



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE
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Home Sales Dipped in December But Durable Goods Orders Climbed

- New home sales declined in December. Sales of new single-family homes decreased 7.3 percent last month to a seasonally adjusted annual rate of 369,000 units (see top chart). Last month's decrease followed a (revised) increase of 9.3 percent in November. Sales declined in the South (down 8.4 percent), the West (down 11.1 percent), and the Northeast (down 29.4 percent) but they rose in the Midwest (up 21.3 percent). The stock of unsold new homes increased to 4.9 months of current sales in December. Even with the December decline, nationwide sales of new single-family homes rose 8.8 percent over the course of last year.
- Sales of existing homes declined in December. Completed sales of existing homes (single-family homes, townhomes, condominiums and co-ops) decreased by 1.0 percent last month to 4.940 million units at an annual rate, following a 4.8 percent increase in November (see bottom chart). Sales of existing single-family homes amounted to 4.350 million units in December, down 1.4 percent on the month. Sales of existing single-family homes rose 11.5 percent over the course of 2012 and inventories tightened. The stock of existing single-family homes available for sale declined from 6.2 months of sales at the end of 2011 to just 4.4 months of sales in December.
- Durable goods shipments and orders rose again in December. Manufacturers' shipments of durable goods rose 1.3 percent last month, following an increase of 1.8 percent in November, according to preliminary estimates by the Department of Commerce. New orders for durable goods rose 4.6 percent in December, well above the gain expected by forecasters.



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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Jan. 29	Residential Vacancies and Homeownership (Q4 and annual 2012)
Wednesday, Jan. 30	Gross Domestic Product (Q4 and annual 2012) Federal Open Market Committee monetary policy announcement
Thursday, Jan. 31	Personal Income and Outlays (December) Employment Cost Index (Q4 and annual 2012)
Friday, Feb. 1	The Employment Situation (January)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Dec.	Nov.	Oct.	2012Q4	2012Q3	2012Q2	2012	2011
Economic Activity								
Real gross domestic product	—	—	—	n.a.	3.1	1.3	n.a.	1.8
Manufacturing production	0.8	1.3	-0.9	0.2	-1.0	0.8	4.0	4.3
Factory utilization rate (percent of capacity)	77.4	76.9	76.0	76.8	77.0	77.5	77.2	75.0
Civilian unemployment rate (percent of labor force)	7.8	7.8	7.9	7.8	8.0	8.2	8.1	8.9
Housing starts (thousands of units, annual rates)	954	851	889	898	774	736	781	612
Light vehicle sales, domestic (millions of units, annual rates)	11.987	12.028	11.118	11.711	11.351	10.999	11.242	9.805
Retail & food service sales	0.5	0.4	-0.2	5.8	5.3	-1.0	5.0	8.0
Real disposable personal income	n.a.	0.8	-0.1	n.a.	0.5	2.2	n.a.	1.3
Personal saving rate (percent of disposable income)	n.a.	3.6	3.4	n.a.	3.6	3.8	n.a.	4.2
Inflation & Productivity								
CPI-U inflation	0	-0.3	0.1	2.1	2.3	0.8	2.1	3.1
Core CPI-U inflation	0.1	0.1	0.2	1.6	1.5	2.6	2.1	1.7
Output per hour, nonfarm bus.	—	—	—	n.a.	2.9	1.9	n.a.	0.7
Unit labor costs, nonfarm bus.	—	—	—	n.a.	-1.9	-0.5	n.a.	2.0
Employment Cost Index	—	—	—	n.a.	1.7	2.1	n.a.	2.0

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

Notes: Except where otherwise noted, values in the table represent simple percent changes for monthly data and percent changes at annual rates for quarterly data. Core CPI-U inflation is the percentage change in the CPI-U excluding food and energy prices as reported by the Bureau of Labor Statistics. The Employment Cost Index covers all civilian workers and the quarterly change is measured from the last month of the previous quarter to the last month of the indicated quarter. 'n.a.' denotes that data are not yet available. '—' denotes that data are not available monthly.