



BRUXELLES
invest & export



Newsletter US March 2016



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U.S. nonfarm productivity fell in Q4 2015

According to Reuters, U.S. nonfarm productivity fell less steeply than previously thought in the fourth quarter. The Labor Department said that productivity, which measures hourly output per worker, decreased at a 2,2% annual rate and not the 3% pace it reported last month. It was still the biggest drop since the first quarter of 2014.¹

Inflation increases more than expected in February

According to Reuters, underlying U.S. inflation increased more than expected in February as rents and medical costs maintained their upward trend, which could keep the Federal Reserve on course to gradually raise interest rates this year.²

The Consumer Price Index rose 0,3% in February after a similar gain in January, which lifted the so-called core CPI 2,3% in the 12 months through February, the largest increase since May 2012.

Unemployment rate unchanged in February; U.S. employment gains surged

As stated by the U.S. Bureau of Labor Statistics, total nonfarm payroll employment increased by 242.000 in February, and the unemployment rate was unchanged at 4,9%.³

According to Reuters, U.S. employment gains surged in February, the clearest sign yet of labor market strength that could further ease fears the economy was heading into recession and allow the Federal Reserve to gradually raise interest rates this year.⁴

U.S. manufacturing growth continues contracting in February

According to the Institute for Supply Management (ISM), economic activity in the manufacturing sector contracted in February for the fifth consecutive month, while the overall economy grew for the 81th consecutive month.

The February PMI[®] registered 49,5%, an increase of 1,3 percentage point from the January reading of 48,2%. A reading above 50% indicates that the manufacturing economy is generally expanding; below 50% indicates that it is generally contracting.⁵

¹ "U.S. Q4 productivity revised to show a less steep decline" – Reuters – March 3, 2016

² "U.S. data points to strengthening economy, inflation" – Reuters – March 16, 2016

³ <http://www.bls.gov/news.release/pdf/empsit.pdf>

⁴ "U.S. payroll surge, bolster Fed rate hike proposals" – Reuters – March 4, 2016

⁵ <https://www.instituteforsupplymanagement.org/ismreport/mfgrob.cfm>

Industrial production decreased in February

As stated by the Federal Reserve, industrial production decreased 0,5% in February after increasing 0,8% in January. Sizable declines in the indexes for both utilities and mining in February outweighed a gain of 0,2% for manufacturing. The output of utilities dropped 4%, as unseasonably warm weather curbed the demand for heating. Mining production fell 1,4% and has decreased nearly 1,3% per month, on average, over the past six months. At 106,3% of its 2012 average, total industrial production in February was 1% below its year-earlier level.⁶

Building permits in the U.S. fell in February

Privately-owned housing units authorized by building permits in February were at a seasonally adjusted annual rate of 1.167.000. This is 3,1% below the revised January estimate of 1.204.000.⁷

Housing starts rose in February

Privately-owned housing starts in January were at a seasonally adjusted annual rate of 1.178.000. This is 5,2% above the revised January estimate of 1.120.000.⁸

Interest rates rose in February

The interest rates rose to 0,38 in February from 0,34 in January.⁹

Small Business Optimism Index fell in February, hitting two-year low

NFIB's Small Business Optimism Index fell 1 point from January, falling to 92,9, which is a two-year low.¹⁰

Consumer Confidence Index declined in February

The Conference Board Consumer Confidence Index, which had increased in January, declined in February. The Index now stands at 92,2 (1985=100), down from 97,8 in January.¹¹

⁶ <http://www.federalreserve.gov/releases/g17/current/default.htm>

⁷ <http://www.census.gov/construction/nrc/pdf/newresconst.pdf>

⁸ <http://www.census.gov/construction/nrc/pdf/newresconst.pdf>

⁹ <http://www.federalreserve.gov/releases/h15/current/>

¹⁰ <http://www.nfib.com/research-foundation/surveys/small-business-economic-trends>

¹¹ <https://www.conference-board.org/data/consumerconfidence.cfm>

Consumer sentiment rose fell in March

The University of Michigan's consumer sentiment index fell in early March to 90,0 from 91,7 in February.¹²

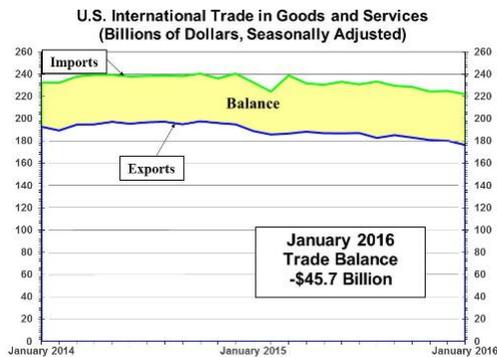
Consumer confidence eased in early March due to increased concerns about prospects for the economy as well as the expectation that gas prices would inch upward during the year ahead.

Retail sales practically fell slightly in February

According to the U.S. Census Bureau, retail sales for February were \$447,3 billion, a slight decrease of 0,1% from the previous month.¹³

U.S. trade deficit increased in January

The trade deficit in the U.S. in goods and services increased to \$45,7 billion in January from \$44,7 billion in December, as exports decreased more than imports.¹⁴



¹² <http://www.sca.isr.umich.edu/>

¹³ http://www.census.gov/retail/marts/www/marts_current.pdf

¹⁴ <http://www.census.gov/foreign-trade/data/>