

U.S. data was mixed this week, consistent with our expectation of modest first quarter real GDP growth. We look for about 1.1 percent 2017Q1 real GDP growth when the data is released next Friday.

Housing starts dropped by 6.8 percent in March. The trend still looks positive and the March reset looks like normal monthly volatility. Single-family starts for March dropped by 6.2 percent for the month, but remain up by 9.3 percent over the previous 12 months. Multifamily housing starts fell by 7.9 percent for the month. Total permits for March were up by 3.6 percent.

According to the MBA Mortgage Applications Survey, the rate for a 30-year fixed rate mortgage was down to 4.22 percent for the week ending April 14. Mortgage applications for purchase were down into mid-April.

The National Association of Home Builders' Housing Market Index fell modestly in April, still showing strong confidence in the market.

Existing home sales increased by 4.4 percent in April, after dipping in March. The median sales price of an existing home was up by 6.8 percent in March, over the previous 12 months.

Industrial production increased by 0.5 percent in March, pushed by a large increase in utility output. Mild winter weather weighed on utility output in January and February, but that reversed in March as utility output surged by 8.6 percent. Mining output ticked up by 0.1 percent in March, after a strong 2.9 percent gain February. Manufacturing output dropped by 0.4 percent as motor vehicle assemblies fell.

The Leading Economic Index increased by 0.4 percent in March, extending a string of moderate-to-strong monthly gains that began last December. This is good news for the U.S. economy and is consistent with our expectation that real GDP growth will pick up in 2017 after a tepid first quarter.

Initial claims for unemployment insurance increased by 10,000 for the week ending April 15, to hit 244,000, still a very low number. Continuing claims fell by 49,000 for the week ending April 8, dropping below the two million mark to hit 1,979,000, an exceptionally low number. The basket of solid labor market indicators suggests that the weaker-than-expected March payroll job gain of just 98,000 was more fluky than substantive.

Survey	Last Actual	Comerica Economics Commentary
Fed Funds Rate (Effective) <i>(after the FOMC meeting of 5/2-5/3)</i>	0.79 % (Mar)	After increasing the fed funds rate range on March 15, the Fed will stand pat on May 3. The implied odds of a June 14 rate hike have eased to about 53 percent according to the fed funds futures market.
February Case-Shiller 20-City (4/25, Tuesday) Consensus: 5.7 percent	5.7 % (Jan)	<u>Up</u> by 5.8 percent over the last year. The supply of homes for sales is very tight.
March New Home Sales (4/25, Tuesday) Consensus: 586 k	592 k (Feb)	<u>Up</u> to a 595,000 unit annual rate. Existing home sales were up by 4.4 percent in March.
March Durable Goods (4/27, Thursday) Consensus: 1.3 percent	0.4 % (Feb)	<u>Up</u> by 1.0 percent. Manufacturing indicators, outside of auto production, are generally positive.
2017Q1 GDP, 1st Estimate (4/28, Friday) Consensus: 1.3 percent	2.1 % (2016Q4)	<u>Up</u> at a 1.1 percent annualized rate. Autos, weather and residual seasonality were factors. We look for a pickup in GDP growth after a slow first quarter.
2017Q1 GDP Price Index 1st Est. (4/28, Friday) Consensus: 2.0 percent	2.1 % (2016Q4)	<u>Up</u> at a 2.0 percent annualized rate.

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April/May 2017

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
17 Empire State Survey	18 HOUSING (ths) Starts Permits Jan 1,241 1,293 Feb 1,303 1,216 Mar 1,215 1,260 IND PROD CAP UTIL Jan -0.3% 75.7% Feb 0.1% 75.7% Mar 0.5% 76.1%	19 Beige Book	20 UNEMPLOYMENT CLAIMS (ths) Jan Feb Mar Apr 245 237 252 235 241 248 246 234 252 247 261 244 250 227 259 LEADING INDICATORS Jan 0.6% Feb 0.5% Mar 0.4%	21 EXISTING HOME SALES (ths) Jan 5,690 Feb 5,470 Mar 5,710
24 CFNAI TX MFG Survey	25 CASE-SHILLER HPI COMP-20 (SA) Nov 192.0 Dec 193.8 Jan 195.5 NEW HOME SALES (ths-SAAR) Dec 530 Jan 558 Feb 592 Richmond Fed Survey Consumer Confidence	26 Pending Home Sales Kansas City Fed Survey	27 ADV DURABLE GOODS Total Ex-Transp Dec -0.9% 0.9% Jan 2.3% 0.2% Feb 1.7% 0.4%	28 GROSS DOMESTIC PRODUCT Real GDP Price Index '16Q2 1.4% 2.3% '16Q3 3.5% 1.4% '16Q4 2.1% 2.1% U of M Consumer Sentiment (Final)
May 1 INCOME and SPENDING Income Spending Dec 0.3% 0.6% Jan 0.5% 0.2% Feb 0.4% 0.1% ISM MFG INDEX Jan 56.0 Feb 57.7 Mar 57.2 CONSTRUCTION SPENDING Dec -0.2% Jan -0.4% Feb 0.8%	2 AUTO SALES (mln-SAAR) Jan 17.6 Feb 17.6 Mar 16.6 FOMC Meeting	3 ISM NON-MFG INDEX Jan 56.5 Feb 57.6 Mar 55.2 ADP Employment FOMC Meeting	4 TRADE BALANCE (bln) Dec -\$44.3 Jan -\$48.2 Feb -\$43.6 Productivity	4 EMPLOYMENT REPORT U. Rate Jobs (ths) Jan 4.8% +216 Feb 4.7% +219 Mar 4.5% +98 Consumer Credit
8 NFIB JOLTS	9	10	11 PRODUCER PRICE INDEX Total Core Jan 0.6% 0.2% Feb 0.3% 0.3% Mar -0.1% 0.1%	12 RETAIL SALES Total Ex-Autos Jan 0.5% 1.1% Feb -0.3% 0.0% Mar -0.2% 0.0% CONSUMER PRICE INDEX Total Core Jan 0.6% 0.3% Feb 0.1% 0.2% Mar -0.3% -0.1% U of M Consumer Sentiment (Prelim) Business Inventories