



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

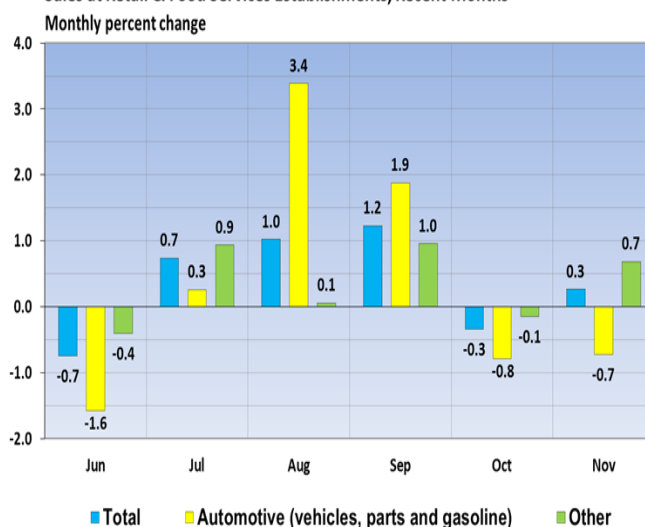
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

December 18, 2012

Retail Sales and Industrial Production Returned to Growth in November

- Retail sales rose in November. Sales at retail and food service establishments increased 0.3 percent last month, following a decrease of 0.3 percent in October, according to the Census Bureau's advance estimates (see top chart). Motor vehicle and parts retailers reported a 1.4 percent increase in sales in November (following a 1.9 percent decline in October) while gasoline stations reported a 4.0 percent decline in sales in last month (following a 1.0 percent increase in October). Taken together, sales reported by vehicles, parts and gasoline dealers were down 0.7 percent in November. Excluding those automotive establishments, other retail establishments reported that sales were up 0.7 percent in November, after edging down 0.1 percent in October.

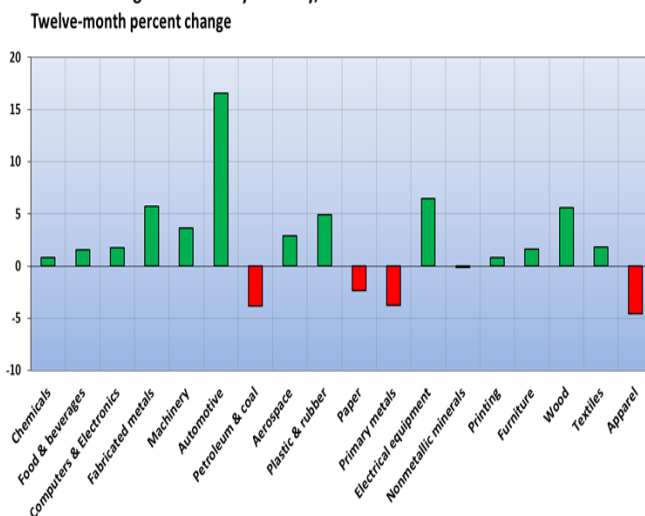
Sales at Retail & Food Services Establishments, Recent Months



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

- Industrial production rebounded last month. Output at the nation's factories, utilities, and mines increased 1.1 percent in November, following a (revised) 0.7 percent decrease in October. The November increase in production largely reflects a rebound in production for industries that were adversely affected by Hurricane Sandy in late October. Manufacturing output increased 1.1 percent in November after declining 1.0 percent in October. Nearly the entire October decline in factory output was related to Hurricane Sandy and the November increase reflects a rebound in production coupled with a solid increase in the production of motor vehicles and parts. Factory production has increased 2.7 percent over the past 12 months, with most industries posting gains (see bottom chart). Manufacturing production appears to have accelerated further in December, according to preliminary readings from a survey of manufacturers compiled by Markit Group Limited.

Manufacturing Production by Industry, November 2012



SOURCE: Federal Reserve Board.

NOTE: Industries are listed in order of their shares of total factory output in 2011, in descending order from the left.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Dec. 18	U.S. International Transactions (Q3)
Wednesday, Dec. 19	New Residential Construction (November)
Thursday, Dec. 20	Existing Home Sales (November) Gross Domestic Product (Third Estimate, Q3) / Corporate Profits (Revised Estimate, Q3)
Friday, Dec. 21	Personal Income and Outlays (November)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Nov.	Oct.	Sep.	2012Q3	2012Q2	2012Q1	2011	2010
Economic Activity								
Real gross domestic product	—	—	—	2.7	1.3	2.0	1.8	2.4
Manufacturing production	1.1	-1.0	0.1	-1.1	0.8	9.8	4.3	5.7
Factory utilization rate (percent of capacity)	76.6	75.9	76.7	77.0	77.5	77.6	75.0	71.2
Civilian unemployment rate (percent of labor force)	7.7	7.9	7.8	8.1	8.2	8.2	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	894	863	780	736	715	612	586
Light vehicle sales, domestic (millions of units, annual rates)	12.023	11.117	11.495	11.336	10.999	10.906	9.805	8.812
Retail & food service sales	0.3	-0.3	1.2	5.3	-1.0	6.6	8.0	5.5
Real disposable personal income	n.a.	-0.1	0	0.5	2.2	3.7	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	3.4	3.3	3.6	3.8	3.6	4.2	5.1
Inflation & Productivity								
CPI-U inflation	-0.3	0.1	0.6	2.3	0.8	2.5	3.1	1.6
Core CPI-U inflation	0.1	0.2	0.1	1.5	2.6	2.1	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	2.9	1.9	-0.5	0.7	3.1
Unit labor costs, nonfarm bus.	—	—	—	-1.9	-0.5	6.4	2.0	-1.0
Employment Cost Index	—	—	—	1.7	2.1	1.7	2.0	1.9

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.