

Current Week						
Day	Date	Economic Calendar (Event)	Period	Survey	Actual	Prior
Mon	3/25	New Home Sales	Feb	677k	662k	661k
	3/25	New Home Sales MoM	Feb	2.3%	-0.3%	1.5%
	3/25	Dallas Fed Manf. Activity	Mar	-10	-14.4	-11.3
Tue	3/26	Durable Goods Orders	Feb P	1.0%	1.4%	-6.2%
	3/26	Durables Ex Transportation	Feb P	0.4%	0.5%	-0.4%
	3/26	FHFA House Price Index MoM	Jan	0.3%	-0.1%	0.1%
	3/26	S&P CoreLogic CS 20-City YoY NSA	Jan	6.6%	6.6%	6.1%
	3/26	Conf. Board Consumer Confidence	Mar	107	104.7	106.7
	3/26	Conf. Board Present Situation	Mar	--	151	147.2
	3/26	Conf. Board Expectations	Mar	--	73.8	79.8
	3/26	Richmond Fed Manufact. Index	Mar	-5	-11	-5
Wed	3/27	MBA Mortgage Applications	3/22	--	-0.7%	-1.6%
Thu	3/28	GDP Annualized QoQ	4Q T	3.2%	3.4%	3.2%
	3/28	Initial Jobless Claims	3/23	212k	210k	210k
	3/28	Continuing Claims	3/16	1815k	1819k	1807k
	3/28	MNI Chicago PMI	Mar	46	41.4	44
	3/28	Pending Home Sales MoM	Feb	1.5%	1.6%	-4.9%
	3/28	Pending Home Sales NSA YoY	Feb	--	-2.2%	-6.8%
	3/28	U. of Mich. Sentiment	Mar F	76.5	79.4	76.5
	3/28	U. of Mich. Current Conditions	Mar F	79.6	82.5	79.4
	3/28	U. of Mich. Expectations	Mar F	74.7	77.4	74.6
	3/28	U. of Mich. 1 Yr Inflation	Mar F	3.1%	2.9%	3.0%
	3/28	U. of Mich. 5-10 Yr Inflation	Mar F	2.9%	2.8%	2.9%
	3/28	Kansas City Fed Manf. Activity	Mar	-4	-7	-4
	Fri	3/29	Personal Income	Feb	0.4%	0.3%
3/29		Personal Spending	Feb	0.5%	0.8%	0.2%
3/29		Real Personal Spending	Feb	0.1%	0.4%	-0.1%
3/29		PCE Deflator MoM	Feb	0.4%	0.3%	0.3%
3/29		PCE Deflator YoY	Feb	2.5%	2.5%	2.4%
3/29		PCE Core Deflator MoM	Feb	0.3%	0.3%	0.4%
3/29		PCE Core Deflator YoY	Feb	2.8%	2.8%	2.8%

Week's Takeaway:

There was no clear theme in this week's data, however, we continue to see signs that the labor market, and inflation are running hotter than the FED would have hoped. On top of that, the overall economy continues to grow at an impressive rate. **It is becoming increasingly unlikely that we will see the number of rate cuts the market is currently pricing in.**

Notes:

4Q23 GDP revised higher, driven by more robust consumer spending, which appears to remain strong well into the first quarter, with **real personal** spending from (PCE Report) up 0.4% in February. Looking more closely at that report, the **Topline** and **Core PCE** prints came in line with expectations, at 2.5% and 2.8%, respectively. Both continue to trend lower but are above the Fed target. It is important to note that the disinflationary base effect which encouraged markets that prices were under control will start to subside once we have cleared the summer months and will start to be a hurdle in getting PCE to 2%.

March's **Fed manufacturing surveys** disappointed compared to market expectations and showed overall declines across the board. There were signals of a burgeoning recovery in the first two months of the year. This move appears to be a cautionary tale for optimism driven solely by hopes of impending interest rate cuts, when you dig into the commentary.

Housing data was mostly stable this week, after significant upside surprises in last week's data for the sector. **New home sales** were only down slightly at 662k, compared to January and slightly below expectations. While **pending home sales** were up 1.6%, beating expectations of a 1.5% increase.

The Headline **University of Michigan Consumer Sentiment Survey** printed at its highest level in 32 month, more than 2.5 years at 79.4. The most encouraging signal from the data is that inflation expectations came in below the initial estimate for both the 1-year and longer-term periods.

Upcoming Week						
Day	Date	Economic Calendar (Event)	Period	Survey	Actual	Prior
Mon	4/1	S&P Global US Manufacturing PMI	Mar F	52.5	--	52.5
	4/1	Construction Spending MoM	Feb	0.7%	--	-0.2%
	4/1	ISM Manufacturing	Mar	48.4	--	47.8
Tue	4/2	JOLTS Job Openings	Feb	8770k	--	8863k
	4/2	Durable Goods Orders	Feb F	1.4%	--	1.4%
	4/2	Durables Ex Transportation	Feb F	--	--	0.5%
	4/2	Wards Total Vehicle Sales	Mar	15.90m	--	15.81m
Wed	4/3	MBA Mortgage Applications	3/29	--	--	-0.7%
	4/3	ADP Employment Change	Mar	150k	--	140k
	4/3	S&P Global US Services PMI	Mar F	51.7	--	51.7
Thu	4/3	S&P Global US Composite PMI	Mar F	--	--	52.2
	4/3	ISM Services Index	Mar	52.8	--	52.6
	4/4	Challenger Job Cuts YoY	Mar	--	--	8.8%
	4/4	Initial Jobless Claims	3/30	--	--	210k
	4/4	Continuing Claims	3/23	--	--	1819k
Fri	4/5	Two-Month Payroll Net Revision	Mar	--	--	--
	4/5	Change in Nonfarm Payrolls	Mar	200k	--	275k
	4/5	Change in Private Payrolls	Mar	168k	--	223k
	4/5	Change in Manufact. Payrolls	Mar	10k	--	-4k
	4/5	Unemployment Rate	Mar	3.9%	--	3.9%
	4/5	Average Hourly Earnings MoM	Mar	0.3%	--	0.1%
	4/5	Average Hourly Earnings YoY	Mar	4.1%	--	4.3%
4/5	Average Weekly Hours All	Mar	34.3	--	34.3	
4/5	Labor Force Participation Rate	Mar	62.5%	--	62.5%	

Next Week's Notes:

Next week, we are set to gather the comprehensive data from the beginning of the month, which will provide valuable insights across the manufacturing, construction, and automotive sectors, alongside a slew of labor market measures.

For the manufacturing sector, we will receive some important updates. The final March **S&P Global US Manufacturing PMI** is projected to remain steady at the preliminary results of 52.5 and March's **ISM Manufacturing PMI** is forecasted to experience an increase to 48.4 from February's 47.8, both indicating stable and slight improvements for the sector. Additionally, we will also review the final February figures for **Durable Goods Orders** and **Durables Ex Transportation**, which are anticipated to confirm the preliminary data's upside surprises.

In the upcoming week, February's **Construction Spending MoM** will be published. Market expectations are for 0.7% growth, a significant recovery from the previous month's -0.2% decline – the first monthly contraction in construction activity since December 2022, which was primarily driven by a -0.9% drop in public construction spending.

March's **Wards Total Vehicle Sales** figures will be released and is anticipated to show a rise to 15.9m, up from the previous month's 15.81m, suggesting a continuation of growth in the auto sector.

In the upcoming reports, we will delve into a set of labor market data, which will provide a detailed snapshot of current labor market trends. February's **JOLTS Job Openings** are expected to decrease to 8770k from January's 8863k. Similarly, March's **Change in Nonfarm Payrolls** are projected to show a slight decline, falling to 200k from 275k. In contrast, March's **Change in Manufacturing Payrolls** are forecasted to rebound, rising to 10k after a decline of -4k the previous month. Moreover, March's **Average Weekly Hours** are anticipated to hold steady at 34.3 hours. We will also receive the **Challenger Job Cuts YoY** March figures, as well as the weekly update for **Initial** and **Continuing Jobless Claims**.



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