

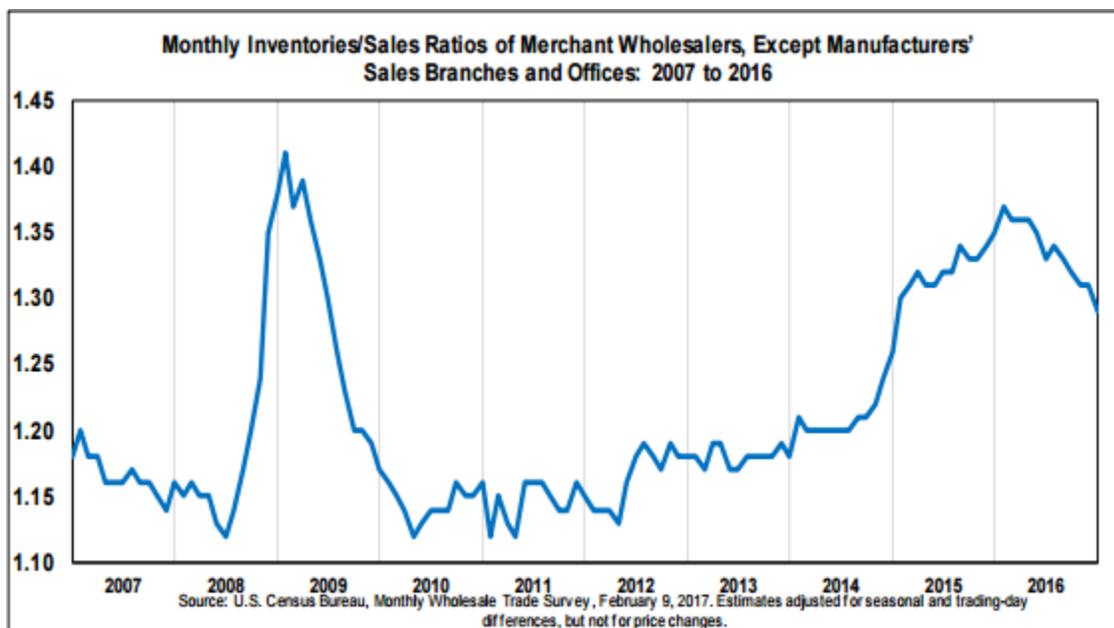
Economic Update, February 10, 2017
Submitted by Reuben Kyle

Summary: The economic news of the week was pretty limited but still positive. The signs of a pickup in the economy continue with wholesale trade up, transportation services trending up, and the JOLTS reporting plenty of job openings. Also, initial claims declined and consumer confidence measures remain at high levels.

Census Bureau

Tuesday, [U.S. International Trade in Goods and Services](#): In December 2016, the deficit in the U.S. Balance of Trade in Goods and Services fell by \$1.5 billion from November as exports rose by \$5.0 billion while imports increased by \$3.6 billion. Compared with 2015 the deficit increased in 2016 by \$1.9 billion, or 0.4%. For the year, exports declined by \$51.7 billion while imports fell by \$49.9 billion. In calendar year 2016, the deficit in goods decreased by \$12.5 billion while the surplus in services declined by \$14.4 billion.

Thursday, [Monthly Wholesale Trade, Sales and Inventories](#): In December 2016, sales of merchant wholesalers were up by 2.6% from November and by 6.8% from December 2015. Inventories increased by 1.0% for the month and by 2.6% over the year. The inventory/sales ratio was 1.29 compared with 1.35 a year earlier. The chart below shows this ratio beginning in January 2007.



Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover Survey \(JOLTS\)](#): In December 2016, the number of job openings was 5.5 million, virtually unchanged from November, the number of hires was 5.2 million also little changed from the previous month, and the number of separations fell only slightly to just under 5 million. The quit rate was 2.0% compared with 2.1% in November.

Thursday, [Major Work Stoppages](#): For all of 2016, there were 15 major work stoppages in the U.S. The BLS has collected this data for 70 years, beginning in 1947. In the first decade that the data was collected, 1947-1956, there were a total of 3,438 work stoppages while in the latest decade, 2007-2016, the total was 143. "In 2016, the largest major work stoppage in terms of number of workers and

days idle was between Verizon Communications and the Communication Workers of America union involving 36,500 workers. This work stoppage accounted for 1,204,500 total days idle.

Friday, [U.S. Import and Export Price Indexes](#): In January 2017, the U.S. Import Price Index rose by 0.4% following a 0.5% increase in December. Fuel prices have driven the increases in both months. The nonfuel index fell in both months. The January Export Price Index was up by 0.1% despite a 0.1% decline in the agricultural index.

U.S. Department of Transportation

Last Week, [Transportation Statistics Annual Report](#): Here is everything you wanted to know about transportation in 2016. Alternatively, here is a link to their [transportation statistics Web site](#). The latter site is a little easier to navigate than the big report.

Wednesday, [December 2016 Freight Transportation Services Index](#): The index rose by 1.0% from November to 124.7. "The level of freight shipments in December measured by the Freight TSI (124.7) was equal to the all-time high reached in July 2016 (Table 2A). BTS' TSI records begin in 2000." December's increase was the third consecutive monthly increase.

U.S. Department of Labor

Thursday, [Initial Claims](#): New claims for unemployment insurance in the week ending February 4, 2017 fell by 12,000 to 234,000 and the four-week moving average fell by 3,750 to 244,250. For the previous week ending January 28, one state reported an increase of 1,000 or more new claims and one state reported a decrease of 1,000. Tennessee reported a decline of 242 initial claims from the prior week.

Board of Governors of the Federal Reserve

Monday, Labor Markets Conditions Index: The January 2017 index was 1.3 and all of the final six months of 2016 readings were positive. The highest level for the index in 2016 was 2.4 in July and all of the readings for the first six months of 2016 were negative. Over the period from August 1976 through the present, during which the index is reported, the lowest level was -49.1 in April 1980 and the highest was +32.5 in September 1983. Since the beginning of the Great Recession in December 2007, the lowest reading was 43.6 in January 2009 and the highest was 13.1 in March 2010.

Gallup.com

Monday, [U.S. Consumer Spending Measure](#): In January 2017, the average daily spending of American consumers fell to \$88 from \$105 in December. Despite the decline this January figure was the highest for the month over the previous four years. In January 2008, the average was \$97 but the Great Recession began at the same time which led to a large drop in spending. "While there was a marked drop in Americans' self-reported spending in January compared with December, last month was one of the highest January spending figures in the nine-year history of Gallup's tracking. This may be attributed to a healthy job market, rising economic confidence and an overall improving economy."

Tuesday, [Economic Confidence Index](#): In January 2017, the Gallup Economic Confidence Index was +11, up from +9 in December and the highest level since this measure was first tracked in 2008

Bloomberg.com

Thursday, [Consumer Comfort Index](#): The last index reading is 47.2 compared with 46.6 the prior week.

University of Michigan

Friday, Consumer Sentiment Index: The mid-month index for February 2017 is 95.7 compared with the final January reading of 98.5. "Consumer confidence retreated from the decade-peak recorded

in January, with the decline centered in the Expectations Index. To be sure, confidence remains quite favorable, with only five higher readings in the past decade.”