- Real consumer spending growth declined slightly in January.
  - Durable goods expenditures largely drove the decline.

- Business equipment spending continued to increase robustly in the last quarter, exhibiting brisk growth overall in 2017.
  - The most recent monthly data suggest some slowing in near term momentum.

- Housing indicators generally point to continued gradual improvement in this sector.
  - Tight housing supply and a strong labor market have the potential to provide continuing support to the housing sector.
Payroll growth registered another strong increase in February. The unemployment rate was unchanged, while labor force participation rate and employment-to-population ratio both recorded notable improvements.

- Latest readings of labor compensation measures continue to provide mixed evidence of firmer growth.

Core PCE inflation continued to run below the FOMC’s longer-run objective, but near-term momentum has firmed.

U.S. equity indices partially recovered from sharp declines in early February. Volatility dropped sharply. The nominal 10-year Treasury yield fluctuated within a narrow range over the past month. The broad trade-weighted dollar index also was little changed.
Output growth slows a bit in 2017Q4

% Change – Annual Rate

Source: Bureau of Economic Analysis via Haver Analytics
Wealth helping to support consumer spending

Source: Bureau of Economic Analysis, Federal Reserve Board, via Haver Analytics
Note: Shading shows NBER recessions.
Personal saving rate does not appear too low

Personal Saving Rate (Percent)  Personal Saving Rate (Percent)

Source: Bureau of Economic Analysis and Federal Reserve Board

Note: Fitted line is from 1983Q1 to 2005Q4.
Labor market conditions continue to improve

Unemployment Rate (Left Axis)
Labor Force Participation Rate (Right Axis)
Employment-to-Population Ratio (Right Axis)

Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions.
Inflation progressing toward FOMC objective

12 Month % Change

Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions.
Trend of rising home prices continues

12 Month Percent Change

Source: CoreLogic, National Association of Realtors

Note: Shading shows NBER recessions.
Mortgage underwriting standards remain tight

Source: New York Fed Consumer Credit Panel/Equifax

Note: Credit Score is Equifax Riskscore 3.0; mortgages include first-liens only.

25 million individuals have credit scores in this range
Housing starts per household at historical lows

3 Month Moving Average

Source: Census Bureau via Haver Analytics

Note: Shading shows NBER recessions.
What’s ‘normal’ about the normal inventory range?

Source: CoreLogic, National Association of Realtors