



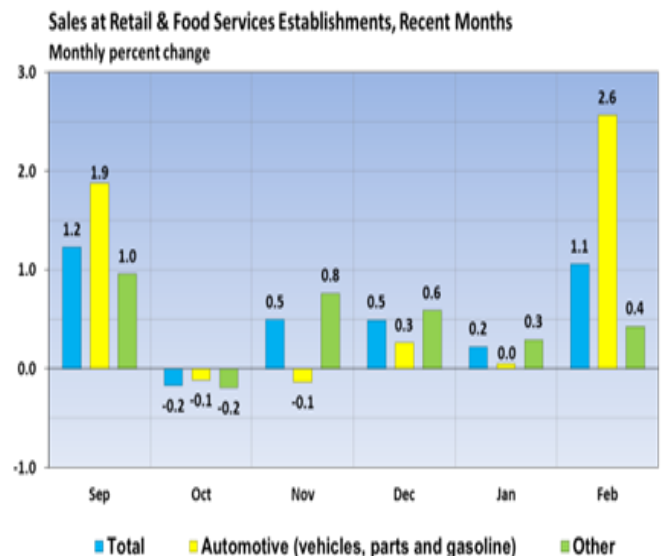
WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE
SENATOR AMY KLOBUCHAR, VICE CHAIR

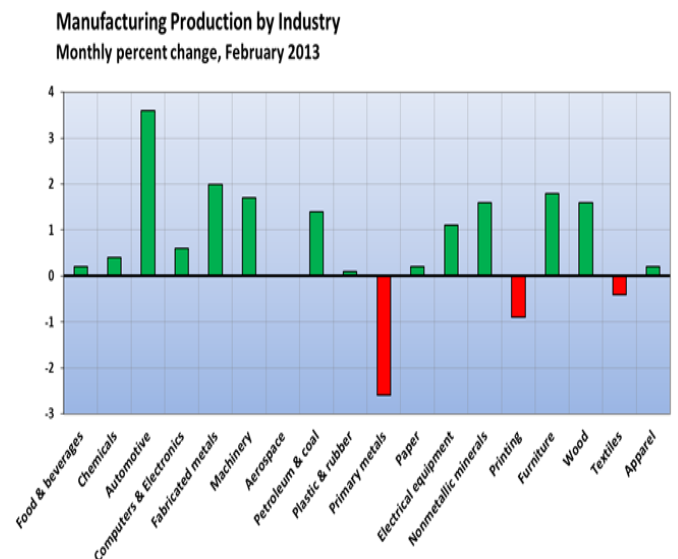
March 19, 2013

More Upeat Indicators in February *Retail sales and industrial production rose*

- Retail sales picked up in February. Sales at retail stores and food services increased 1.1 percent last month following an increase of 0.2 percent in January (see top chart). February sales growth was about double the pace that forecasters had expected. Automotive-related sales (vehicles, parts, and gasoline) rose 2.6 percent in February. Non-automotive sales rose 0.4 percent last month.
- Industrial production accelerated in February. Output at factories, utilities, and mines increased 0.7 percent last month, following no change in January. The February increase in overall production reflects increases of 0.8 percent in manufacturing and 1.6 percent in utilities that were only partly offset by a 0.3 percent decrease in mining. Most manufacturing sectors recorded gains in production last month (see bottom chart). Over the last 12 months, factory output has increased 2.0 percent. Capacity utilization for manufacturing increased to 78.3 percent, or about $\frac{1}{2}$ a percentage point below its long-run average
- Rising energy prices lifted overall consumer prices in February but the underlying trend remains stable. The consumer price index for all urban consumers (CPI-U) increased 0.7 percent last month, the first increase since October. The February increase largely reflected a sharp rise in gasoline prices last month: pump prices rose 9.1 percent in February, after declining 10.6 percent from October through January. The “core” CPI-U (which excludes prices for food and energy goods and services that can change a lot from month to month) increased only 0.2 percent in February. Inflation trends remain low: both the overall and the core CPI-U increased 2.0 percent over the 12 months through February.



SOURCE: Staff calculations using data from the Census Bureau, U.S. Department of Commerce.



SOURCE: Federal Reserve Board.

NOTE: Industries are listed in order of their relative importance to overall growth of factory output in 2012, in descending order from the left.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Mar. 19	New Residential Construction (February)
Wednesday, Mar. 20	Federal Open Market Committee announcement on monetary policy and updated projections
Thursday, Mar. 21	Existing Home Sales (February) Federal Housing Finance Agency House Price Index (January)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Feb.	Jan.	Dec.	2012Q4	2012Q3	2012Q2	2012	2011
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	0.1	3.1	1.3	2.2	1.8
Manufacturing production	0.8	-0.3	1.3	2.5	-0.8	0.8	4.2	4.3
Factory utilization rate (percent of capacity)	78.3	77.8	78.2	77.2	77.0	77.5	77.3	75.0
Civilian unemployment rate (percent of labor force)	7.7	7.9	7.8	7.8	8.0	8.2	8.1	8.9
Housing starts (thousands of units, annual rates)	917	910	982	904	774	736	782	612
Light vehicle sales, domestic (millions of units, annual rates)	11.986	12.032	12.012	11.724	11.346	10.995	11.242	9.805
Retail & food service sales	1.1	0.2	0.5	6.1	5.3	-0.3	5.0	8.0
Real disposable personal income	n.a.	-4.0	2.7	6.2	0.7	2.2	1.5	1.3
Personal saving rate (percent of disposable income)	n.a.	2.4	6.4	4.6	3.6	3.8	3.9	4.2
<u>Inflation & Productivity</u>								
CPI-U inflation	0.7	0	0	2.2	2.1	1.0	2.1	3.1
Core CPI-U inflation	0.2	0.3	0.1	1.7	1.6	2.4	2.1	1.7
Output per hour, nonfarm bus.	—	—	—	-1.9	3.1	1.7	0.7	0.6
Unit labor costs, nonfarm bus.	—	—	—	4.6	-1.9	-0.5	0.7	2.0
Employment Cost Index	—	—	—	2.1	1.7	2.1	1.9	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.