



# WEEKLY ECONOMIC DIGEST

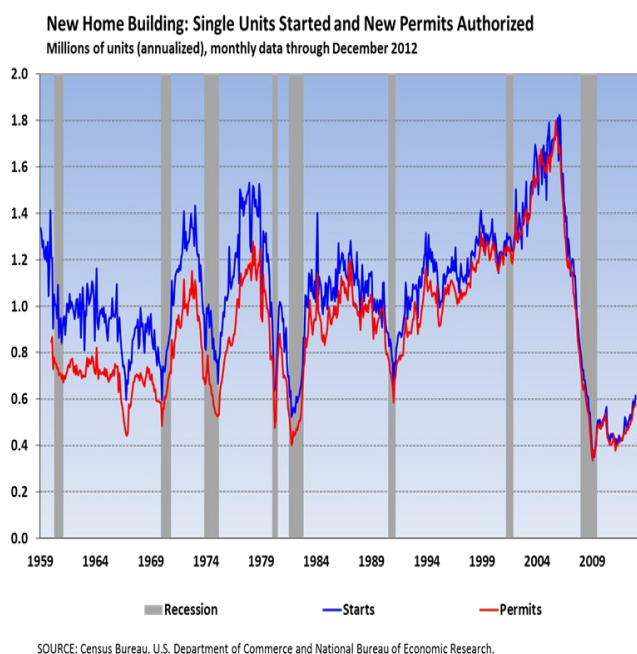
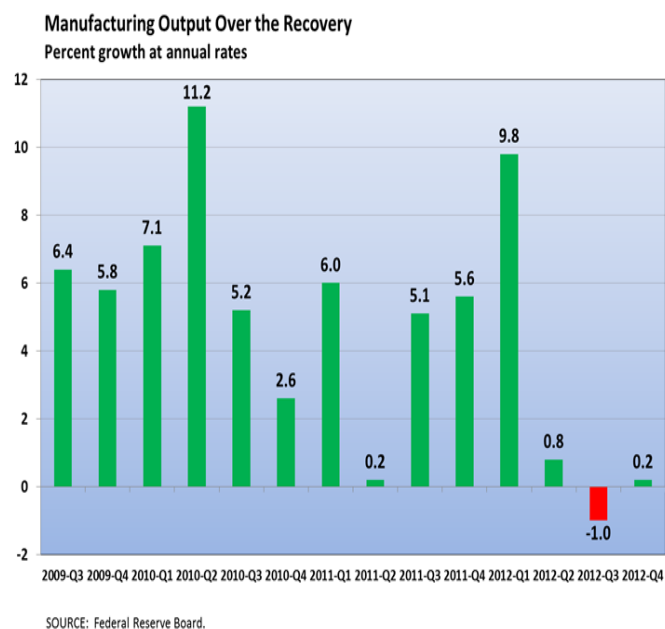
JOINT ECONOMIC COMMITTEE  
SENATOR ROBERT P. CASEY, JR.,

UNITED STATES CONGRESS  
VICE CHAIRMAN DESIGNATE

January 22, 2013

## Production, Sales and New Home Building Increased in December

- Industrial production rose in December. Output at the nation's factories, utilities, and mines increased 0.3 percent last month, following a revised 1.0 percent rebound in November following Hurricane Sandy. The December increase in production reflected increases of 0.8 percent in manufacturing and 0.6 percent in mining, increases that were only partly offset by a 4.8 percent drop in production at utilities as a result of unseasonably warm weather over much of the United States curbing heating demands. Factory production rose at a 0.2 percent annual rate in the final quarter of 2012 (see top chart).
- Retail sales picked up in December. Sales at retail establishments and food services increased 0.5 percent last month, following a revised increase of 0.4 percent in November, according to the Census Bureau's advance estimates. Motor vehicle and parts retailers reported a 1.6 percent increase in sales in December (following a 2.7 percent increase in November) while gasoline stations reported a 1.6 percent decline in sales in last month (following a 4.5 percent decrease in November). Excluding those automotive establishments, other retail establishments reported that sales were up 0.6 percent in December.
- New residential building surged in December. The number of privately-owned housing units started last month increased by 103,000 units (up 12.1 percent) to 954,000 units at an annual rate. The December rise in starts follows a 4.3 percent decline in November and was well above the increase that forecasters had expected. Single-unit starts increased by 46,000 units (up 8.1 percent) to 616,000 units last month (see bottom chart).



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## THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Jan. 22	Existing-Home Sales (December)
Wednesday, Jan. 23	Federal Housing Finance Agency House Price Index (November)
Friday, Jan. 25	New Residential Sales (December)

## THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Dec.	Nov.	Oct.	2012Q4	2012Q3	2012Q2	2012	2011
<b><u>Economic Activity</u></b>								
Real gross domestic product	—	—	—	n.a.	3.1	1.3	n.a.	1.8
Manufacturing production	0.8	1.3	-0.9	0.2	-1.0	0.8	4.0	4.3
Factory utilization rate (percent of capacity)	77.4	76.9	76.0	76.8	77.0	77.5	77.2	75.0
Civilian unemployment rate (percent of labor force)	7.8	7.8	7.9	7.8	8.0	8.2	8.1	8.9
Housing starts (thousands of units, annual rates)	954	851	889	898	774	736	781	612
Light vehicle sales, domestic (millions of units, annual rates)	11.987	12.028	11.118	11.711	11.351	10.999	11.242	9.805
Retail & food service sales	0.5	0.4	-0.2	5.8	5.3	-1.0	5.0	8.0
Real disposable personal income	n.a.	0.8	-0.1	n.a.	0.5	2.2	n.a.	1.3
Personal saving rate (percent of disposable income)	n.a.	3.6	3.4	n.a.	3.6	3.8	n.a.	4.2
<b><u>Inflation &amp; Productivity</u></b>								
CPI-U inflation	0	-0.3	0.1	2.1	2.3	0.8	2.1	3.1
Core CPI-U inflation	0.1	0.1	0.2	1.6	1.5	2.6	2.1	1.7
Output per hour, nonfarm bus.	—	—	—	n.a.	2.9	1.9	n.a.	0.7
Unit labor costs, nonfarm bus.	—	—	—	n.a.	-1.9	-0.5	n.a.	2.0
Employment Cost Index	—	—	—	n.a.	1.7	2.1	n.a.	2.0

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

Notes: Except where otherwise noted, values in the table represent simple percent changes for monthly data and percent changes at annual rates for quarterly data. Core CPI-U inflation is the percentage change in the CPI-U excluding food and energy prices as reported by the Bureau of Labor Statistics. The Employment Cost Index covers all civilian workers and the quarterly change is measured from the last month of the previous quarter to the last month of the indicated quarter. 'n.a.' denotes that data are not yet available. '—' denotes that data are not available monthly.