

U.S. Data Review

- Consumer confidence: solid pickup in June, but still restrained
- Chicago purchasing managers' index: modest increase

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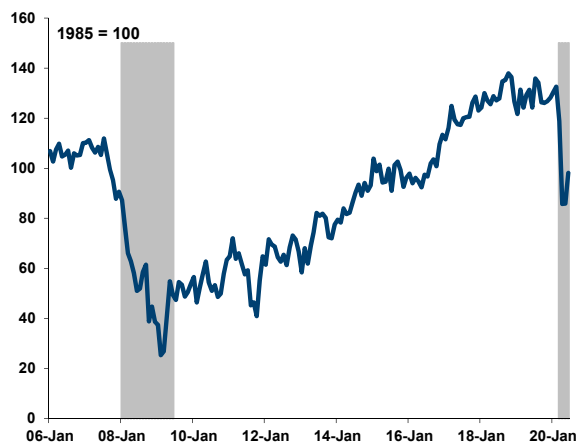
Consumer Confidence

The Conference Board's index of consumer confidence jumped 12.2 index points in June (or 14.2 percent), easily beating the expected increase of 4.8 index points (or 5.5 percent). The change occurred from a downward revised level, but the adjustment was small and did not alter the general picture of a solid pickup.

The index certainly had room to improve, as the measure had tumbled in April and showed little improvement in May. Even with the jump in June, the latest index value of 98.1 was noticeably below the pre-virus average of 131.5 in January and February (chart, left). The easing of lockdown restrictions apparently drove the increase in June, as the current conditions index rose 26.0 percent and accounted for most of the increase in the headline measure; the expectations component rose 8.6 percent.

The more positive (or less negative) view of current conditions included a more favorable assessment of the labor market, as the share of individuals indicating that jobs were plentiful rose 4.3 percentage points to 20.8 percent; the share reporting that jobs were hard to get dropped 5.4 percentage points to 23.8 percent. The net assessment (plentiful less hard to get) remained in negative territory at -3.0 percent, much improved from -15.7 percent in April, but lagging the average of 34.0 percent in January and February (chart, right).

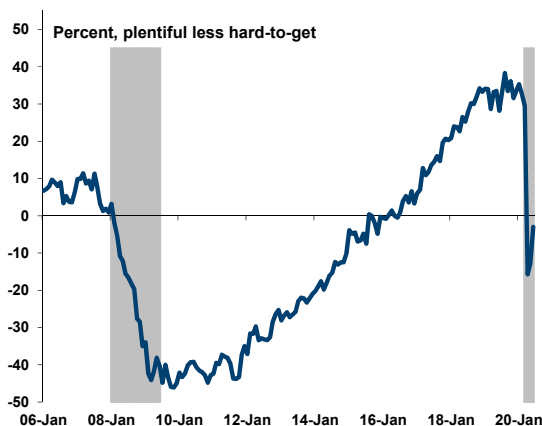
Consumer Confidence*



* The shaded areas indicate periods of recession in the United States.

Source: The Conference Board & The National Bureau of Economic Research via Haver Analytics

Labor Market Assessment*



* The shaded areas indicate periods of recession in the United States.

Source: The Conference Board & The National Bureau of Economic Research via Haver Analytics

Chicago PMI

The Chicago purchasing managers' index disappointed in June, posting an increase of only 4.3 percentage points to 36.6 percent. The consensus called for a jump of 12.7 percentage points to 45.0 percent. A drop of 7.6 percentage points in the supplier delivery index associated with a reduction in supply-chain disruptions played a role in restraining the headline index, but this effect was most likely built into expectations. The biggest surprise involved a drop of 5.1 percentage points in the employment index to 31.9 percent. The new orders and production indexes, although up 7.4 and 10.1 percentage points, respectively, also were light relative to the expected increase of 12.7 percentage points in the headline measure.

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