

March 2019 Retail Sales, Leading Economic Index, April UI Claims

Data Looking More Positive Heading into Q2

- Retail Sales increased by 1.6 percent in March and are up 3.6 percent over the previous year.
- The Conference Board's Leading Economic Index increased by 0.4 percent in March.
- Initial Claims for Unemployment Insurance fell by 5,000 for the week ending April 13, to hit 192,000.

After limping through the end of last year and into the first quarter of this year, U.S. economic data is looking more positive for March and April. Retail sales were strong in March, increasing by 1.6 percent for the month after a soft February, when sales declined by 0.2 percent. A rebound in vehicle sales and higher gasoline prices both helped in March. Light vehicle sales increased from a 16.6 million unit pace in February, to 17.5 million in March. The dollar value of vehicle and parts sales in March increased by 3.1 percent. Gasoline station sales were up by 3.5 percent. Most other sales categories were positive for the month. Other positives for March include the end of the government shutdown and improved home sales due to lower mortgage rates.

Some of the gain in nominal retail sales is due to higher gasoline prices, but not all of it. We view today's retail sales data as a positive for Q1 GDP. Yesterday we saw another positive for Q1 GDP in the better-than-expected U.S. trade balance for February.

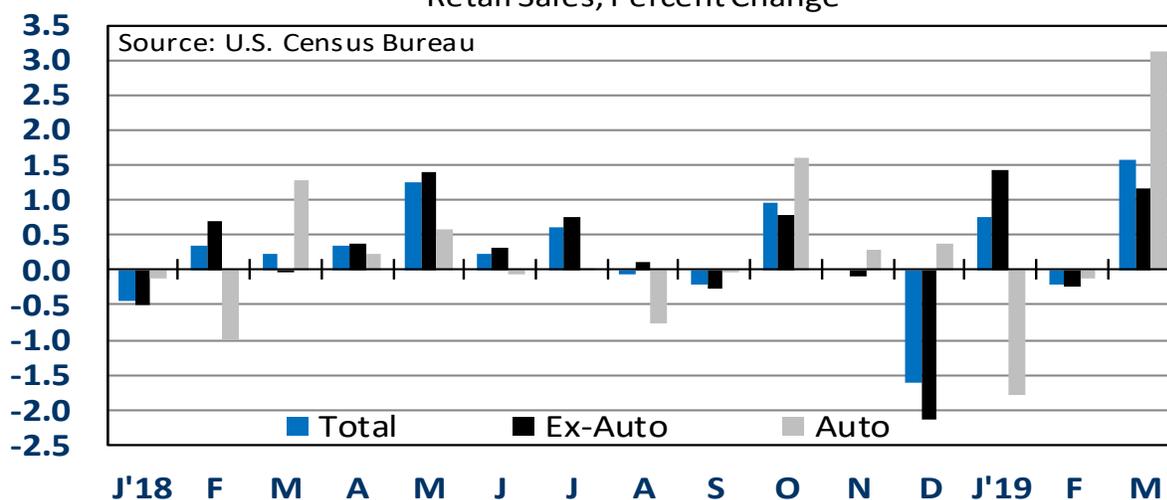
The Conference Board's Leading Economic Index for March increased by 0.4 percent. This is the strongest reading for the Leading Index since last September. Eight out of ten factors were positive for the Leading Index in March. The biggest positives were unemployment insurance claims (inverted), consumer expectations for business conditions and the Leading Credit Index. Average weekly manufacturing hours and building permits were little changed in March. The Coincident Index was up by 0.1 percent in March, matching its February gain. The Lagging Index was also up by 0.1 percent. When all three indexes increase for the month that is a broad positive indicator for the U.S. economy.

Initial claims for unemployment insurance fell by 5,000 for the week ending April 13, to hit an ultra-low 192,000, extending the declining trend that started in mid-March. This is the lowest initial claims level since September 1969. Continuing claims fell by 63,000 for the week ending April 6, to hit 1,653,000. The continuing claims data is now back on par with the ultra-low levels from last October.

Market Reaction: Equity markets opened with losses. The 10-year Treasury yield is down to 2.55 percent. NYMEX crude oil is up to \$63.78/barrel. Natural gas futures are down to \$2.48/mmbtu.

Consumer Spent It in March

Retail Sales, Percent Change



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