0.2% at the end of Q1. On the other hand, transportation prices dropped 1.8% in the third month of the year with airline fares declining 5.3%, the second consecutive month of decline, and used car prices slipping 0.7% March. New vehicle prices, however, increased 0.1% following a 0.1% decline the month prior. Also, commodities prices fell 0.4% at the end of the first quarter. Another iteration of inflation, the supercore – defined as core services excluding housing – fell 0.2% in March following a 0.2% rise the month prior. Over the past 12 months, the supercore increased 2.9%, down from the 3.8% annual increase in February and marking the smallest annual increase since March 2021.
- **PPI** (Apr 11) – The PPI (Producer Price Index) unexpectedly fell 0.4% in March following an upwardly revised 0.1% gain in February. March's 0.4% decline marks the largest decrease since October 2023. According to the median forecast, the PPI was expected to rise 0.2% at the end of Q1. Year-over-year, producer prices rose 2.7% in March, significantly less than the 3.3% gain expected and the smallest annual increase in six months. Food prices fell 2.1% following a 1.8% gain the month prior, while energy prices dropped 4.0% in March following a 1.3% decrease in February. Thus, excluding food and energy costs, the core PPI unexpectedly fell 0.1% in March, the first monthly decline since July. According to the median forecast, the core PPI was expected to rise 0.3%. Year-over-year, the core PPI increased 3.3% in March, below the 3.6% rise expected, and a six-month low. Additionally, services costs fell 0.2% due to a 0.7% fall in trade costs, and a 0.6% decline in transportation and warehousing costs in the third month of the year.
- **PCE** (Apr 30) – The PCE (Personal Consumption Expenditures) was flat (0.0%) in March, as expected and following an upwardly revised 0.4% rise in February. Year-over-year, headline inflation rose 2.3%, a tenth of a percentage point more than expected, albeit the smallest annual increase in five months. Excluding food and energy, the core PCE was also unexpectedly flat (0.0%) in March following an upwardly revised 0.5% rise in February. According to the median forecast, the core PCE was expected to rise 0.1% at the end of Q1. Over the past 12 months, core inflation climbed 2.6%, as

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expected and marking the smallest annual gain since June. Additionally, the supercore PCE measure – core services excluding shelter – was also flat (0.0%) in March and increased 3.3% on an annual basis, a two-month low.



Source: Bureau of Economic Analysis/Haver Analytics



Sources: Bureau of Labor Statistics/Haver Analytics

Manufacturing and Production Activity

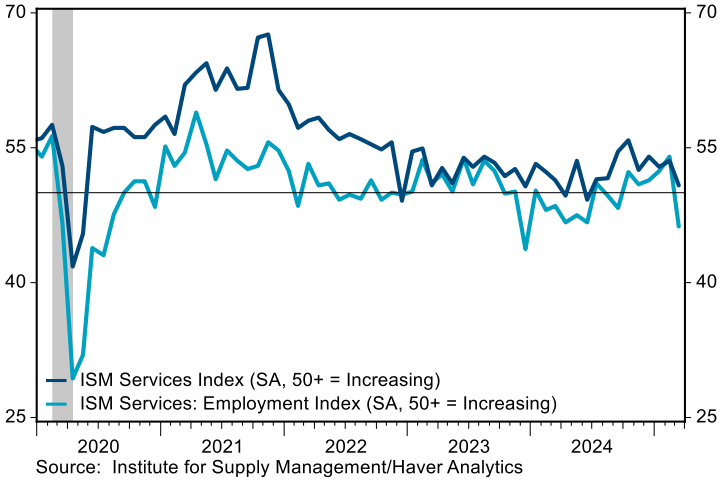
- **ISM Manufacturing** (Apr 1) – The ISM Manufacturing Index fell into contractionary territory in March, declining 1.3 points to 49.0, a four-month low. According to the median forecast, the index was expected to decline to a reading of 49.5 at the end of the first quarter. In the details of the report, prices paid surged by seven points to 69.4, the highest reading since June 2022 and averaging 57.4 over the past six months. Also, inventories jumped by 3.5 points to 53.4 at the end of the first quarter, the highest reading since October 2022. On the other hand, supplier deliveries fell by one point to 53.5, backlog of orders inched lower by 2.3 points to 44.5, new orders plunged by 3.4 points to 45.2, the weakest reading since May 2023, and production decreased from 50.7 to 48.3 in March, a four-month low. Also, employment slipped 2.9 points to a reading of 44.7 at the end of the first quarter, a six-month low.
- **ISM Services** (Apr 3) – The ISM Services Index dropped more than expected in March, falling from 53.5 to a reading of 50.8, the slowest pace of expansion (a reading above 50) in nine months. According to the median forecast, the services index was expected to decline to a reading of 52.9. In the details of the report, employment plunged 7.7 points to 46.2, the largest decline in five years and now marking the lowest reading since December 2023. Also, supplier deliveries declined 2.8 points to 50.6, and backlog of orders slipped from 51.7 to 47.4 in March, a two-month low. Additionally, new orders fell 1.8 points to 50.4, the change in inventories inched lower from 50.6 to 50.3, and prices paid declined 1.7 points to 60.9 in March, a two-month low. On the other hand, business activity rose 1.5 points to 55.9 at the end of the first quarter, the highest reading in three months.
- **Empire Manufacturing** (Apr 15) – The Empire Manufacturing Index rose from -20.0 to -8.1 in April, slightly more than the expected rise to -13.5, albeit still marking the second consecutive month of a negative print. In the details of the report, prices paid increased from 44.9 to 50.8, the highest reading since August 2022, and prices received advanced from 22.4 to a reading of 28.7. Also, new orders rose 6.1 points to -8.8, and the number of employees ticked up from -4.1 to -2.6 at the start of Q2, still marking the third consecutive month of a negative print. On the other hand, inventories declined from 13.3 to 7.4 in April, a five-month low, and the six-month general business conditions index plunged more than 20 points from +12.7 to -7.4, the second lowest reading on record with a gauge of future bookings and shipments dropping to the lowest level since 2001.
- **Business inventories** (Apr 16) – Business inventories rose 0.2% in March, in line with expectations and marking a two-month low.

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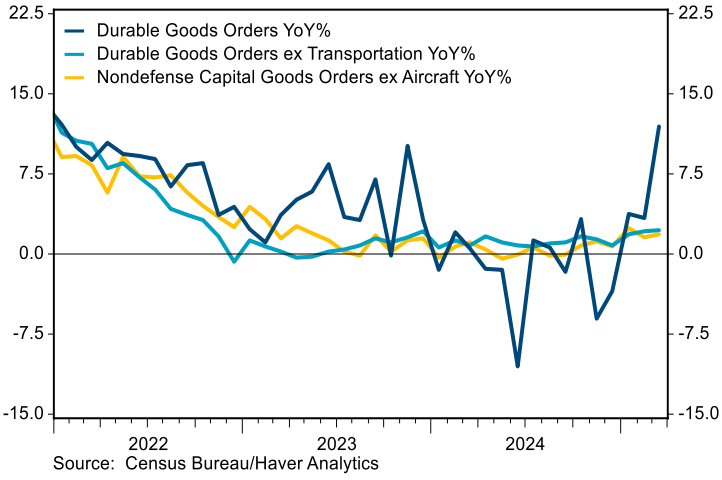
- **Industrial Production** (Apr 16) – Industrial production fell 0.3% in March, a tenth of a percentage point more than expected. Over the past 12 months, industrial production increased 1.3%, the weakest annual gain since December. **Capacity Utilization** (Apr 16) – Capacity utilization fell from 78.2% to 77.8% in the final month of Q1, a two-month low.
- **Philly Fed Business Outlook Survey** (Apr 17) – The Philly Fed Business Outlook Index dropped more than expected, declining from 12.5 to -26.4 in April, a two-year low. In the details of the report, new orders plunged from 8.7 to -34.2, the lowest reading since April 2020, shipments declined from 2.0 to -9.1, and delivery time fell from 4.1 to -2.6 in April. On the other hand, the six-month outlook rose from 5.6 to 6.9 in April, a two-month high, and prices paid increased from 48.3 to 51.0 in March, the highest reading since October 2022.
- **Richmond Fed Manufacturing Index** (Apr 22) – The Richmond Fed Manufacturing Activity Index dropped more than expected, falling nine points to a reading of -13 in April, the lowest reading since November. According to the median forecast, the index was expected to fall to -7 in April. In the details of the report, new orders plunged eleven points to a reading of -15, a five-month low, shipments dropped ten points to -17, and employment fell four points to a reading of -5, the lowest reading in four months. On the other hand, wages rose five points to +24 in April, the highest reading since January 2024.
- **Durable Goods** (Apr 24) – Durable goods orders surged 9.2% in March, well surpassing the expected 2.0% gain and the largest monthly increase since July 2024. Year-over-year, headline orders jumped 11.9% in March, up from the 3.3% annual increase in February and the largest annual gain since January 2022. In other details, machinery orders ticked up 0.1%, fabricated metals orders climbed 0.2%, and primary metals orders increased 0.7% following a 1.3% gain in February. On the other hand, electrical equipment orders declined 0.5%, and computers and electronics orders dropped 1.2% at the end of Q1.
- **Ex. Transportation Orders** (Apr 24) – Transportation orders rose 27.0% due to a 139% jump in commercial aircraft orders and a 2.3% increase in vehicle and parts orders. Excluding transportation, however, goods orders were unchanged (0.0%) at the end of Q1, and increased 2.2% over the past 12 months, the largest annual increase since October 2022.
- **Capital Goods** (Apr 24) – Capital goods orders climbed 24.3% in March following a 2.4% decline the month prior. Nondefense capital goods orders, meanwhile, jumped 29.4%, the largest monthly gain since July. Capital goods orders excluding aircraft *and* defense – a proxy for business equipment investment – rose a more muted 0.1% in March, as expected and following a 0.3% decrease the month prior. Year-over-year, core capital goods orders increased 1.8%, up from a 1.5% rise in February and the strongest annual gain in two months.
- **Kansas City Fed Manufacturing Index** (Apr 24) – The Kansas City Fed Manufacturing Index fell two points to a reading of -4 in April, marking the 31st consecutive month of a zero or negative print. According to the median forecast, the index was expected to drop to -6. In the details of the report, the volume of new orders climbed one point to -11. Also, shipments improved from -4 to a reading of -2 in April, albeit still marking the sixth consecutive negative print. On the other hand, prices paid remained at a reading of 42 for the second consecutive month, while the number of employees dropped seven points to -11, and the reading on the average workweek dropped from +6 to -6 at the start of the second quarter.
- **Dallas Fed Manufacturing Index** (Apr 28) – The Dallas Fed Manufacturing Activity Index dropped 19.5 points to a reading of -35.8 in April, the third consecutive month of decline and the lowest reading since May 2020. According to the median forecast, the regional index was expected to decline to -17.0 at the start of Q2. In the details of the report, new orders plunged from -0.1 to -20.0, the lowest reading since November 2022, production declined from +6.0 to +5.1, capacity utilization slipped from -2.3 to a reading of -3.8, and hours worked decreased from -2.9 to -6.4 in April, a two-month low. Also, the six-month general business outlook index declined from -6.6 to a reading of -15.2 in April, the lowest reading since September 2023. On the other hand, employment improved from -4.6 to -3.9 in April, averaging -0.3 over the last six months.

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- **Chicago PMI** (Apr 30) – The Chicago PMI fell from 47.6 to 44.6 in April, surpassing the expected decline to 45.9 and a three-month low. In the details of the report, prices paid, supplier deliveries and inventories rose, signaling expansion. On the other hand, new orders, employment, production, and order backlogs fell, signaling contraction.



Source: Institute for Supply Management/Haver Analytics



Source: Census Bureau/Haver Analytics

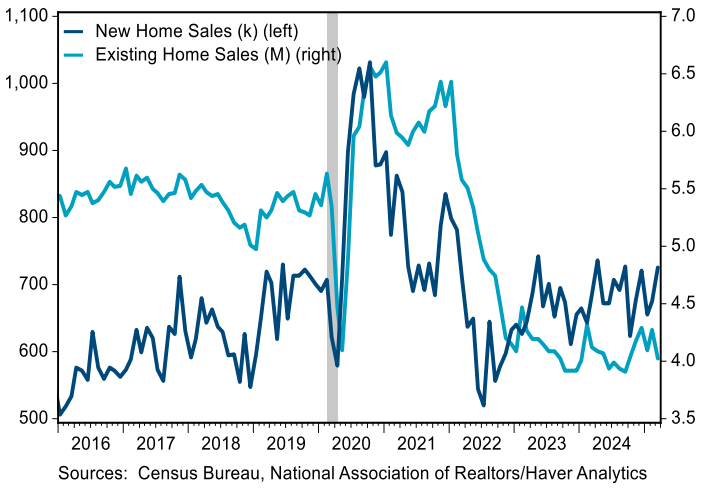
Housing Market Activity

- **Construction Spending** (Apr 1) – Construction spending jumped 0.7% in February, well surpassing the 0.3% increase expected and the largest monthly gain since October. Over the past 12 months, construction spending climbed 2.9%, the largest annual increase in two months.
- **NAHB Housing Market Index** (Apr 16) – The NAHB Housing Market Index unexpectedly increased one point to a reading of 40 in April, a two-month high. According to the median forecast, the index was expected to fall to a reading of 38.
- **Building Permits** (Apr 17) – Building permits unexpectedly rose 1.6% in March, pulling the annual pace up from 1.46M to 1.48M, a three-month high. According to the median forecast, permits were expected to decline 0.6% at the end of Q1. Single family permits slipped 2.0%, while multi-family permits increased 9.3% in March following three consecutive months of decline. Year-over-year, building permits fell 0.2% in March, marking 14 consecutive months of an annual decline.
- **Housing Starts** (Apr 17) – Housing starts dropped 11.4% in March, well surpassing the 5.4% decline expected and pulling the annual pace down from 1.49M to 1.32M, a four-month low. On a regional basis, starts fell in two of the four regions of the country in March, dropping 30.9% in the West and 17.1% in the South. On the other hand, starts rose 1.5% in the Northeast and jumped 76.2% in the Midwest in the third month of the year. Single family starts plunged 14.2%, and multi-family starts decreased 3.5% in March following a 10.6% rise the month prior. Year-over-year, housing starts rose 1.9% in March, the first annual gain following six consecutive months of decline.
- **New Home Sales** (Apr 23) – New home sales jumped 7.4% in March from 674k (revised down from 676k) to 724k, a six-month high. According to the median forecast, sales were expected to rise 1.3% in the third month of the year. Over the past 12 months, new home sales rose 6.0%, the largest rise in three months. Due to a rise in new sales, the months' supply of new homes fell from 8.9 months to 8.3 months, a three-month low. From a price standpoint, the median cost of a newly constructed home fell 1.9% from the month prior to $404k, down from $412k in February. Year-over-year, new home prices dropped 7.5% in March, the second consecutive month of an annual decline.
- **Existing Home Sales** (Apr 24) – Existing home sales dropped more than expected in March, falling 5.9% to a 4.02m unit pace, the largest monthly decline since 2022 and marking a six-month low. According to the median forecast, existing home sales were expected to fall 3.1% at the end of Q1. Year-over-year, existing home sales slipped 2.4%, the second consecutive annual decline and the largest drop since September. Due to a fall in sales, the months' supply of existing

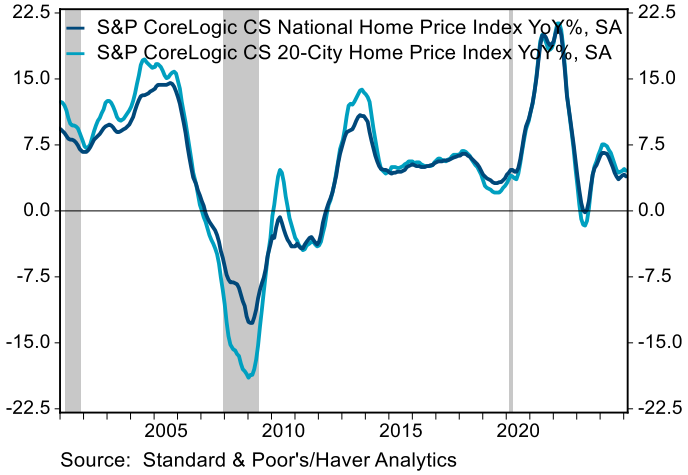
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homes rose from 3.5 to 4.0 months, a five-month high. Typically, a four to seven-month supply is viewed as a healthy balance between demand and supply. Meanwhile, from a price standpoint, the median cost of a previously owned home rose 2.7% in March from a year earlier to $404k, a record high for the month of March.

- **S&P/CS 20 City & National Index** (Apr 29) – The S&P CoreLogic 20-City Home Price Index rose 0.40% in February following a 0.38% gain the month prior. The National Home Price Index, meanwhile, increased 0.26% in February following a 0.56% rise at the start of the year. Over the past 12 months, the 20-city index increased 4.52%, the smallest annual gain in three months, while the national index rose 3.89%, also the smallest annual increase in three months.
- **FHFA House Price Index** (Apr 29) – The FHFA House Price Index rose 0.1% in February, less than the 0.3% increase expected and the smallest increase in eight months.
- **Pending Home Sales** (Apr 30) – Pending home sales jumped 6.1% in March, well surpassing the 1.0% gain expected and the largest monthly gain since December 2023. Over the past 12 months, however, pending home sales fell 0.1%, marking the fourth consecutive annual decline.



Sources: Census Bureau, National Association of Realtors/Haver Analytics

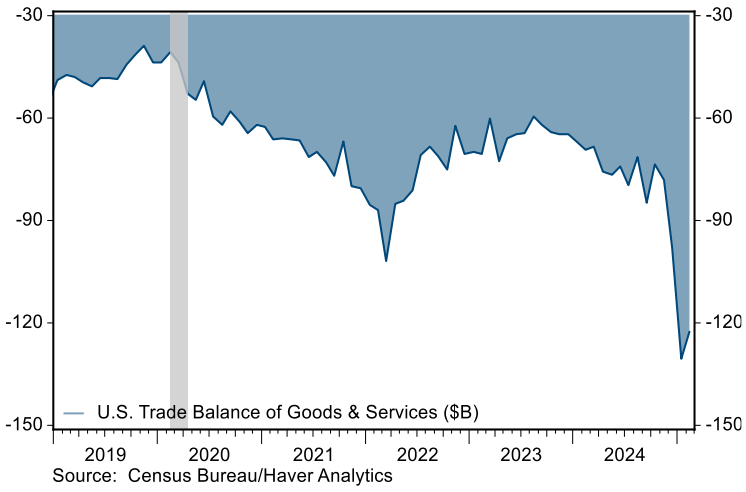


Source: Standard & Poor's/Haver Analytics

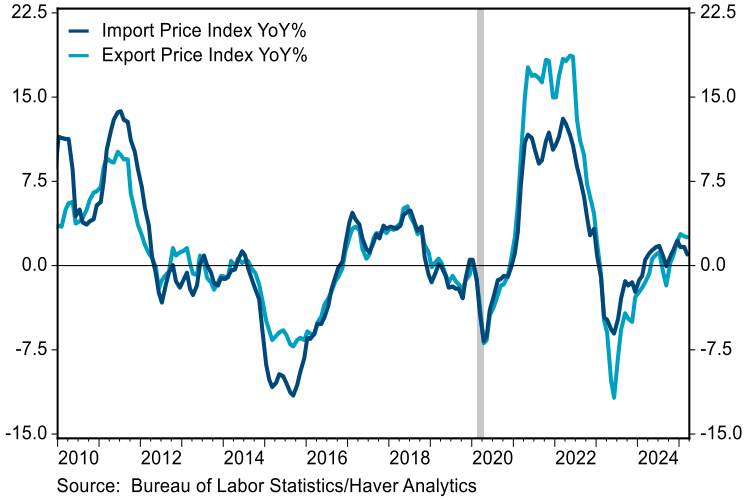
Trade and Currency

- **U.S. Dollar** (Apr 30) – The U.S. dollar posted its second consecutive monthly decline, dropping 4.6% in April to end the month at $99.47, its worse month since November 2022 as the investors continued to digest the latest increase in tariffs and ongoing trade uncertainty.
- **Trade Balance** (Apr 3) – The February trade deficit narrowed 6.1% from $130.7 billion to $122.7 billion. In the details of the report, the value of exports rose 2.9% to $278.5 billion, while the imports rose were unchanged in February at $401.1 billion.
- **Import & Export Prices** (Apr 15) – Import prices unexpectedly fell 0.1% and export prices were unchanged in March, as expected. According to the median forecast, import prices were also expected to be unchanged at the end of Q1. Over the past 12 months, import prices rose 0.9%, the smallest annual rise in five months, and export prices increased 2.4% at the end of Q1, the smallest annual gain in three months.

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Source: Census Bureau/Haver Analytics



Source: Bureau of Labor Statistics/Haver Analytics

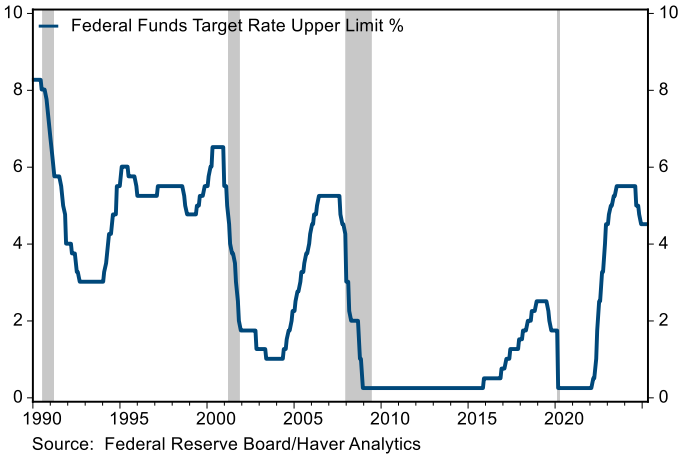
Monetary Policy, Reports, and Commentary

- **Atlanta Fed GDPNow Forecast**
  - (Apr 30) – According to the initial Atlanta Fed's GDPNow Q2 forecast, economic activity April through June is expected to expand 2.4%. Up from a 0.3% decline in the first quarter, this would also mark the highest GDP print since Q4 2024.

- **Fed Speak/News**
  - (Apr 7) – While some Fed officials remain optimistic the potential negative impact from tariffs will prove *"transitory,"* repeating a 2018 scenario, others are less convinced. Chicago Fed President Austan Goolsbee, for example, warned of a persistent inflationary scenario as seen in the aftermath of Covid. Speaking to CNN, Goolsbee noted there is good reason to fear supply chain disruptions and further inflationary pressures, which could resemble a 2020 scenario. *"The anxiety is if these tariffs are as big as what are threatened on the US side, and if there's massive retaliation, and then if there's counter retaliation again, it might send us back to the kind of conditions that we saw in '21 and '22, when inflation's raging out of control,"* Goolsbee remarked.
  - (Apr 9) – Reiterating the need to keep inflation in check amid changing fiscal policy, Minneapolis Fed President Neel Kashkari said the bar for additional rate cuts has risen. In an essay published on the Minneapolis Fed website, Kashkari argued the Fed is less inclined to lower rates to provide support on the growth side given the likely inflationary impact from tariffs. *"The hurdle to change the federal funds rate one way or the other has increased due to tariffs,"* Kashkari said. *"Given the paramount importance of keeping long-run inflation expectations anchored and the likely boost to near-term inflation from tariffs, the bar for cutting rates even in the face of a weakening economy and potentially increased unemployment is higher." "Given the high inflation we've experienced in recent years and the risk of unanchoring long-run inflation expectations, I believe our first priority must be keeping long-run inflation expectations anchored,"* he wrote.
  - (Apr 11) – Boston Fed President Susan Collins said she believes rates may be on hold longer than previously expected. The pause, however, she said is not due to uncertainty but rather the likelihood of a sizable impact on prices with tariffs affecting final goods as well as intermediary components. "*Those imports are much more broad based than many people realize,*" she said.
  - (Apr 14) – Former Fed Chair and former Treasury Secretary Janet Yellen has been less in favor of a wait and see approach and has been openly critical of President Trump's move to challenge existing international trade policies. Speaking in a media interview on Bloomberg, Yellen said the *"rationale"* for Trump's tariff policies was *"unclear and not at all sensible,"* given the potential damage to domestic activity. Yellen added, however, negotiations are still possible as she believes China would like to *"de-escalate this conflict."*

- (Apr 14) – Atlanta Fed President Raphael Bostic said the Committee should exercise extreme patience before adjusting rates again, emphasizing any movement in policy at this point would not be prudent – the appropriate pathway for policy, he added, will greatly depend on the details of where policy lands.
- (Apr 17) – According to Federal Reserve Chairman Jerome Powell, U.S. tariffs are creating a *"challenging scenario."* Speaking at the Economic Club of Chicago, Powell said the latest adjustment in fiscal policy will expectedly result in higher inflation and slower growth, making it difficult for the Fed to manage both sides of its dual mandate, suggesting the Fed will be in no rush to adjust policy. *"We may find ourselves in the challenging scenario in which our dual-mandate goals are in tension,"* Powell remarked. *"For the time being, we are well-positioned to wait for greater clarity before considering any adjustments to our policy stance."*
- (Apr 22) – Fed Governor Adriana Kugler reiterated that she is comfortable holding rates steady in the current range of 4.25-4.50% until *"upside risks to inflation"* subside. Speaking at the University of Minnesota Kugler went on to say, *"The economy is facing heightened uncertainty, with upside risks to inflation and downside risks to employment. This month, we learned that the tariff increases are significantly larger than previously expected. As a result, the economic effects of tariffs and the associated uncertainty are also likely to be larger than anticipated."*
- (Apr 22) – Minneapolis Fed President Neel Kashkari, speaking at a Chamber of Commerce event in Washington, noted, *"It's too soon to judge what's going to happen to the path of interest rates."* Implying he is comfortable with holding rates steady for the time being, Kashkari also clarified that it's the Fed's job to ensure the impact on prices as a result of tariffs is not persistent. *"We just don't know right now with confidence: Is this a one time effect on inflation, or is it something longer term? Our job with the Fed is to make sure it is not something longer term."*
- (Apr 23) – According to the Federal Reserve's latest Beige Book, a number of Districts expressed uncertainty regarding the economic outlook as a result of tariffs with many firms projecting elevated input costs. According to the report, a number of firms reported *"adding tariff surcharges or shortening pricing horizons to account for uncertain trade policy."* On the employment front, meanwhile, the Beige Book noted that hiring was *"little changed"* with many firms *"taking a wait-and-see approach to employment, pausing or slowing hiring until there is more clarity on economic conditions."*

- **March 18-19 FOMC Meeting Minutes (Apr 9)**
  - According to the March FOMC meeting minutes, Fed officials are increasingly concerned about persistent upward momentum in price pressures, as well as the threat of stagflation. As such, following two consecutive meetings on the sidelines, officials appear prepared to remain on hold for some time longer, even in face of a potential slowdown in the labor market to minimize the risk that tariffs will cause a *"persistent"* rise in inflation. *"Participants commented on a range of factors that could influence the persistence of tariff effects, including the extent to which tariffs are imposed on intermediate goods and thus affect input costs at various stages of production, the extent to which complex supply chains need to be restructured, the actions of trading partners in responding with retaliatory increases in tariffs, and the stability of longer-term inflation expectations,"* the minutes noted. *"Emphasizing that uncertainty, a majority of participants noted the potential for inflationary effects arising from various factors to be more persistent than they projected."* Additionally, the



Source: Federal Reserve Board/Haver Analytics



minutes noted, *"Some participants observed, however, that the Committee may face difficult tradeoffs if inflation proved to be more persistent while the outlook for growth and employment weakened. Several participants emphasized that elevated inflation could prove to be more persistent than expected."*

Domestic News and Activity

- **Politics and the Trump Administration**
  - (Apr 2) – The Trump administration announced a sweeping overhaul to U.S. trade policy. On top of earlier tariffs, the White House announced a series of reciprocal tariffs significantly increasing levies for many of the country's major trading partners. According to the White House, the reciprocal rate is based on the Trump administration's calculation of the burden on U.S. exporters of each trading partner's own tariffs and other non-tariff barriers to trade, including currency manipulation. For example, the reciprocal rate assigned to China was 34% and came in addition to the 20% rate already imposed on all Chinese goods on March 4. Other countries such as Cambodia and Vietnam received some of the highest rates over 45%, while India received a 26% rate. On the relatively lower side of things, the European Union received a 20% rate with Canada and Mexico still facing the 25% rate imposed in March on non-USMCA goods with no additional tariffs imposed this round. (To note: the Big Three auto makers are also included under the USMCA umbrella.) While opponents argue the near-term implications are potentially slower growth and higher prices here at home, supporters of President Trump's agenda argue the longer-run outcome includes a potential remedy to unfair trade practices which have been in place for decades, which by extension, would work to revitalize American industry, raise revenue for the federal budget and potentially (help to) pay for an extension of the landmark 2017 tax cuts. Additionally, the Trump team argues the new levies offer the White House additional negotiating power in place of sanctions, which the President believes have been *"overused"* in recent history.
  - (Apr 7) – In response to a 34% retaliatory tariff implemented by China on U.S. imports, President Trump threatened an additional 50% tariff on goods from China, potentially raising tariffs on Chinese imports to 104%. Speaking in an interview with CNBC, Treasury Secretary Scott Bessent warned Beijing's decision to raise tariffs on the U.S. was *"a big mistake,"* suggesting in the global trade *"war"* China has a *"losing hand."*
  - (Apr 8) – U.S. Treasury Secretary Scott Bessent called China's retaliation, an increase in the retaliatory tariff on U.S. imports to 84%, *"unfortunate"* and furthermore, encouraged China not to take additional steps to escalate the issues including a potential move to devalue the yuan which Bessent called a *"tax"* on the world. *"If China starts devaluing, then that is a tax on the rest of the world and everyone will have to keep raising their tariffs to offset the devaluation. So I would urge them not to do that and to come to the table,"* Bessent said.
  - (Apr 9) – The Trump administration announced a hike in tariffs on goods from China to a total of 125% in addition to the 20% tariff rate on Chinese goods that had already taken effect (totaling 145%), as well as announced a 90-day pause on tariffs for countries that did not engage in retaliatory action following the earlier rounds of levies. While a welcome sense of reprieve for investors, potentially lessening the inflationary impact, at least near term, the heightened level of unease remains. As such, compounding pressure continues to limit the willingness of consumers and businesses to spend and invest, and threatens growth as uncertainty itself can become a self-fulfilling prophecy resulting in weaker activity.
  - (Apr 12) – The Trump administration announced a seemingly welcome exclusion for some Chinese products from the slew of levies slapped on by the White House. According to reports, phones, computers and consumer electronics will be excluded from the 145% tariff but remain subject to a 20% tariff. Following up on the decision, the Trump team clarified that the move was simply a *"procedural step"* and should not be seen as the administration softening in its stance. In a social media post, President Trump was clear that *"NOBODY is getting off the hook."*

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- (Apr 17) – Speaking out on social media, President Trump criticized Federal Reserve Chairman Jerome Powell, saying that the Fed Chair should lower rates immediately and without hesitation. *"Powell's termination cannot come fast enough!"* Of course, to be fair, every administration in history has preferred low rates to boost growth under its reign. However, in today's social media driven environment such criticism or pressure is more at the forefront for both investors and Fed officials alike. That being said, the Federal Reserve will continue to make policy decisions based on what is seen as the best outcome for the broader economy in terms of achieving its dual mandate of maximum employment – and arguably most important – stable prices, regardless of outside influences.
- (Apr 21) – U.S. negotiations with Japan were reportedly making *"big"* progress. While there has been no news of details per se, nor have tariffs been reduced or removed, the Trump administration is optimistic a more favorable deal could be reached. The U.S. and Japan have a tight, interwoven international trade relationship. Nearly 20% of Japanese exports are bound for the U.S. including automobiles, machinery and electronic equipment, making the U.S. the second largest buyer of Japanese-made products. On the flip side, just shy of 4% of U.S. exports, including liquid natural gas and pharmaceuticals, are bound for Japan.
- (Apr 22) – Trade negotiations are underway with India as Vice President JD Vance reportedly made *"significant progress"* in negotiating a bilateral trade deal. According to reports, Vance highlighted a number of key areas including technology, energy and defense in which the U.S. and India can strengthen relations. India is the U.S.'s ninth-largest trading partner, accounting for 3% of total trade. Recall, tariffs on India were set to increase to 27% prior to the 90-pause announced by the Trump administration on April 9.
- (Apr 22) – President Trump clarified that he has no intention of firing current Federal Reserve Chairman Jerome Powell before his term as Fed Chair ends in May 2026. Speaking to reporters in the Oval Office, Trump said, *"No, I have no intention of firing him. I would like to see him be a little more active in terms of his idea to lower interest rates."*
- (Apr 22) – The International Monetary Fund (IMF) slashed its growth forecasts and increased its inflation projections amid increased tariffs and heightened trade uncertainty. According to the IMF, growth in the U.S. is expected to rise 1.8% this year, down from 2.8% in 2024 and 0.9 percentage points lower than the January forecast. Next year, growth in the U.S. is expected to expand by 1.7%, 0.4 percentage points lower than the January forecast. Inflation in the U.S., meanwhile, is expected to rise 3.0% this year, up 1 percentage point from January's projection. Global growth, meanwhile, is expected to rise 2.8% this year and 3.0% next year, a material downgrade from the January forecast calling for activity to expand 3.3% this year and next year. On the inflation front, global price pressures were revised higher by 0.1 percentage points for this year and next to 4.3% and 3.6%, respectively. According to the IMF report, *"Since the release of the January 2025 WEO Update, a series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2 and bringing effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth."*
- (Apr 29) – President Trump announced that companies already paying tariffs on imported vehicles will not have to pay the additional 25% levy on steel and aluminum. Additionally, the administration offered partial reimbursement on foreign parts for vehicles made in the U.S. The announcement came amid lobbying from the auto industry and ahead of the planned tariffs of 25% on foreign auto parts set to begin May 3rd.

International News and Activity

- **China**
  - (Apr 7) – The turmoil over tariffs rattled markets as China vowed to fight the White House *"to the end."* Taking action, the People's Bank of China (PBOC) eased yuan controls, and funneled capital into equities. Chinese officials, furthermore, upped tariffs on U.S. imports to 34% following the reciprocal tariffs announced on April 2.



- (Apr 9) – China increased its retaliatory tariffs on U.S. goods to 84% after the Trump administration's latest round of levies went into effect, taking U.S. duties on Beijing to 104%.
- (Apr 10) – The trade war escalated between the U.S. and China as Beijing increased its tariff to 125% on all U.S. goods. According to officials, the ceiling has now been reached, meaning no further escalation is needed as tariffs beyond this point are *"economically unviable." "Given that American goods are no longer marketable in China under the current tariff rates, if the U.S. further raises tariffs on Chinese exports, China will disregard such measures,"* according to a statement from the Ministry of Finance.
- (Apr 16) – Just days after the Trump administration's announcement of a combined 145% U.S. tariff rate on the country's exports, Chinese officials indicated a willingness to negotiate. First, however, China demanded a number of requirements in order to return to trade talks, including the Trump administration showing more respect and refraining from disparaging comments, as well as appointing a direct liaison responsible for negotiating. At the same time, China threatened countermeasures against countries making trade deals with the U.S. that may prove counter to Beijing's interests.
- (Apr 25) – According to reports, China is considering suspending the 125% tariff on some U.S. imports such as medical equipment and some industrial chemicals like ethane, a component of natural gas which is used to make plastics and cooling agents. The U.S. is predominately the only supplier of ethane to China with region taking in about half of U.S. exports of ethane, or 248,000 barrels daily, according to the U.S. Energy Information Administration. Additionally, a possible exemption of tariffs on plane leases is also being considered. The potential easing of trade tensions follows earlier exemptions this month from the Trump administration on smartphones, computers and other electronics from China. Recall, the Trump administration has imposed a 145% tariff on goods from China with Beijing responding in kind with its own 125% tariff on U.S. imports. China is the U.S.'s third-largest trading partner, accounting for about 12% of total trade. In 2024, U.S. goods exports to China totaled $144 billion, about a 2.9% decline from the year prior, while imports from China totaled $439 billion, about a 2.8% increase from 2023.
- (Apr 29) – As a result of the increased levies between the U.S. and China, according to Bloomberg, the amount of cargo ships from China bound to the U.S. has plummeted, down 40% from this year's peak.

- **Canada**
  - (Apr 15) – Canadian inflation rose 2.3% at the end of the first quarter, cooling more than expected and down from a 2.6% pace in February. Similar to the reduction experienced in the U.S., a dip in energy costs, off 1.6% at the pump, led the decline along with a significant drop in airfares, down 12%.
- **European Union**
  - (Apr 9) – The European Union implemented tariffs impacting roughly €21 billion ($23.2 billion) of U.S. goods including diamonds, agricultural products, poultry and motorcycles. The tariffs were response to the Trump administration's move to add a 25% tariff on the region's steel and aluminum exports. A statement from the European Commission noted that such retaliatory measures can be removed at any time *"should the US agree to a fair and balanced negotiated outcome."*
  - (Apr 17) – The European Central Bank (ECB) opted to lower rates 25bps, taking the deposit facility rate from 2.50% to 2.25% in a seventh-round rate cut. The move was largely motivated by expected weakness in the European economy as officials struggle to counter the impact of elevated trade barriers. According to ECB President Christine Lagarde, *"downside risks to economic growth have increased."* Furthermore, with inflation already nearing the central bank's target at 2.2% as of late, price pressures are expected to slow further amid tepid demand potentially falling below 1% by year-end.

-Stifel Economics

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National Growth

	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	4Q Avg	12Q Movement
GDP QoQ	0.3%	2.7%	3.4%	2.8%	2.4%	4.4%	3.2%	1.6%	3.0%	3.1%	2.4%	-0.3%	2.1%	
Consumption QoQ	2.6%	1.5%	1.2%	4.9%	1.0%	2.5%	3.5%	1.9%	2.8%	3.7%	4.0%	1.8%	3.1%	
Investment QoQ	-8.5%	-5.7%	5.8%	-8.9%	8.0%	10.1%	0.7%	3.6%	8.3%	0.8%	-5.6%	21.9%	6.4%	
Government Spending QoQ	-1.5%	1.6%	5.4%	5.1%	2.9%	5.7%	3.6%	1.8%	3.1%	5.1%	3.1%	-1.4%	2.5%	
Imports QoQ	5.9%	14.5%	-1.1%	2.0%	-4.8%	4.9%	6.2%	1.9%	1.0%	9.6%	-0.2%	1.8%	3.1%	
Exports QoQ	12.7%	-5.4%	-4.5%	-0.8%	-3.1%	4.7%	4.2%	6.1%	7.6%	10.7%	-1.9%	41.3%	14.4%	

Labor Market

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	12m Avg	12m Movement
Change in Nonfarm Payrolls, k	118	193	87	88	71	240	44	261	323	111	117	228	157	
Unemployment Rate	3.9%	4.0%	4.1%	4.2%	4.2%	4.1%	4.1%	4.2%	4.1%	4.0%	4.1%	4.2%	4.1%	
Total Unemployed, M	6.49	6.64	6.85	7.10	7.07	6.90	6.97	7.12	6.89	6.85	7.05	7.08	6.92	
Labor Force Participation Rate	62.7%	62.6%	62.6%	62.7%	62.7%	62.7%	62.5%	62.5%	62.5%	62.6%	62.4%	62.5%	62.6%	
Prime-Age Participation Rate	84%	84%	84%	84%	84%	84%	84%	84%	83%	84%	84%	83%	84%	
Total in Labor Force, M	161.5	161.2	161.2	161.2	161.4	161.8	161.5	161.2	161.7	163.9	163.3	163.5	161.9	
Average Hourly Earnings MoM	0.2%	0.4%	0.3%	0.2%	0.5%	0.3%	0.4%	0.4%	0.2%	0.4%	0.2%	0.3%	0.3%	
Average Hourly Earnings YoY	4.0%	4.1%	3.9%	3.6%	4.0%	3.9%	4.1%	4.2%	4.0%	3.9%	4.0%	3.8%	4.0%	
ADP Private Payrolls MoM, k	113	164	136	42	180	194	221	204	176	186	84	147	154	
Total Job Openings (JOLTS), M	7.62	7.90	7.41	7.50	7.65	7.10	7.62	8.03	7.51	7.76	7.48	--	7.64	
Job Openings Per Unemployed Worker	1.2	1.2	1.1	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.1	--	1.1	
Initial Jobless Claims, k (Avg)	209	229	238	248	228	227	218	225	209	222	224	219	225	
Continuing Claims, M (Avg)	1.8	1.8	1.9	1.9	1.8	1.9	1.9	1.9	1.9	1.8	1.9	1.8	1.9	

Inflation

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	12m Avg	12m Movement
PCE MoM	0.3%	0.0%	0.1%	0.2%	0.1%	0.2%	0.3%	0.1%	0.3%	0.4%	0.4%	0.0%	0.2%	
PCE YoY	2.7%	2.6%	2.4%	2.5%	2.3%	2.1%	2.3%	2.5%	2.6%	2.6%	2.7%	2.3%	2.5%	
Core PCE MoM	0.3%	0.1%	0.2%	0.2%	0.2%	0.3%	0.3%	0.1%	0.2%	0.3%	0.5%	0.0%	0.2%	
Core PCE YoY	2.9%	2.7%	2.6%	2.7%	2.7%	2.7%	2.8%	2.8%	2.9%	2.7%	3.0%	2.6%	2.8%	
CPI MoM	0.3%	0.0%	0.0%	0.1%	0.2%	0.2%	0.2%	0.3%	0.4%	0.5%	0.2%	-0.1%	0.2%	
CPI YoY	3.4%	3.3%	3.0%	2.9%	2.5%	2.4%	2.6%	2.7%	2.9%	3.0%	2.8%	2.4%	2.8%	
Core CPI MoM	0.3%	0.1%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.2%	0.4%	0.2%	0.1%	0.2%	
Core CPI YoY	3.6%	3.4%	3.3%	3.2%	3.2%	3.3%	3.3%	3.3%	3.2%	3.3%	3.1%	2.8%	3.3%	
PPI MoM	0.5%	0.0%	0.4%	0.0%	0.3%	0.3%	0.3%	0.1%	0.5%	0.6%	0.1%	-0.4%	0.2%	
PPI YoY	2.3%	2.5%	2.9%	2.4%	2.1%	2.1%	2.8%	2.9%	3.4%	3.7%	3.2%	2.7%	2.8%	
Core PPI MoM	0.5%	0.3%	0.5%	-0.1%	0.4%	0.4%	0.4%	0.0%	0.4%	0.5%	0.1%	-0.1%	0.3%	
Core PPI YoY	2.5%	2.7%	3.3%	2.6%	2.8%	3.3%	3.6%	3.4%	3.7%	3.8%	3.5%	3.3%	3.2%	

Manufacturing & Production Activity

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	12m Avg	12m Movement
ISM Manufacturing	48.8	48.5	48.3	47.0	47.5	47.5	46.9	48.4	49.2	50.9	50.3	49.0	48.5	
Prices Paid	60.9	57.0	52.1	52.9	54.0	48.3	54.8	50.3	52.5	54.9	62.4	69.4	55.8	
Production	50.7	49.6	48.7	46.6	45.6	49.4	47.0	47.5	49.9	52.5	50.7	48.3	48.9	
New Orders	48.7	46.3	48.9	47.6	45.6	46.7	47.9	50.3	52.1	55.1	48.6	45.2	48.6	
Supplier Deliveries	48.9	48.9	49.8	52.6	50.5	52.2	52.0	48.7	50.1	50.9	54.5	53.5	51.1	
Inventories	47.6	47.4	45.5	44.6	50.2	44.7	43.2	47.7	48.4	45.9	49.9	53.4	47.4	
Employment	48.2	50.4	48.4	43.6	45.8	44.6	44.8	48.1	45.4	50.3	47.6	44.7	46.8	
ISM Services	49.6	53.5	49.2	51.4	51.6	54.5	55.8	52.5	54.0	52.8	53.5	50.8	52.4	
Business Activity	51.0	59.9	50.2	54.2	53.9	58.6	57.7	55.5	58.0	54.5	54.4	55.9	55.3	
New Orders	52.4	53.9	47.8	52.7	53.2	59.1	56.7	54.2	54.4	51.3	52.2	50.4	53.2	
Backlog of Orders	51.1	50.8	44.0	50.6	43.7	48.3	47.7	47.1	44.3	44.8	51.7	47.4	47.6	
Supplier Deliveries	48.5	52.7	52.2	47.6	49.6	52.1	56.4	49.5	52.5	53.0	53.4	50.6	51.5	
Inventory Change	53.7	52.1	42.9	49.8	52.9	58.1	57.2	45.9	49.4	47.5	50.6	50.3	50.9	
Employment	46.6	47.5	46.7	51.0	49.6	48.2	52.2	50.9	51.3	52.3	53.9	46.2	49.7	
Durable Goods Orders MoM	0.2%	0.1%	-6.9%	9.8%	-0.9%	-0.4%	0.7%	-2.0%	-1.8%	3.4%	0.9%	9.2%	1.0%	
Durable Goods Orders YoY	-1.4%	-1.5%	-10.6%	1.3%	0.6%	-1.7%	3.2%	-6.1%	-3.5%	3.7%	3.3%	11.9%	-0.1%	
Durables Ex. Transportation Orders MoM	0.4%	-0.2%	0.1%	-0.2%	0.6%	0.4%	0.2%	-0.2%	0.1%	0.2%	0.7%	0.0%	0.2%	
Durables Ex. Transportation Orders YoY	1.7%	1.0%	0.7%	0.7%	1.0%	1.1%	1.6%	1.4%	0.8%	1.8%	2.1%	2.2%	1.3%	
Capital Goods Orders MoM	-0.8%	0.0%	-18.5%	34.7%	-2.6%	-1.4%	2.0%	-4.9%	-5.2%	10.5%	-2.4%	24.3%	3.0%	
Capital Goods Orders YoY	-8.9%	-8.0%	-29.2%	4.2%	2.3%	-5.0%	3.5%	-17.4%	-11.1%	8.5%	3.9%	28.9%	-2.4%	
Nondefense Captial Goods Orders MoM	-2.9%	-0.4%	-22.8%	42.0%	-4.4%	-3.5%	3.1%	-3.3%	-5.3%	12.8%	-1.9%	29.4%	3.6%	
Ex. Aircraft & Defense MoM	0.2%	-0.9%	0.6%	-0.3%	0.2%	0.3%	-0.1%	0.8%	0.2%	1.0%	-0.3%	0.1%	0.2%	

Source: Bloomberg

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Glossary

CPI – Consumer Price Index
FOMC – Federal Open Market Committee
GDP – Gross Domestic Product
ISM – Institute for Supply Management
JOLTS – Job Openings and Labor Turnover Survey
NAHB – National Association of Homebuilders
NFIB – National Federation of Independent Business
OER – Owners' Equivalent Rent
PCE – Personal Consumption Expenditures
PMI – Purchasing Managers' Index
PPI – Producer Price Index
S&P – Standard and Poor's

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