



WEATHER PLAYS A ROLE IN REDUCING OUTPUT IN FEBRUARY

KEY ECONOMIC STATISTICS

UNEMPLOYMENT RATE

9.7%

February 2010

CONSUMER PRICE INDEX

Unchanged

February 2010

CORE CPI

+0.1%

February 2010

CURRENT ACCOUNT

BALANCE

- \$115.6 Billion

4th Quarter 2009

INITIAL JOBLESS CLAIMS

4-WEEK AVG

471,250 +4,250

Week Ending March 13, 2010

THIS WEEK

Tuesday, March 23

Existing Home Sales

February 2010

Wednesday, March 24

Durable Goods Orders

February 2010

New Home Sales

February 2010

Friday, March 26

Gross Domestic Product—

Third Estimate

4th Quarter 2009

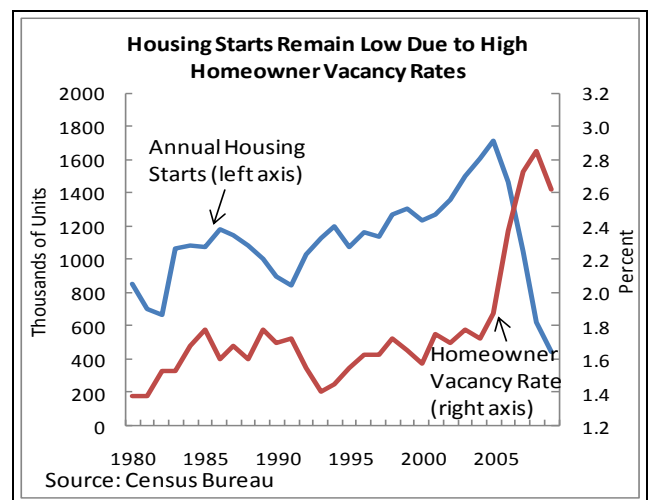
Regional and State Employment and Unemployment

February 2010

Industrial production increased in February, but at a lower rate than seen in the previous 3 months. Industrial production increased only 0.1 percent in February, after increasing by almost 1 percent in January. Production was higher for business equipment, construction supplies, and materials, but lower for consumer goods. Manufacturing production fell 0.2 percent in February, after increasing by almost 1 percent in January. Mining production increased by 2 percent in February and production by utilities increased by 0.5 percent. It is likely that the weather in the Northeast and the South held down production in February. Industrial production was up 1.7 percent compared to last February.

Housing starts decline slightly. The number of housing units started in February declined from an upwardly revised January figure, probably due to weather-related delays. Both the South and the Northeast were hit by heavy snow storms in February. Housing starts fell by 15.5 percent in the South and 9.6 percent in the Northeast while housing starts rose in the Midwest and West. In addition to weather effects, housing starts are likely depressed by oversupply, as demonstrated by elevated homeowner vacancy rates. Across the United States, homeowner vacancy rates were 2.7 percent at the end of 2009, much higher than the 1.6 percent vacancy rate seen from 1980 to mid-2006. (see Chart)

Inflation remains subdued. The Consumer Price Index for All Urban Consumers (CPI-U), also known as headline inflation, remained unchanged in February and was up only 2.2 percent over the year. Core inflation, which measures the change in the CPI without the more volatile food and energy components, increased 0.1 percent in February. The 12 month increase in Core inflation was 1.3 percent, the lowest since February 2004. Energy prices declined in February, the first decline since April 2009 although food prices rose slightly.



Current account deficit increases. The U.S. current account balance (which combines the balance on trade in goods and services with the balances on international income flows and transfers) showed a deficit of \$462.4 billion (annual rate) in the fourth quarter of 2009, an increase of \$53.0 billion from the third quarter. The fourth-quarter widening of the current account gap is mostly due to a larger U.S. deficit on trade in goods. The U.S. current account deficit—which essentially measures the degree to which the United States is increasing its overall indebtedness to the rest of the world—increased to 3.2 percent of GDP in the fourth quarter.

JEC launches new website. The JEC has updated its website to better serve Congressional staff. The website URL remains the same, <http://jec.senate.gov>. The JEC is releasing a series of state-by-state snapshots which provide easy access to the major economic indicators in the 50 states and the District of Columbia. These snapshots will be updated within one business day of the release of the data. The next release will be on Friday, March 26, so readers can expect an updated report by Monday, March 29th.