National and Regional Update

Charlotte Chapter of American Association of Individual Investors, Sept. 14, 2013

FEDERAL RESERVE BANK OF RICHMOND

Richmond ▪ Baltimore ▪ Charlotte

Rick Kaglic

Senior Regional Economist

A Quick Disclaimer

Real Gross Domestic Product

	2012			2013	
	Q2	Q3	Q4	Q1	Q2
CHANGE FROM PREVIOUS QUARTER AT COMPOUND ANNUAL RATE [Percent]:					
Gross Domestic Product	1.2	2.8	0.1	1.1	2.5
Personal Consumption Expenditures	1.9	1.7	1.7	2.3	1.8
Nonresidential Fixed Investment	4.5	0.3	9.8	-4.6	4.4
Structures	6.9	5.9	17.6	-25.7	16.1
Equipment	5.3	-3.9	8.9	1.6	2.9
Intellectual Property	1.8	2.8	5.7	3.7	-0.9
Residential Fixed Investment	5.7	14.1	19.8	12.5	12.9
Exports of Goods & Services	3.8	0.4	1.1	-1.3	8.6
Imports of Goods & Services	2.5	0.5	-3.1	0.6	7.0
Government Consumption Expenditures & Gross Investment	0.3	3.5	-6.5	-4.2	-0.9
Final Sales to Domestic Purchasers	2.0	2.2	1.4	0.5	1.9
LEVEL IN QUARTER AT SEASONALLY ADJUSTED ANNUAL RATE [Billions of Chained (2009) Dollars]:					
Change in Private Inventories	56.8	77.2	7.3	42.2	62.6
Net Exports of Goods & Services	-435.3	-436.5	-412.1	-422.3	-422.0

Source: Bureau of Economic Analysis/Haver Analytics

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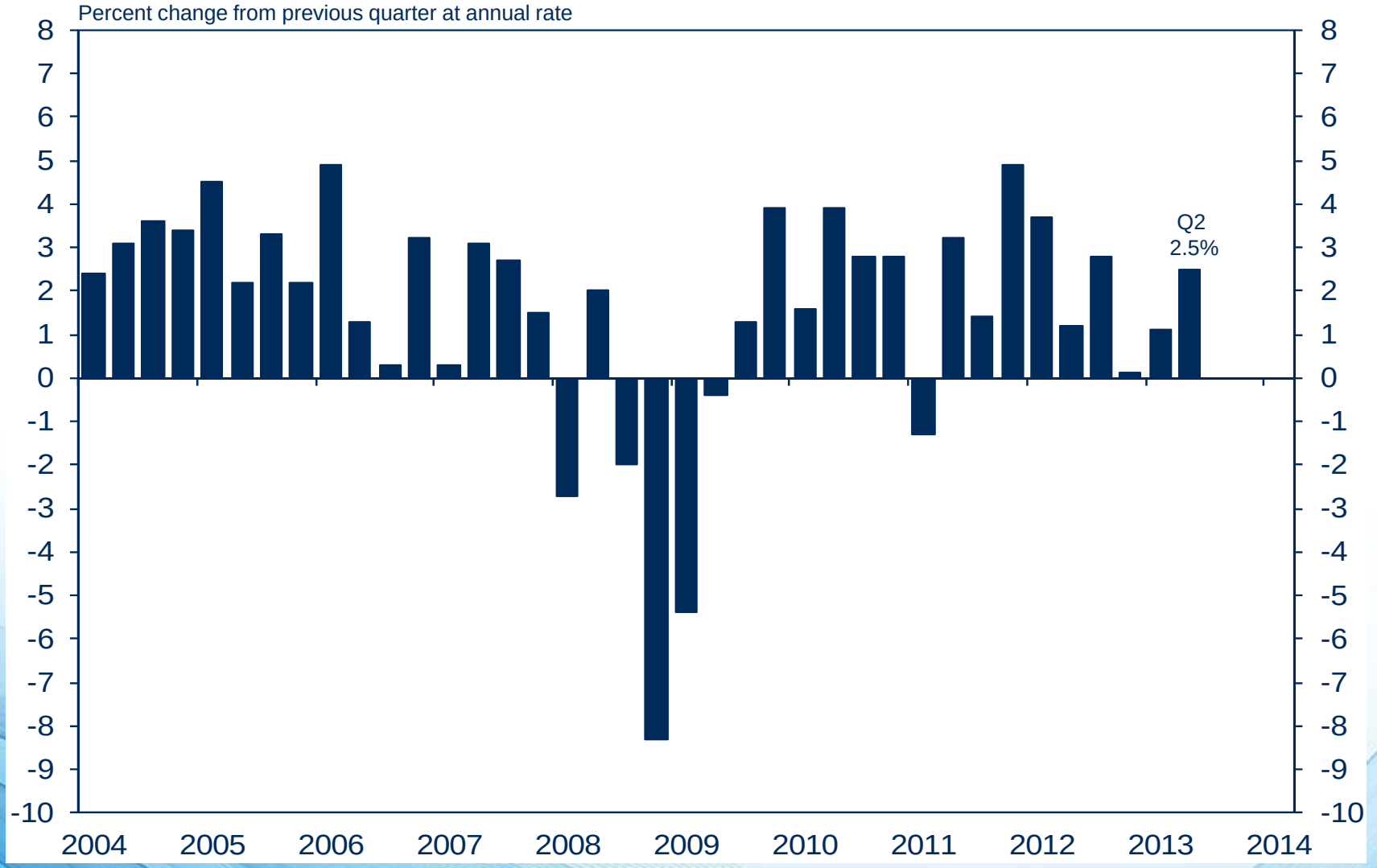

Source: Bureau of Economic Analysis/Haver Analytics

ISM: Business Survey Indexes

MANUFACTURING BUSINESS:			NONMANUFACTURING BUSINESS:		
	July	Aug.		July	Aug.
Purchasing Managers Index	55.4	55.7	NonManufacturing Index	56.0	58.6
Production	65.0	62.4	Business Activity	60.4	62.2
New Orders	58.3	63.2	New Orders	57.7	60.5
Employment	54.4	53.3	Employment	53.2	57.0
Supplier Deliveries	52.1	52.3	Supplier Deliveries	52.5	54.5
Inventories	47.0	47.5	Inventories	53.5	56.0
Prices	49.0	54.0	Prices	60.1	53.4
Backlog of Orders	45.0	46.5	Backlog of Orders	46.5	50.5
New Export Orders	53.5	55.5	New Export Orders	49.5	50.5
Imports	57.5	58.0	Imports	50.5	55.0

DIFFUSION INDEXES: Numbers above 50 percent indicate more favorable responses towards economic activity.

Source: Institute for Supply Management/Haver Analytics

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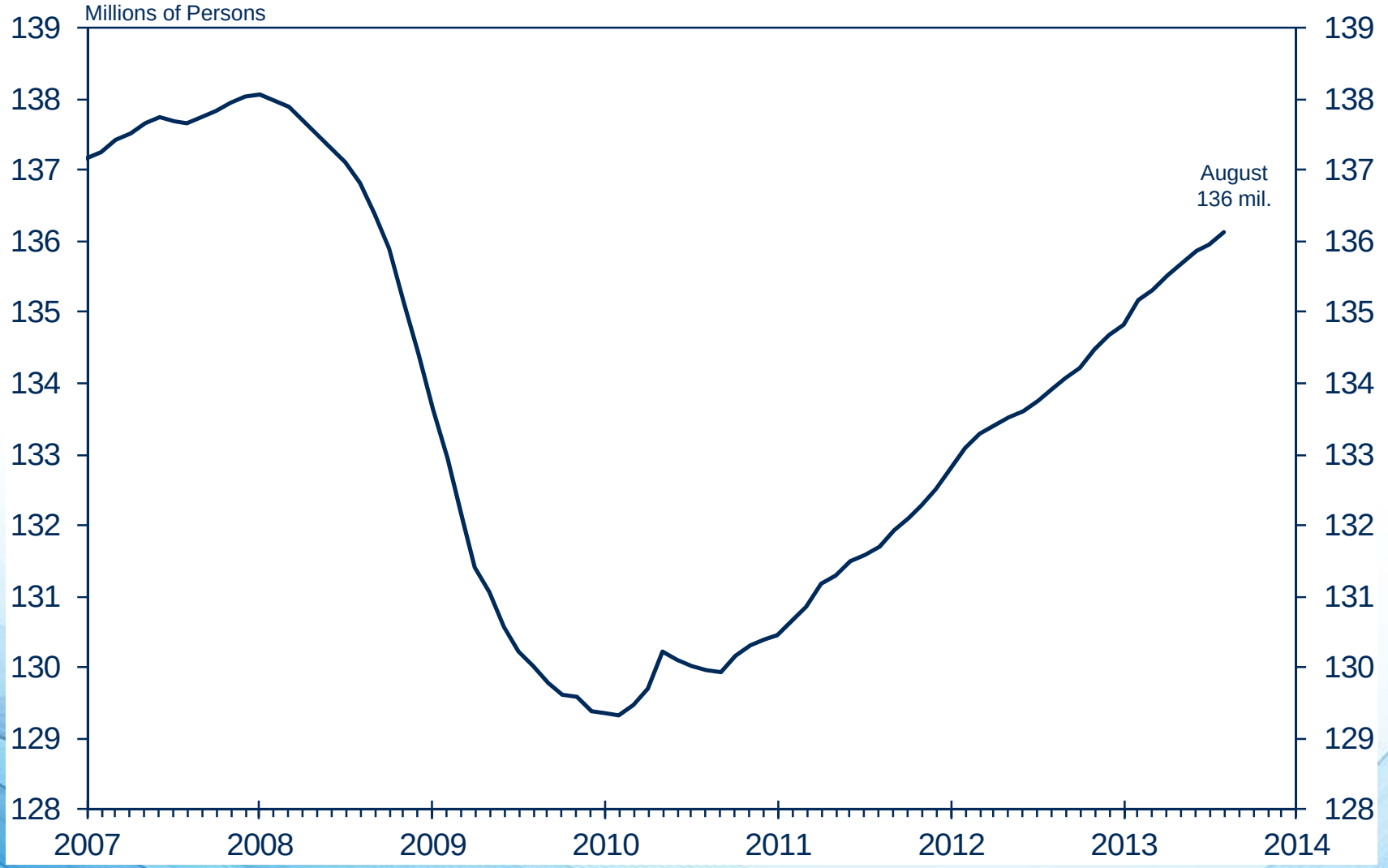
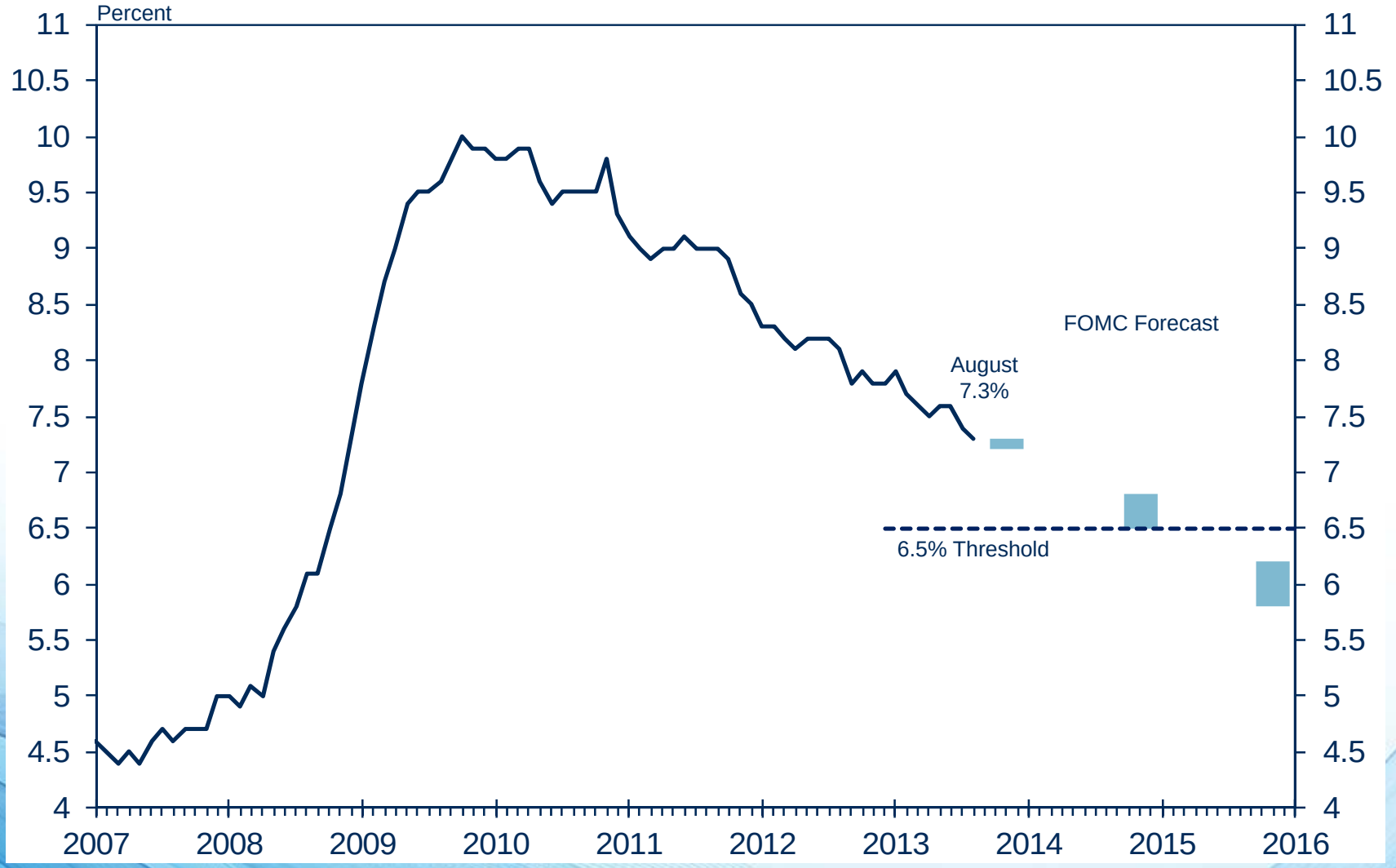
Nonfarm Payroll Employment



Source: Bureau of Labor Statistics/Haver Analytics

Civilian Unemployment Rate



Notes: FOMC forecast is the central tendency for the Q4 levels, from the June 18-19 meeting.

Source: Bureau of Labor Statistics, Board of Governors, Haver Analytics

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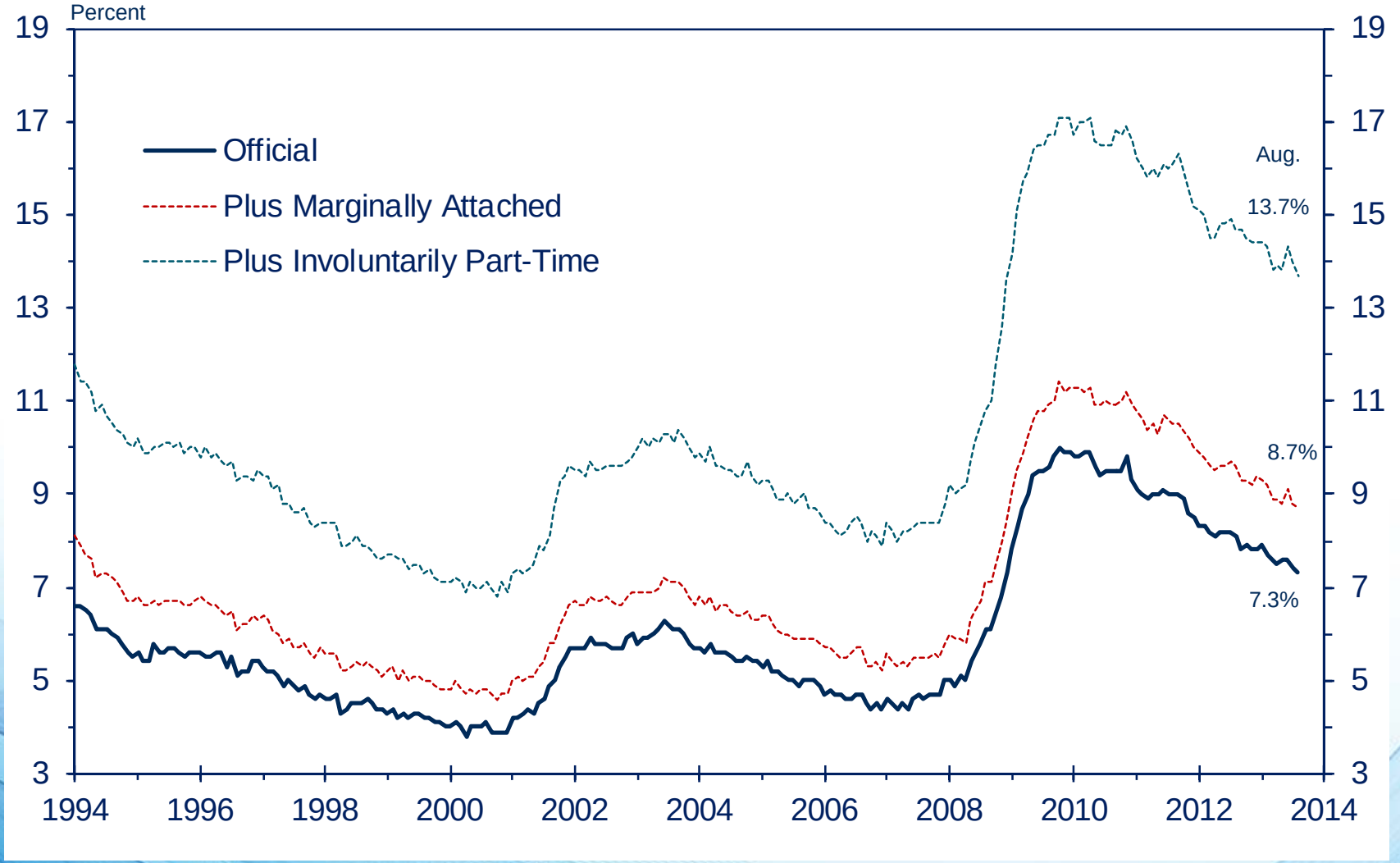

Source: Bureau of Labor Statistics/Haver Analytics

Gauges of Inflation

Expenditure Price Indexes	[Percent Change from Previous Month at Annual Rate]:		
	June	**July**	**YoY %**
Personal Consumption Expenditures	5.0	1.1	1.4
Core (excludes Food* and Energy)	2.8	0.9	1.2

Consumer Price Indexes	[Percent Change from Previous Month at Annual Rate]:		
	June	**July**	**YoY %**
All Items	5.9	1.9	2.0
Core (excludes Food and Energy)	2.0	1.9	1.7

Producer Price Indexes	[Percent Change from Previous Month at Annual Rate]:		
	June	**July**	**YoY %**
Finished Goods	9.6	0.0	2.1
Core (excludes Food and Energy)	2.0	0.6	1.2
Core Intermediate Goods	0.6	-3.1	1.0
Crude Goods	0.5	15.9	9.3

Spot Commodity Price Index	[Percent Change from Previous Month]:		
	July	**Aug.**	**YoY %**
CRB Spot Commodity Price Index	-0.9	0.3	-3.6

Notes: Core PCE Price Index includes expenditures on food services.
Source: BEA, BLS, Commodity Research Bureau, Haver Analytics

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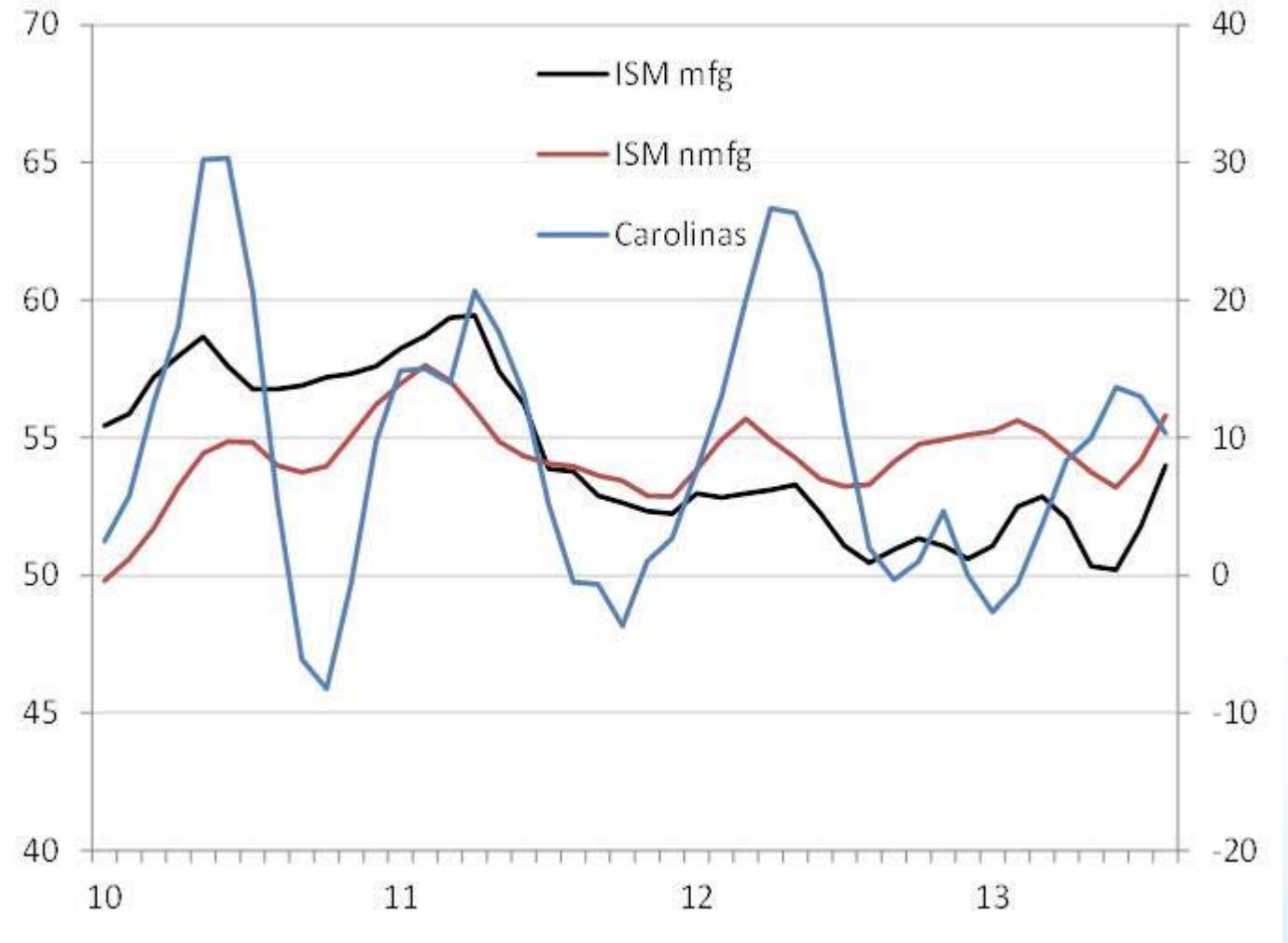
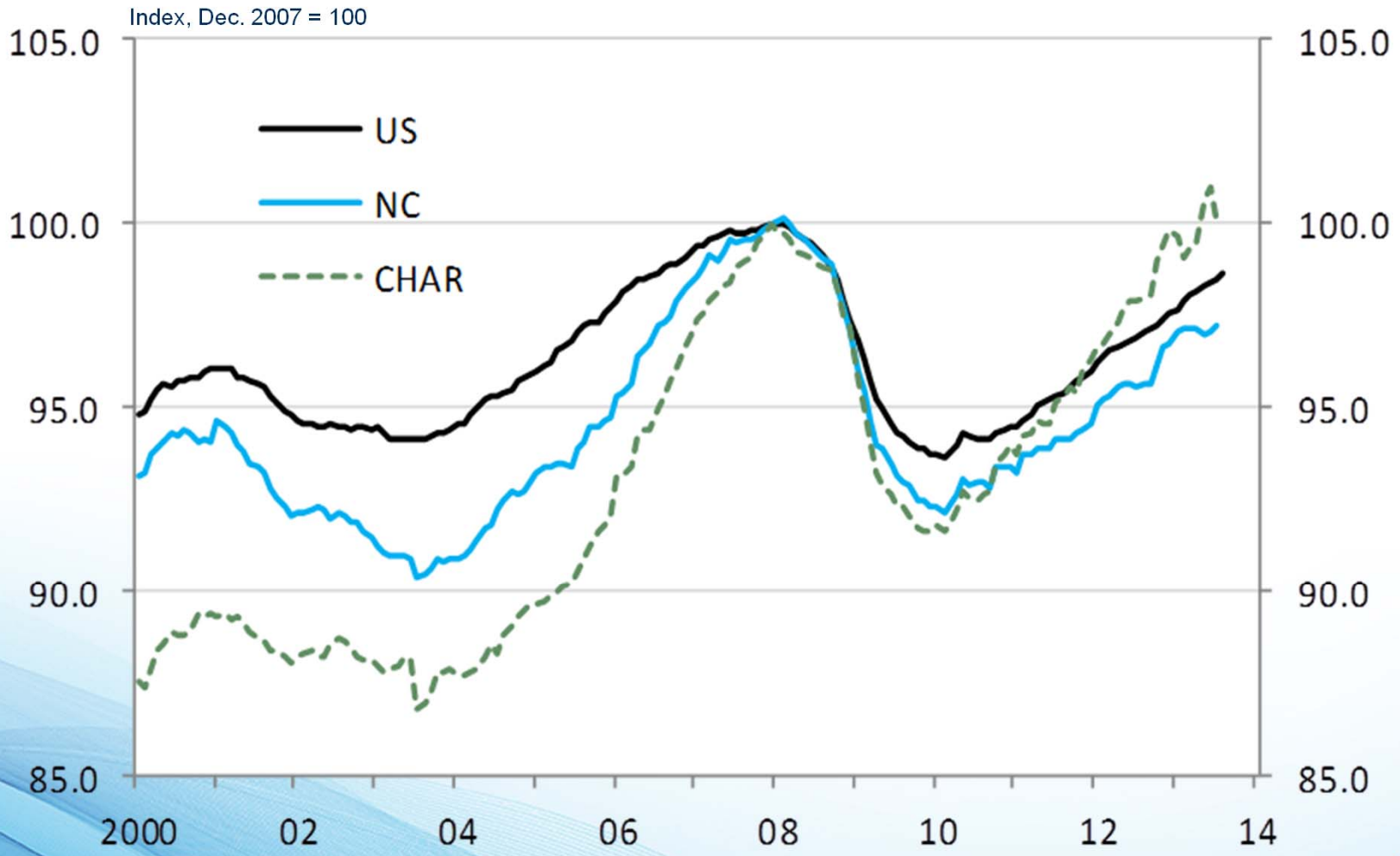
Regional Business Activity

Diffusion Index



Source: FRB/Haver Analytics

Regional Payroll Employment



Source: BLS/Haver Analytics

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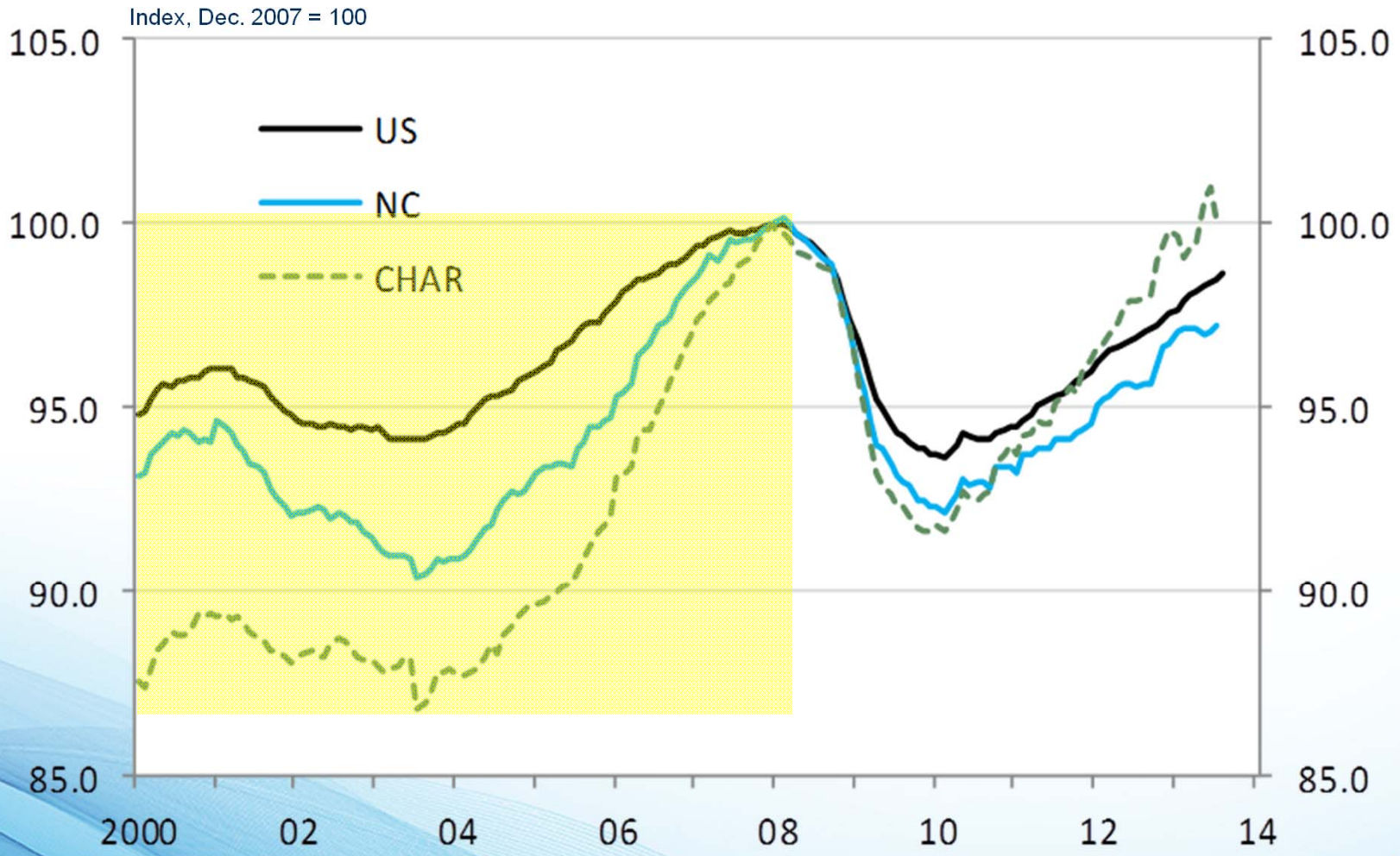

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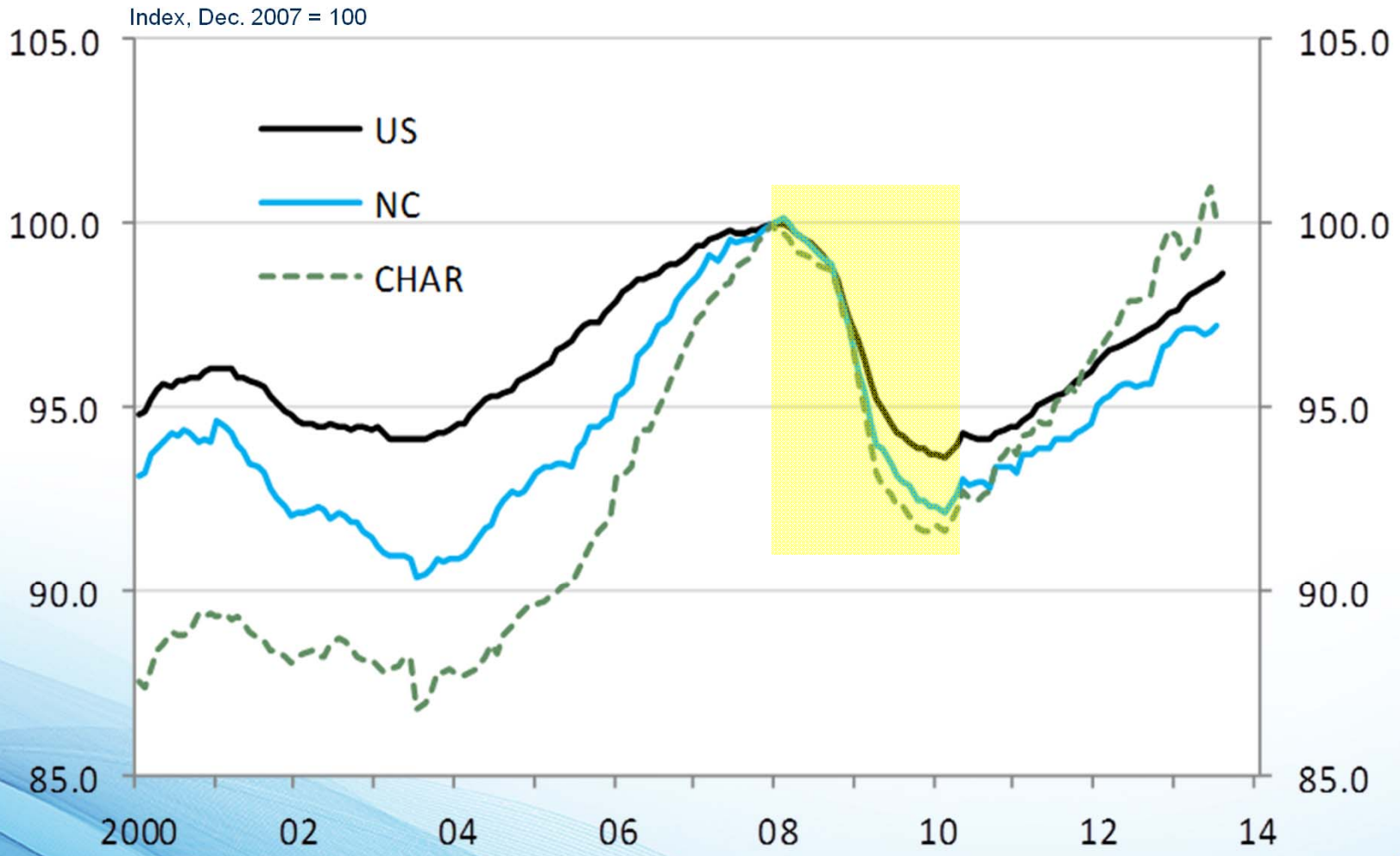

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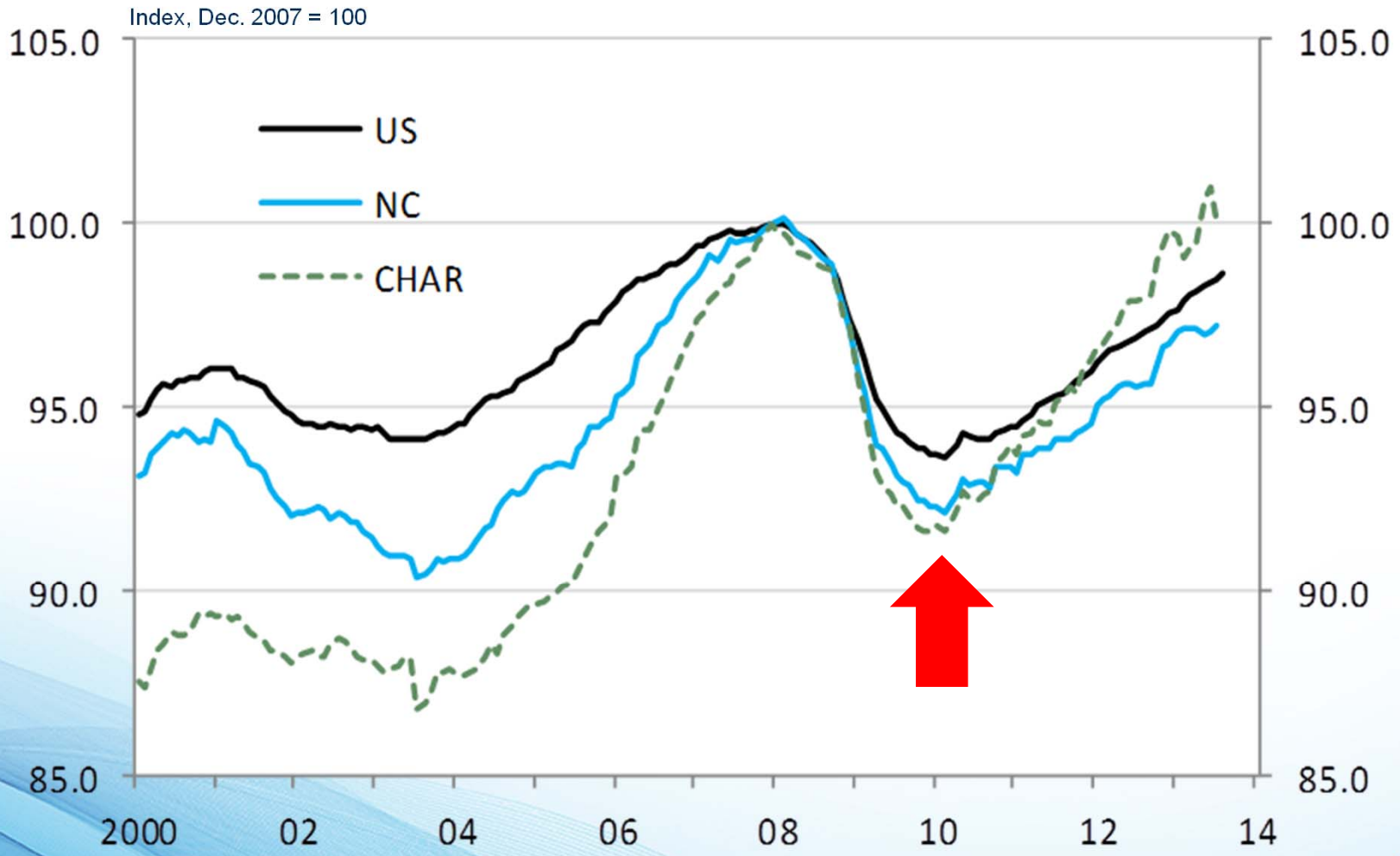

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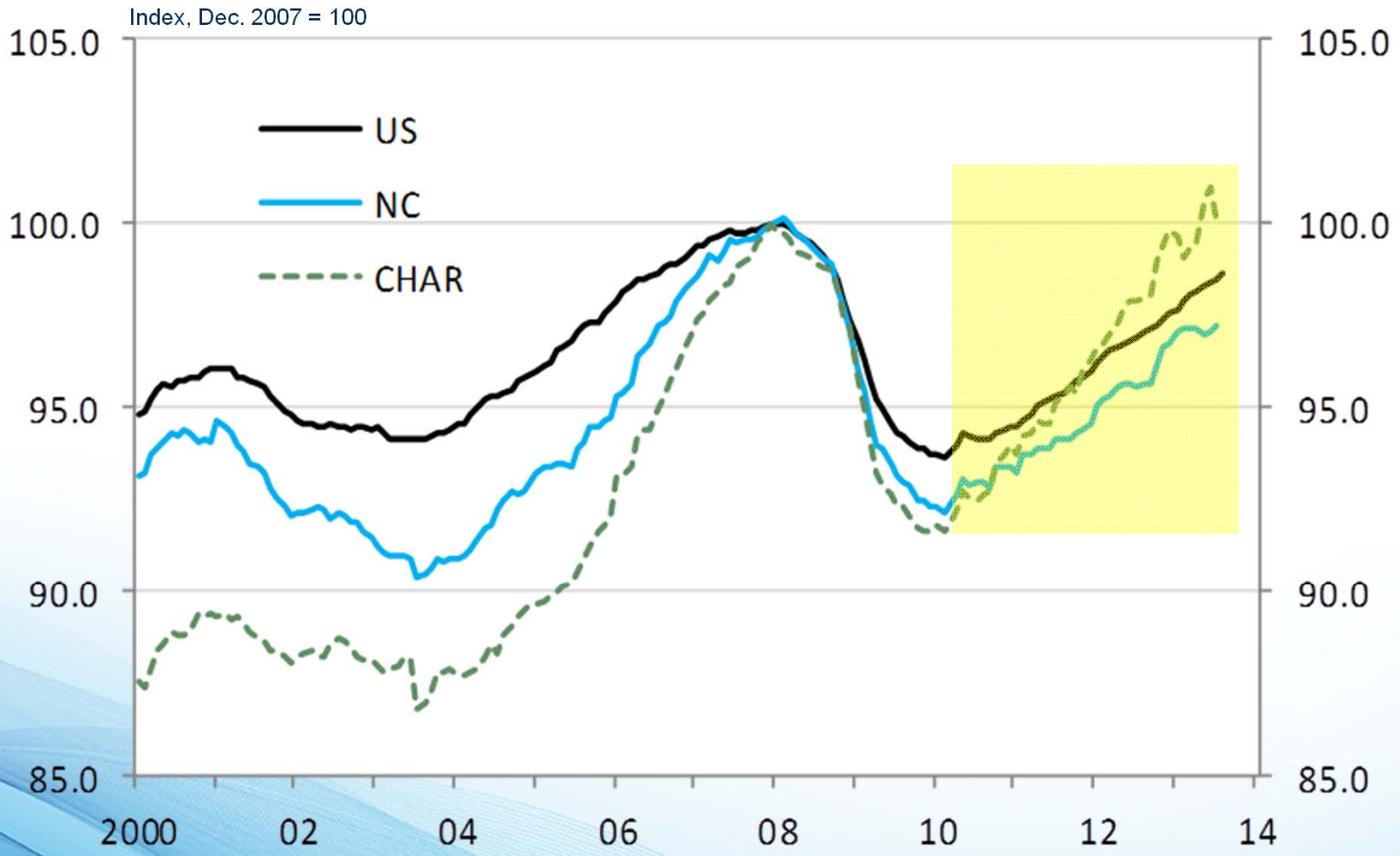

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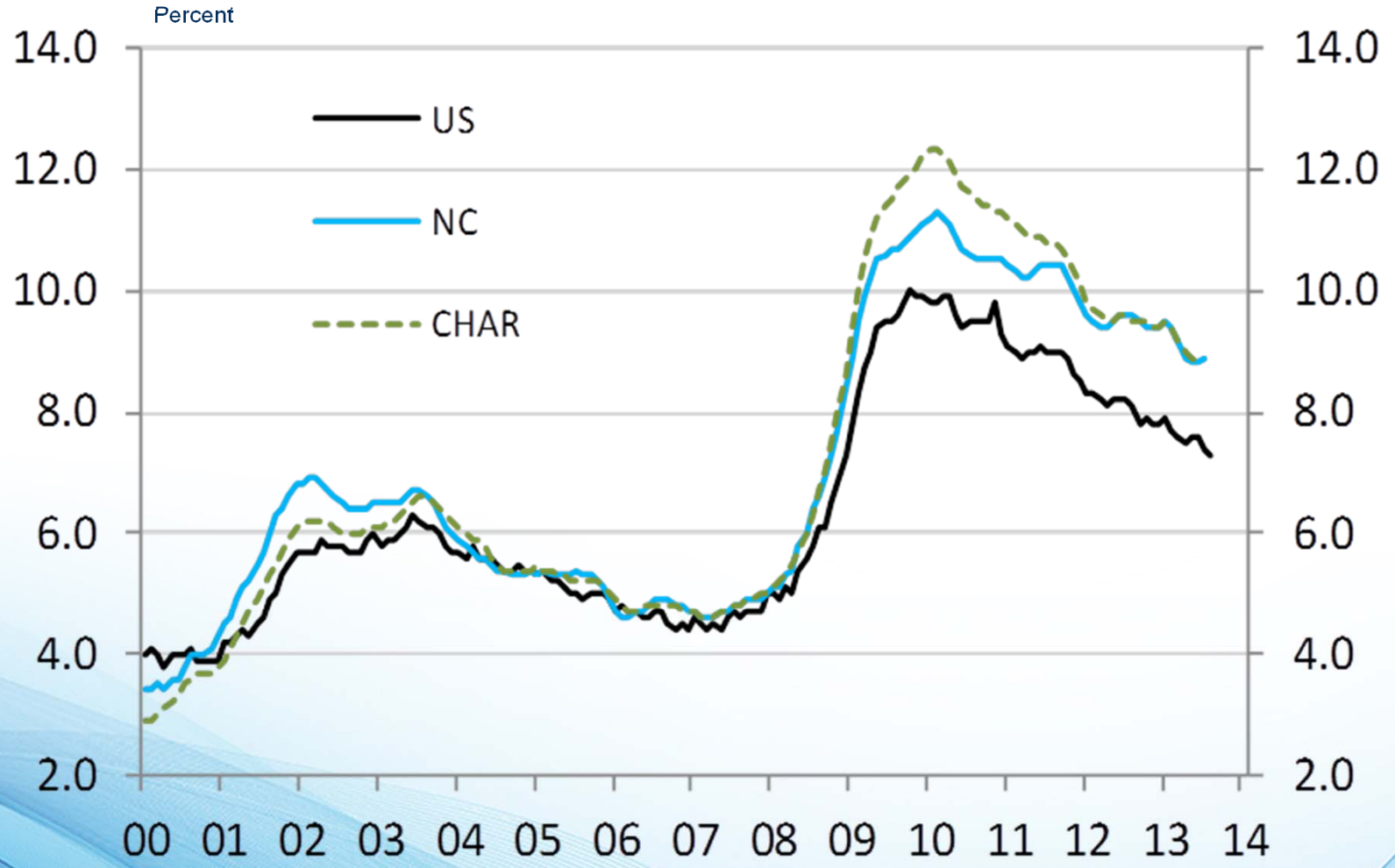
Unemployment Rates



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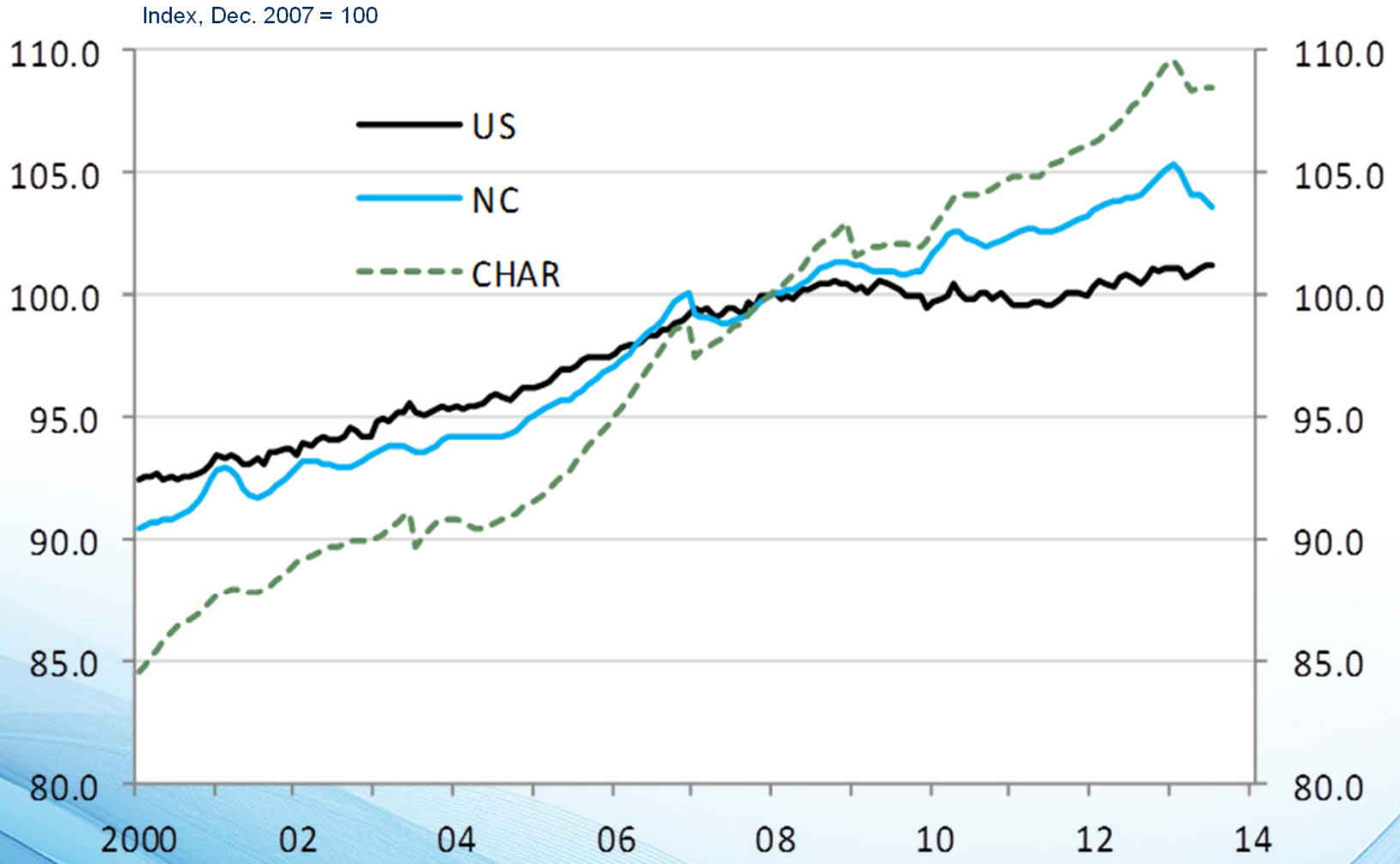
Labor Force



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In Conclusion

The views expressed here are those of the author, and do not necessarily represent those of the Federal Reserve Bank of Richmond or the Federal Reserve System.

FEDERAL RESERVE BANK OF RICHMOND

Richmond ▪ Baltimore ▪ Charlotte