

Economic highlights from the week ending on November 19, 2021

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This week's economic data was mostly favorable. Though high inflation, supply chain constraints, and the ongoing health crisis continue to impact the overall economy, recent data supports the view that economic growth has picked up in the current quarter.



The Conference Board's Leading Economic Index (LEI) increased 0.9% month-over-month in October, slightly above expectations and driven by widespread gains, following a 0.1% increase in September. On a year-over-year basis, the LEI was up 9.3% in October versus up 9.1% in September, suggesting economic growth has accelerated in the current quarter. Despite ongoing supply chain headwinds, the Conference Board expects economic growth to remain strong through year-end. Furthermore, the Conference Board expects the economy will continue to grow at an above-trend pace in the first quarter of next year.

On a year-over-year basis, retail sales were up 16.3% in October versus up 14.3% in September. On a month-over-month basis, retail sales were stronger than expected in October, up 1.7% versus expectations of 1.4%, following a 0.8% increase in September. Overall, the pick-up in retail sales bodes well for the fourth quarter. Strength was broad-based in October, suggesting that higher prices haven't meaningfully deterred shoppers. Notably, sales in every retail category have well surpassed their pre-pandemic level and overall retail sales are up 21% from February 2020.

The Industrial Production index was up 5.1% in October, versus up 4.6% year-over-year in September. On a month-over-month basis, the Industrial Production Index increased 1.6% in October, following a 1.3% decline in September. Capacity utilization jumped to 76.4% in October from 75.2% in September, suggesting that supply chain issues in the factory sector may be improving. Although capacity utilization remains well below its long-run average of 79.6%, it surpassed the pre-pandemic level of 76.3%.

Total housing starts declined 0.7% in October to an annual pace of 1,520,000. We believe supply chain bottlenecks and high materials and input costs have likely held back the pace of new starts, even as demand for housing seems to remain robust. On a year-over-year basis total housing starts were essentially flat in October, as a decline in single-family starts has been offset with an increase in multi-family starts.



Next Week

Chicago Fed National Activity Index, Existing Home Sales, Durable Goods, GDP, New Home Sales, Personal Income & Outlays, Consumer Sentiment, FOMC Minutes, Thanksgiving

News & Events

Chandler is proud to announce that our Chief Compliance Officer, Joseph Kolinsky has contributed his first article entitled, “*How to Conduct Due Diligence on an Investment Advisor*” to Newsweek’s Expert forum. To read Joe’s inaugural article, please click [here](#).



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