



WEEKLY ECONOMIC DIGEST

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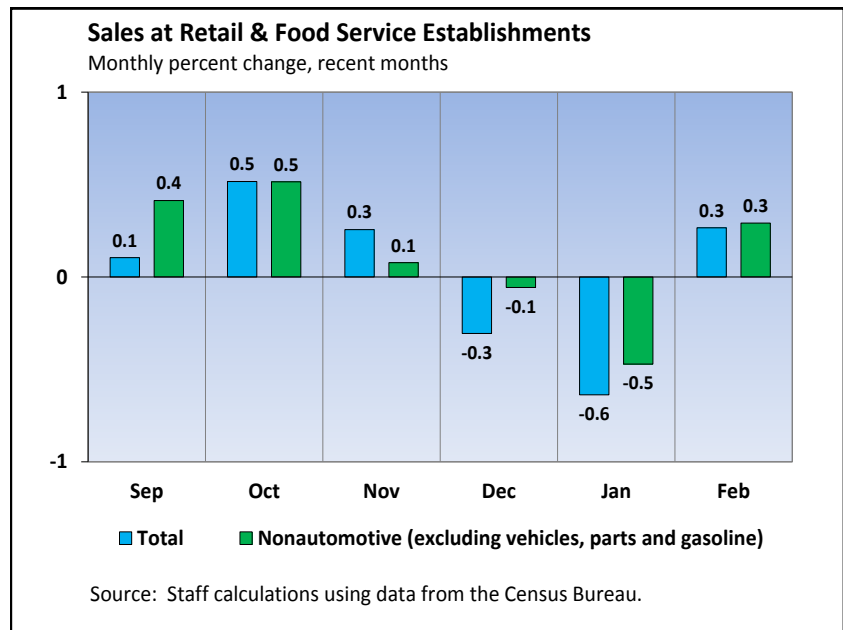
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March 25, 2014

Retail Sales and Factory Output Rebounded in February

Retail sales grew last month

- Sales at retail and food service establishments increased 0.3 percent in February, after declining in January and December, according to advance estimates by the Census Bureau (see chart). Many analysts think the December and January declines were weather related.
- Sales of motor vehicles, parts and gasoline grew 0.2 percent last month, following two months of declines.
- Nonautomotive sales increased 0.3 percent in February, the strongest gain since October.
- Nonautomotive sales have risen by 2.3 percent over the past 12 months while overall retail sales are up 1.5 percent.



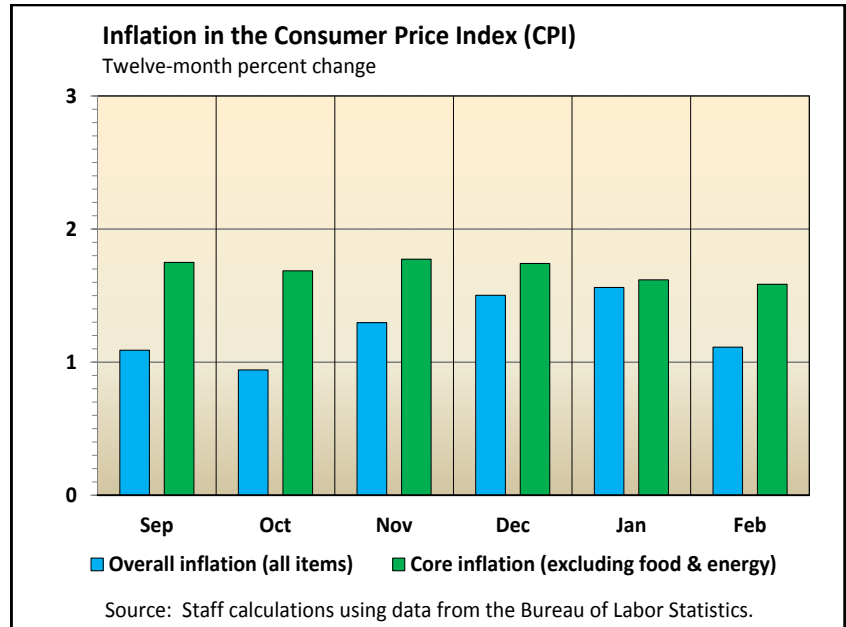
Manufacturing production bounced back in February

- Manufacturing output rose 0.8 percent in February, and has now risen in six of the last seven months, according to the Federal Reserve Board.
- Manufacturing output is 1.5 percent above its level a year ago.
- Production of motor vehicles, electronics and computers recorded the strongest growth over the past year.
- Factories operated at an average 76.4 percent of capacity in February, substantially higher than at the bottom of the recession when capacity utilization reached a low of 64.0 percent and just below the long-term average of 78.7 percent.

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Inflation remained modest in February

- The consumer price index (CPI) for all urban consumers increased by 0.1 percent last month, the same increase as in January.
 - Energy prices declined by 0.5 percent last month, as falling gasoline prices more than offset weather-related increases in natural gas and heating oil prices.
 - Food prices rose 0.4 percent last month, accounting for more than half of the increase in the overall CPI.
 - Retail prices of meat, poultry, fish and eggs have risen 4.0 percent over the past 12 months.
 - Core inflation (which excludes changes in the prices of food and energy) remained at 0.1 percent last month.
- Inflation has remained modest over the past year: overall inflation was 1.1 percent over the 12 months through February, while core inflation amounted to 1.6 percent (see chart).
- The average weekly earnings of employees on private nonfarm payrolls were unchanged in February, after accounting for inflation.



THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Mar. 25	Case-Shiller 20-City Composite Home Price Index (January) New Home Sales (February)
Wednesday, Mar. 26	Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders (February) JEC Hearing: "Unwinding Quantitative Easing: How the Fed Should Promote Stable Prices, Economic Growth, and Job Creation," Hart Senate Office Building, Room 216, 2:00 p.m.
Thursday, Mar. 27	Gross Domestic Product (Fourth quarter 2013, third estimate)
Friday, Mar. 28	Personal Income and Outlays (February)