

U.S. Data Review

- Housing starts: back to the low portion of the range of the past several years
- Unemployment claims: initial claims slowly easing, recipients still surging
- Philly Fed index: close to a record low

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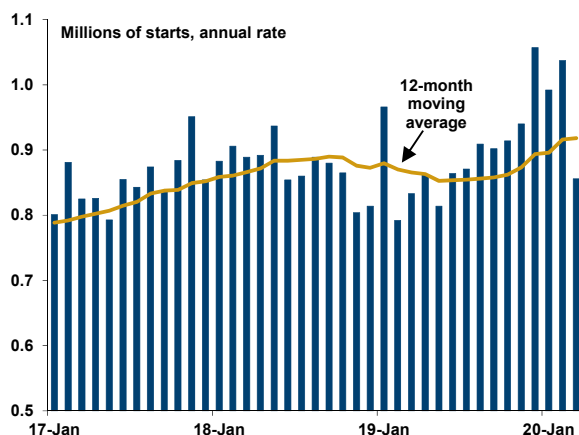
Housing Starts

Housing starts fell 22.3 percent in March. The drop was larger than the expected decline of 18.7 percent, although consensus estimates are not especially good benchmarks in the current environment because large elements of guess work are involved and ranges of views are wide. Results in the prior two months were revised downward, with the adjustments leaving the level of activity in February 1.2 percent below the previous estimate. The combination of the revision to prior activity and the drop in March pushed starts to the low portion of the range seen in the past several years.

Both single-family and multi-family activity contributed to the decline in March, with single-family activity dropping 17.5 percent and multi-family retreating 31.7 percent. The decline in the single-family sector occurred from elevated readings in the prior three months, and the new reading was still respectable by standards of the prior few years (856,000 units in March was not far below the averages of 894,000 and 873,000 in 2019 and 2018, respectively). Starts in the multi-family sector fell noticeably below the average from last year (360,000 versus 404,000), but they were not far from the average of 377,000 in 2018 (charts).

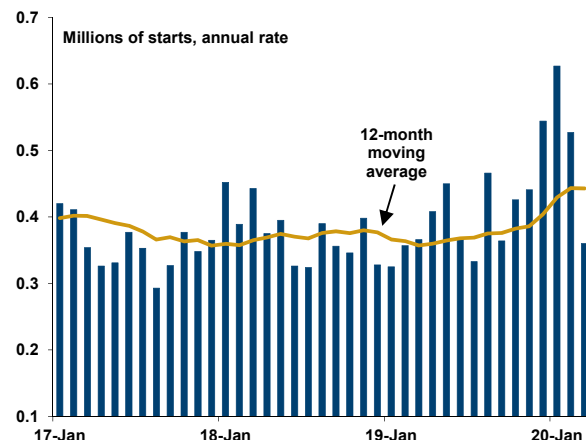
Building permits held up better than starts did, dropping 6.8 percent to 1.353 million units. While off from firm showings in the prior few months, authorizations remained in line with the average of 1.350 million last year and were firmer than the 1.330 in 2018. Single-family permits (884,000) remained above recent averages (851,000 in 2019 and 854,000 in 2018), while multi-family permits were a touch lighter than average (469,000 versus 499,000 and 475,000 in the prior two years (charts, next page)

Single-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

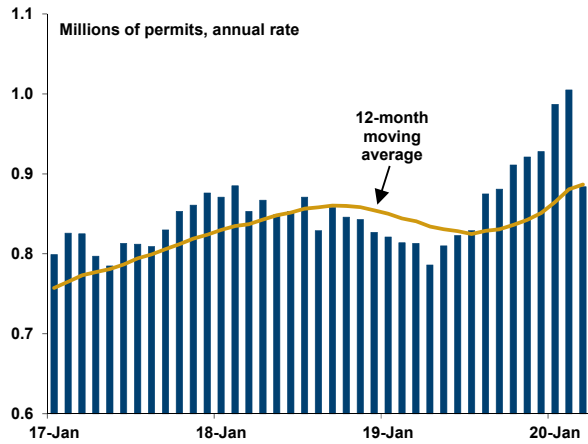
Multi-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

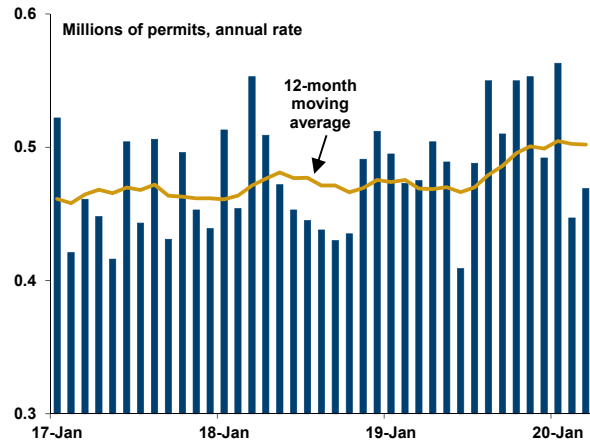
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Single-Family Building Permits



Source: U.S. Census Bureau via Haver Analytics

Multi-Family Building Permits

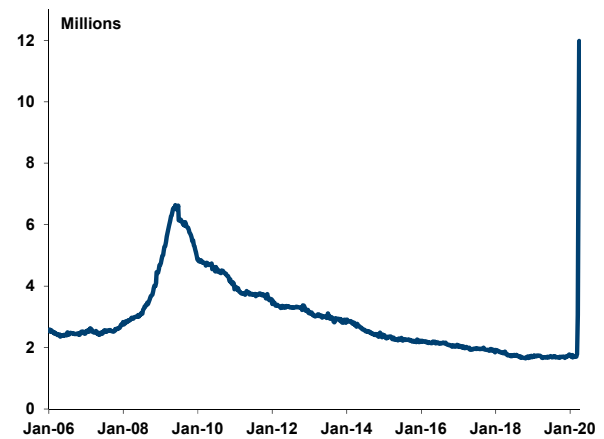


Source: U.S. Census Bureau via Haver Analytics

Unemployment Claims

Initial claims for unemployment insurance eased for the second consecutive week, although they remained stratospheric. The latest reading of 5.245 million was noticeably below the peak of 6.867 million two weeks ago, but it was still shocking by historical standards. Continued claims (i.e. the number of individuals receiving benefits) continued to climb, increasing 4.530 million to 11.976 million (chart, right).

Continuing Claims for Unempl. Insurance

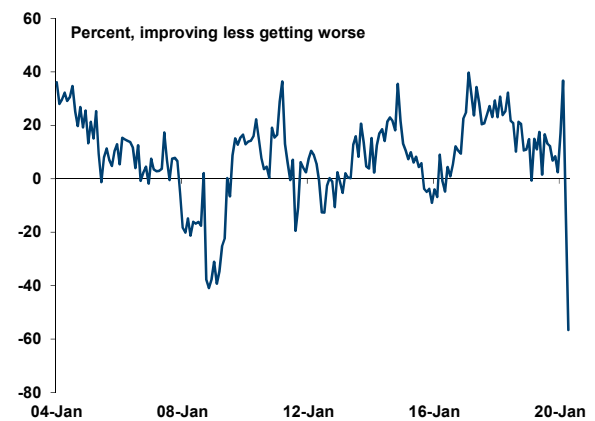


Source: U.S. Department of Labor via Haver Analytics

Philly Fed Index

The manufacturing indexes published by Federal Reserve banks often swing widely from month-to-month, and the Philadelphia measure fit this bill, collapsing to -56.6 in April from -12.7 in the prior month. Just two months ago the measure totaled 36.7 (the index can range from -100 to +100, with zero separating expansion from contraction). The recent reading was not quite a record low, as two observations in the distant past were slightly softer (-57.9 in December 1974 and -57.1 in July 1980). The current reading was lower than the worst during the financial crisis (-40.9 in November 2008).

Philly Fed Mfg. Business Outlook Survey



* The share of respondents indicating that conditions improved from the previous month less the share indicating that conditions deteriorated. The index ranges from -100 to +100.

Source: Federal Reserve Bank of Philadelphia via Haver Analytics