

## Economic Highlights

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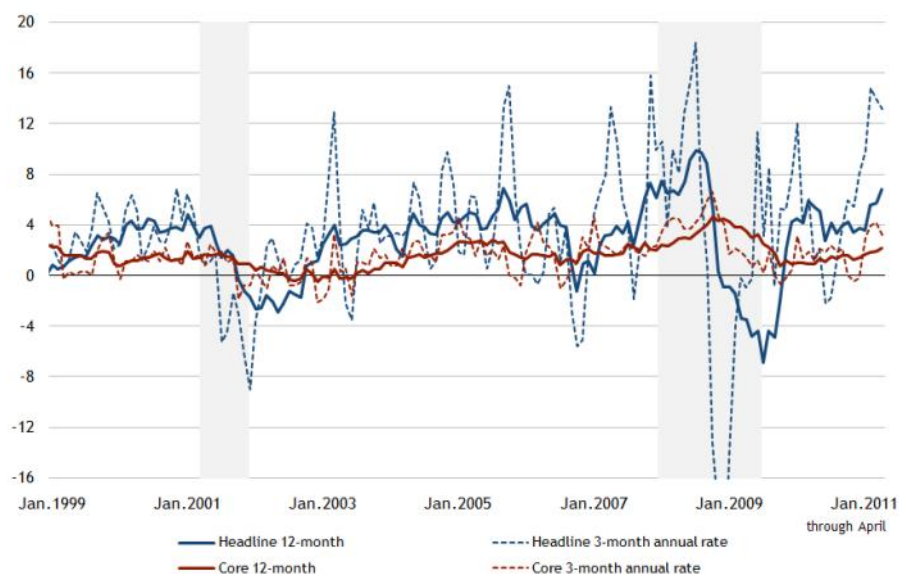
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## Summary

The producer price index continued to rise at all stages of production in April.

### Finished Goods Producer Price Index percent change over given period



Source: Bureau of Labor Statistics

- The headline producer price index (PPI) for finished goods rose 9.9% (annual rate) in April. About three-fourths of the increase stemmed from energy goods. However, excluding food and energy, core finished goods prices also rose in April. Core PPI for finished goods increased 3.5% (annual rate) for the second consecutive month, reflecting rising passenger aircraft and car prices. The 12-month core PPI rose in April to 2.1%, the highest rate since August 2009.
- The headline PPI for goods at earlier stages of production—intermediate and crude—also rose in April amid broad-based increases. On a 12-month basis, both indexes have trended higher since the beginning of 2011; the PPI for intermediate goods is at the highest rate since October 2008.

PPI by Stage of Processing					
	1-month*	3-month*	12-month*	2008**	2003-08**
Finished	9.9	13.1	6.6	-1.2	3.2
Less food and energy	3.5	3.2	2.1	4.5	2.5
Intermediate	16.3	20.7	9.4	-2.6	5.0
Less food and energy	13.4	13.1	5.6	2.9	4.8
Crude	60.6	30.9	23.5	-24.3	4.1
Less food and energy	36.7	10.5	18.2	-24.1	5.4

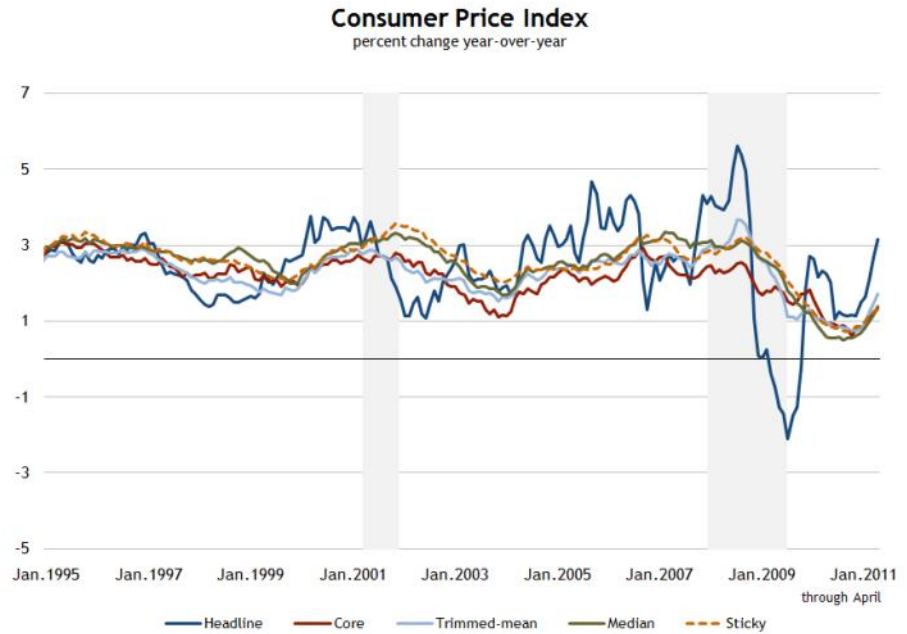
\*Seasonally adjusted annualized rates of change in price indices for the given period ending April 2011

\*\*Seasonally adjusted annualized rates of change in price indices for the given period

Source: U.S. Bureau of Labor Statistics

## Summary

Consumer prices continued their ascent in April as gasoline prices pushed higher.



Source: Bureau of Labor Statistics, FRB Atlanta, FRB Cleveland

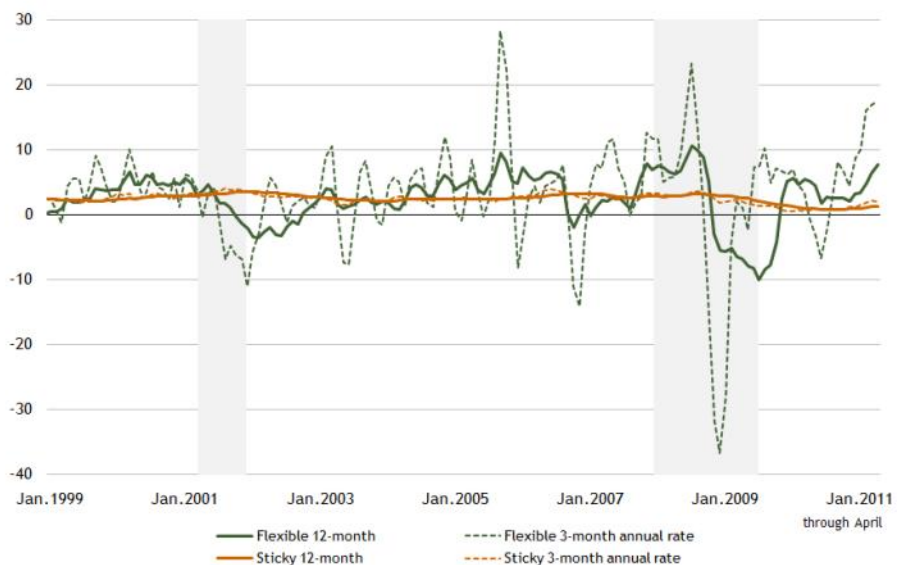
- According to data released by the U.S. Bureau of Labor Statistics, the consumer price index (CPI) rose an annualized 5.2%, pushing its 12-month trend to 3.2%. On a core basis (excluding food and energy), the CPI rose 2.2% (annualized), and the 12-month trend ticked higher to a 1.3% rate.
- The Federal Reserve Bank of Cleveland's median CPI rose an annualized 2.8% and has averaged a 1.4% pace. The Cleveland Fed's trimmed mean CPI measure was also elevated in April, up an annualized 3.3% and up 1.7% from a year ago.

## Summary

The Atlanta Fed's sticky price consumer price index was up 1.9% in April.

## Sticky and Flexible CPI

percent change over given period



Source: Bureau of Labor Statistics, Atlanta Fed

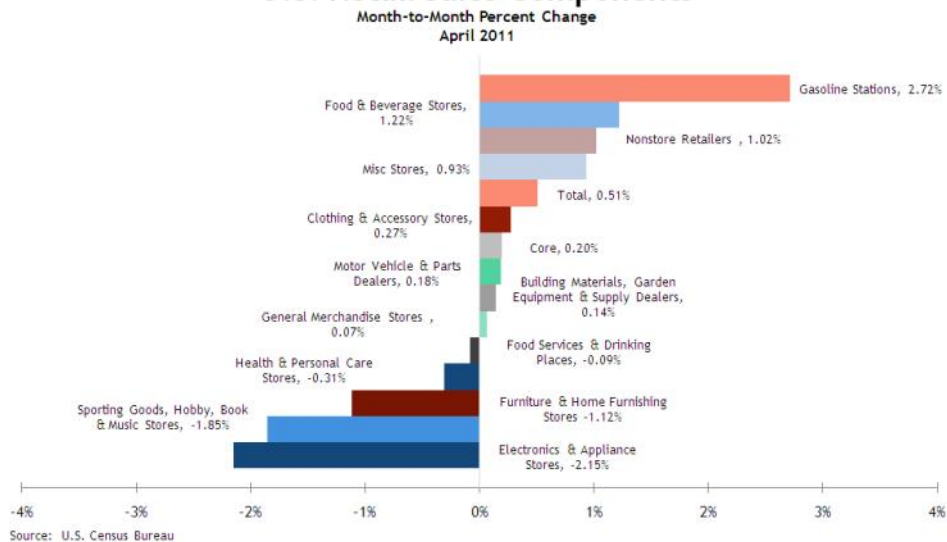
- The sticky price CPI, produced jointly by the Federal Reserve Banks of Atlanta and Cleveland, rose an annualized 1.9% in April. This measure, which is based on component CPI data that change relatively infrequently, has risen 2% over the past three months (annualized) and 1.3% from a year ago.

# Consumer Spending

## Summary

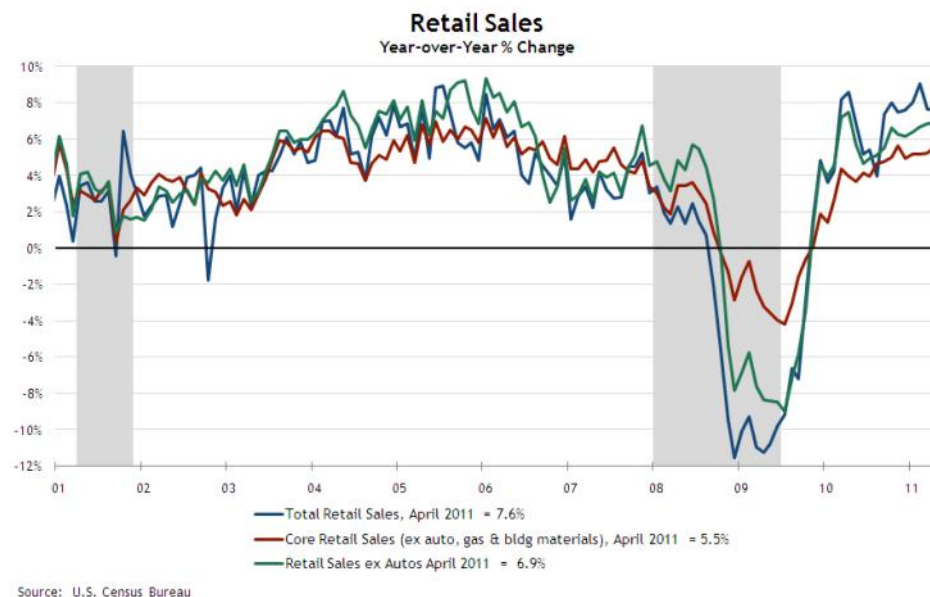
Retail sales rose in April amid mixed sales among different types of retailers and were revised up for February and March.

## U.S. Retail Sales Components



- Total retail sales increased 0.5% in April, in line with expectations. Sales were mixed among retail categories. Gas station sales have increased more than 2% each month during the past three months, likely reflecting gas price increases.
- Excluding gas, autos, and building supplies sales, core retail sales increased by 0.2% over the month, marking the smallest monthly increase since December; however, February and March sales were revised up.
- Retail sales for March were revised up from 0.4% increase to a 0.9% increase. February retail sales were also revised up, from 1.1% to 1.3%.

On a year-over-year basis, retail sales grew at a steady pace, as they have since the beginning of the year.



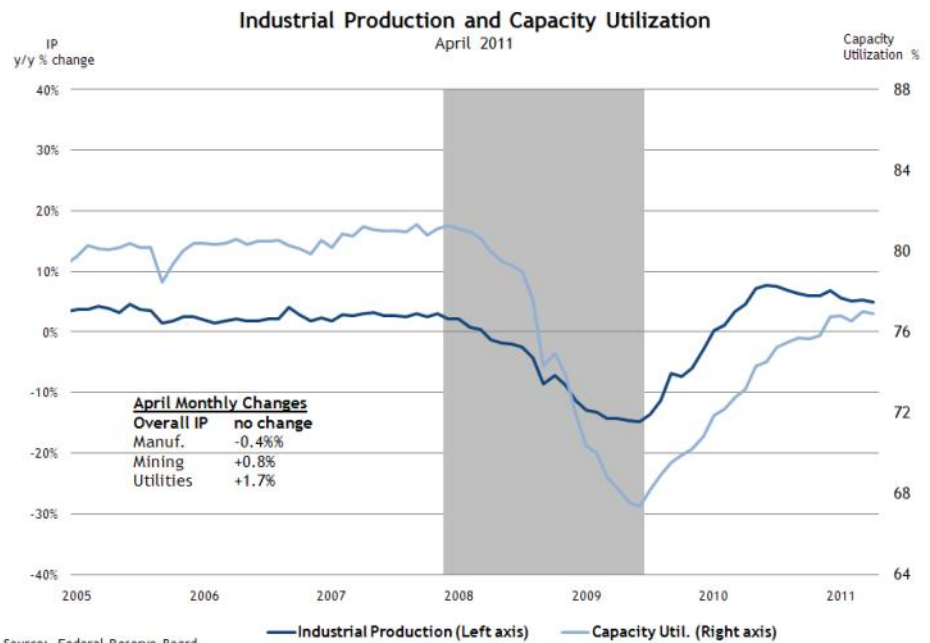
- On a year-over-year basis, core retail sales were up 5.5% in April and have been above a 5% pace since the beginning of the year.

# Manufacturing

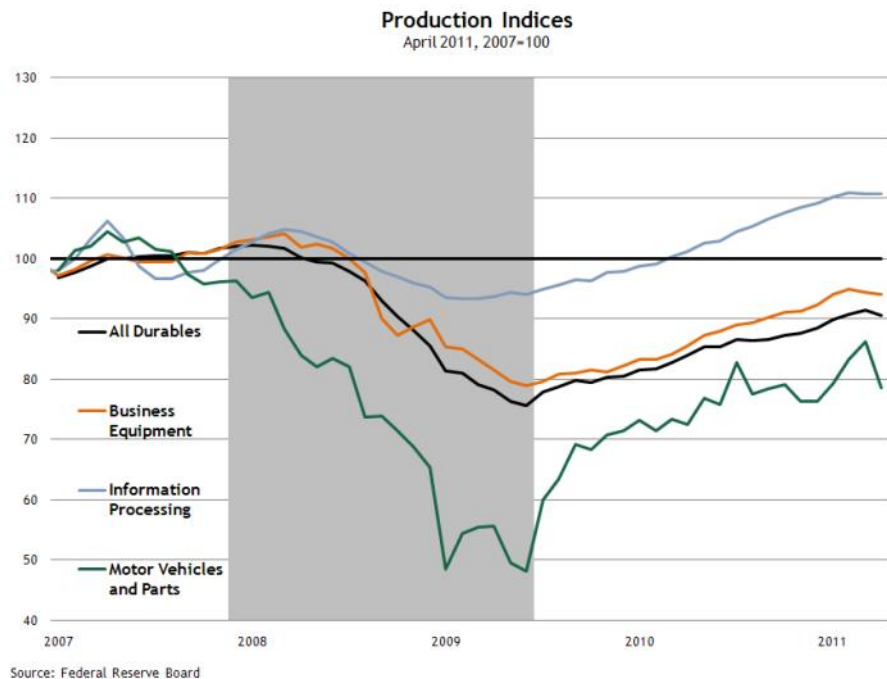
## Summary

Industrial production was unchanged in April after increasing 0.7% in March. Manufacturing production dropped 0.4% over the month of April, largely as a result of drops in motor vehicle production resulting from parts shortages from Japan. Mining output increased 0.8%, while the output of utilities was up 1.7%.

Capacity utilization dipped 0.1% to reach 76.9% in April, mostly as a result of decreased manufacturing activity.



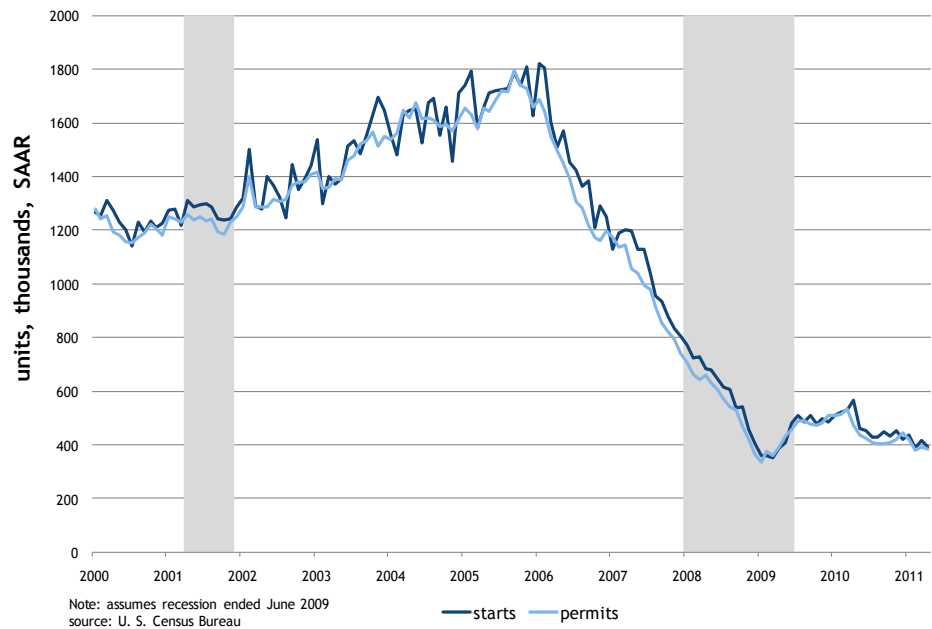
The output of all durable goods dipped 0.9 percentage points in April, pulled down largely by the 7.7 percentage point plummet in motor vehicle production in April. The production of business equipment dropped 0.4 percentage points, while the output of information processing equipment remained flat from March to April.



## Summary

U.S total housing starts and permits remain weak and near record-low levels.

## US Single Family Home Construction April 2011



### April Permits, SAAR

Source: U.S. Census Bureau

Total	551k	-12.8% y/y	-4.0% m/m
Single-family	385k	-18.6% y/y	-1.8% m/m
Multifamily	166k	4.4% y/y	-8.8% m/m

### April Starts, SAAR

Source: U.S. Census Bureau

Total	523k	-23.9% y/y	-10.6% m/m
Single-family	394k	-30.4% y/y	-5.1% m/m
Multifamily	129k	6.6% y/y	-24.1% m/m