

Current Week						
Day	Date	Economic Calendar (Event)	Period	Survey	Actual	Prior
Mon	1/22	Leading Index	Dec	-0.3%	-0.1%	-0.5%
Tue	1/23	Richmond Fed Manuf. Index	Jan	-8	-15	-11
Wed	1/24	MBA Mortgage Applications	1/19	--	3.7%	10.4%
	1/24	S&P Global US Manufacturing PMI	Jan P	47.6	50.3	47.9
	1/24	S&P Global US Services PMI	Jan P	51.5	52.9	51.4
	1/24	S&P Global US Composite PMI	Jan P	51	52.3	50.9
Thu	1/25	Chicago Fed Nat Activity Index	Dec	0.06	-0.15	0.03
	1/25	GDP Annualized QoQ	4Q A	2.0%	3.3%	4.9%
	1/25	Personal Consumption	4Q A	2.5%	2.8%	3.1%
	1/25	GDP Price Index	4Q A	2.2%	1.5%	3.3%
	1/25	Core PCE Price Index QoQ	4Q A	2.0%	2.0%	2.0%
	1/25	Durable Goods Orders	Dec P	1.5%	0.0%	5.4%
	1/25	Durables Ex Transportation	Dec P	0.2%	0.6%	0.4%
	1/25	Initial Jobless Claims	1/20	200k	214k	187k
	1/25	Continuing Claims	1/13	1823k	1833k	1806k
	1/25	New Home Sales MoM	Dec	10.0%	8.0%	-12.2%
	1/25	New Home Sales	Dec	649k	664k	590k
	1/25	Kansas City Fed Manf. Activity	Jan	-3	-9	-1
Fri	1/26	Personal Income	Dec	0.3%	0.3%	0.4%
	1/26	Personal Spending	Dec	0.5%	0.7%	0.2%
	1/26	Real Personal Spending	Dec	0.3%	0.5%	0.3%
	1/26	PCE Deflator MoM	Dec	0.2%	0.2%	-0.1%
	1/26	PCE Core Deflator MoM	Dec	0.2%	0.2%	0.1%
	1/26	PCE Deflator YoY	Dec	2.6%	2.6%	2.6%
	1/26	PCE Core Deflator YoY	Dec	3.0%	2.9%	3.2%
	1/26	Pending Home Sales MoM	Dec	2.0%	8.3%	0.0%
	1/26	Pending Home Sales NSA YoY	Dec	-4.3%	-1.0%	-5.1%

Week's Takeaway:

While manufacturing continues to show an uneven recovery and the labor market continues to cool, robust housing market growth and a strong consumer provide an optimistic outlook for the economy's overall trajectory.

Notes:

Manufacturing data continues to provided a mixed view on the potential for a near-term industrial recovery. The January readings for **Richmond & Kansas City FED Manufacturing Surveys** both came in below expectations, -15 vs -8, and -9 vs -3, respectively. The Richmond print was concerning, with expectations of an improvement versus an actual print at its lowest level since February 2023, while KC, which had been showing signs of recovery, fell much further than anticipated. On the other hand, January's preliminary **S&P Global US Manufacturing PMI** index printed significantly above market expectations and improved from the prior month, 50.3 vs 47.6, and 50.3 vs 47.9.

The housing market was further buoyed by December's **New Home Sales** and **Pending Home Sales**, which both showed increased growth, 8.0% vs -12.2%, and 8.3% vs 0.0%. This was a strong signal for future activity, with pent-up demand clearly coming to the market as the 30-year rate continues to ease.

Another blockbuster datapoint was the preliminary data for 4th Quarter **GDP Annualized QoQ**, which showed an expansion of 3.3%, far surpassing the anticipated 2.0% growth. While this represents a decrease from the previous 4.9%, it still indicates significant economic growth. Furthermore, the **PCE Core Deflator**, a key inflation indicator, rose by just 2.9%, below the forecasted 3.0% and reaching its lowest rate since March 2021.

In contrast, the preliminary December **Durable Goods Orders** was less encouraging, showing no growth at 0.0%. This was a stark change from the 5.4% increase seen in November and fell short of the expected 1.5%.

Initial and continuing claims both came in above expectations, 214k vs 200k, and 1,833k vs 1,823k, respectively. This is a clear signal that the labor market is cooling, with initial claims rebounding significantly from the 16-month low touched the prior week.

Upcoming Week						
Day	Date	Economic Calendar (Event)	Period	Survey	Actual	Prior
Mon	1/29	Dallas Fed Manf. Activity	Jan	--	--	-9.3
Tue	1/30	FHFA House Price Index MoM	Nov	0.2%	--	0.3%
	1/30	S&P CoreLogic CS 20-City YoY NSA	Nov	--	--	4.9%
	1/30	Conf. Board Consumer Confidence	Jan	113	--	110.7
	1/30	JOLTS Job Openings	Dec	8700k	--	8790k
Wed	1/31	MBA Mortgage Applications	1/26	--	--	3.7%
	1/31	ADP Employment Change	Jan	143k	--	164k
	1/31	Employment Cost Index	4Q	1.0%	--	1.1%
	1/31	MNI Chicago PMI	Jan	48.1	--	46.9
	1/31	FOMC Rate Decision (Upper Bound)	1/31	5.5%	--	5.5%
	1/31	FOMC Rate Decision (Lower Bound)	1/31	5.3%	--	5.3%
	1/31	Interest on Reserve Balances Rate	2/1	5.4%	--	5.4%
Thu	2/1	Challenger Job Cuts YoY	Jan	--	--	-20.2%
	2/1	Nonfarm Productivity	4Q P	2.1%	--	5.2%
	2/1	Unit Labor Costs	4Q P	1.8%	--	-1.2%
	2/1	Initial Jobless Claims	1/27	210k	--	214k
	2/1	Continuing Claims	1/20	--	--	1833k
	2/1	S&P Global US Manufacturing PMI	Jan F	--	--	50.3
	2/1	Construction Spending MoM	Dec	0.5%	--	0.4%
	2/1	ISM Manufacturing	Jan	47.3	--	47.4
	2/1	Wards Total Vehicle Sales	Jan	15.70m	--	15.83m
Fri	2/2	Change in Nonfarm Payrolls	Jan	178k	--	216k
	2/2	Change in Manufact. Payrolls	Jan	2k	--	6k
	2/2	Unemployment Rate	Jan	3.8%	--	3.7%
	2/2	Average Hourly Earnings YoY	Jan	4.1%	--	4.1%
	2/2	Average Weekly Hours All Employees	Jan	34.3	--	34.3
	2/2	U. of Mich. Sentiment	Jan F	78.8	--	78.8
	2/2	Durable Goods Orders	Dec F	--	--	0.0%
	2/2	Durables Ex Transportation	Dec F	--	--	0.6%

Next Week's Notes:

Next week, we are set to receive a comprehensive set of early-month data, which will shed light on various economic sectors. Our key focus areas include manufacturing, construction, automotive, and the labor market.

January's **ISM Manufacturing PMI** is highly anticipated as the manufacturing sector has been displaying mixed signals in its recovery. Current market expectations are for a slight easing to 47.3, just under the previous month's upside surprise to 47.4. In construction, December's **Spending** is forecasted to show a modest increase, moving up to 0.5% MoM from 0.4%, where the main driver of growth was from the private spending residential segment.

For the auto sector, January's **Wards Total Vehicle Sales** have a 15.70m projection, a decline from December's 15.83m, which was the highest sales amount since July 2023. Additionally, although sales have not fully recovered to the levels seen before the pandemic, there has been a clear upward trend forming since 2022.

Finally, a slew of labor market data is due, including **JOLTS Job Openings**, **Challenger Job Cuts**, and **Change in Nonfarm Payrolls**. These will be the most anticipated for insights on worker demand, which have been showing signs of easing. **Job Openings** is expected to decline further, falling to 8700k from 8790k, which marked the lowest level since March 2021. **Change in Nonfarm Payrolls** is also forecasted to see a decline, dropping to 178k from 216k.



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