



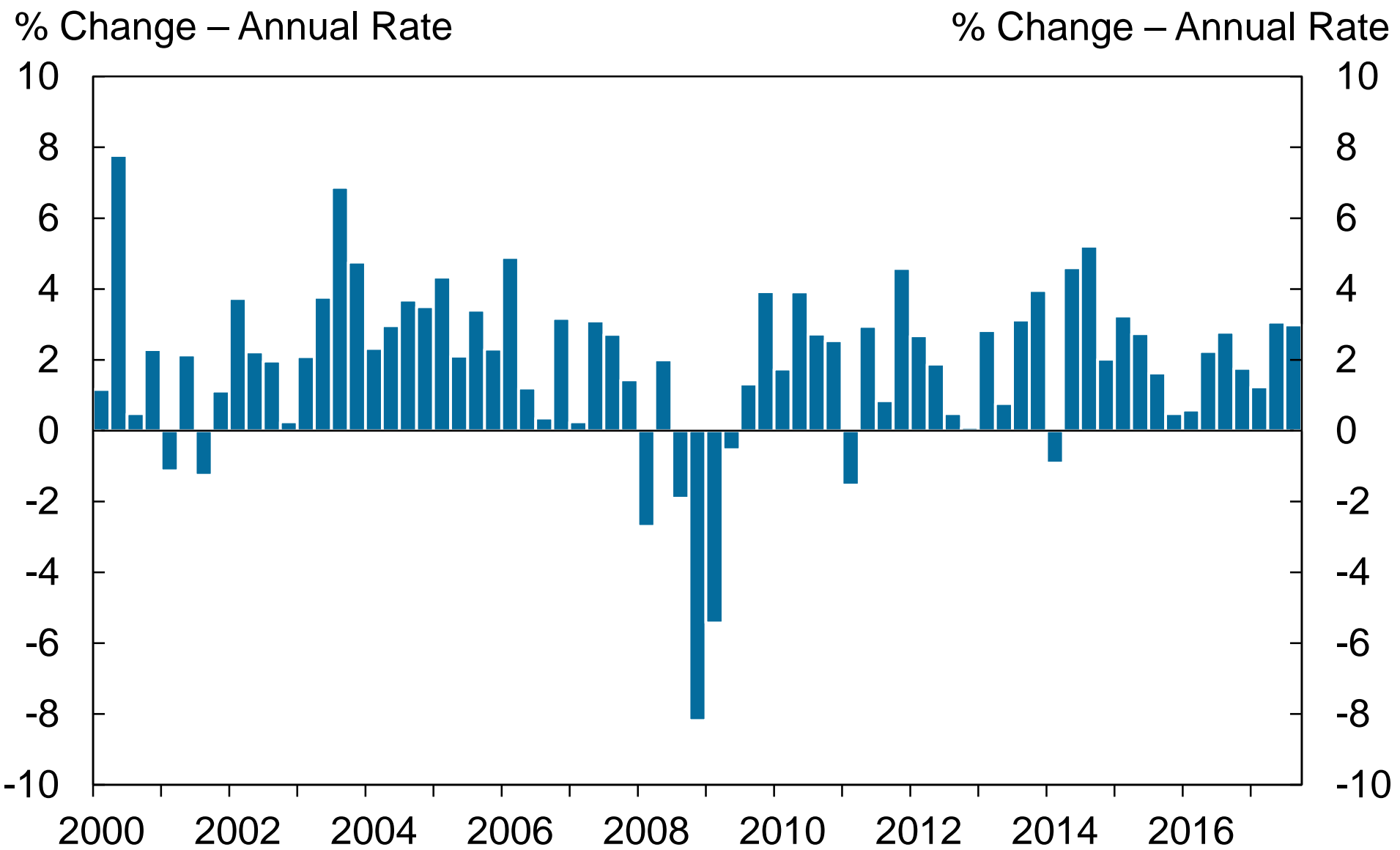
FEDERAL RESERVE BANK *of* NEW YORK

# US Macro Overview November 15, 2017

- After declining in August, real consumer spending showed a strong rebound in September.
  - Motor vehicle sales picked up notably in September and October after declining through much of the year.
  
- Business equipment spending has been strong this year, with capital spending indicators pointing to solid growth in the near-term.
  
- Housing indicators still point to continued gradual improvement in this sector.
  - Multi-family starts remained appreciably below their recent peaks, but tight market conditions continued to promote a gradual rise in single-family starts.

- Payroll growth recovered in October from the effects of Hurricanes Harvey and Irma. The unemployment rate, the employment-to-population ratio, and the labor force participation rate all declined.
  - Growth of labor compensation remained subdued.
- Monthly readings on PCE inflation indicated that core inflation continues to run somewhat below the FOMC's longer-run objective.
- In the past month, U.S. equity indexes continued to rise and are at record highs. The nominal long-term Treasury yield was roughly unchanged and the U.S. dollar rose slightly.
  - Oil prices moved up recently due to tensions in the Middle East and a solid outlook for global growth.

# Output growth maintains its pace in Q3

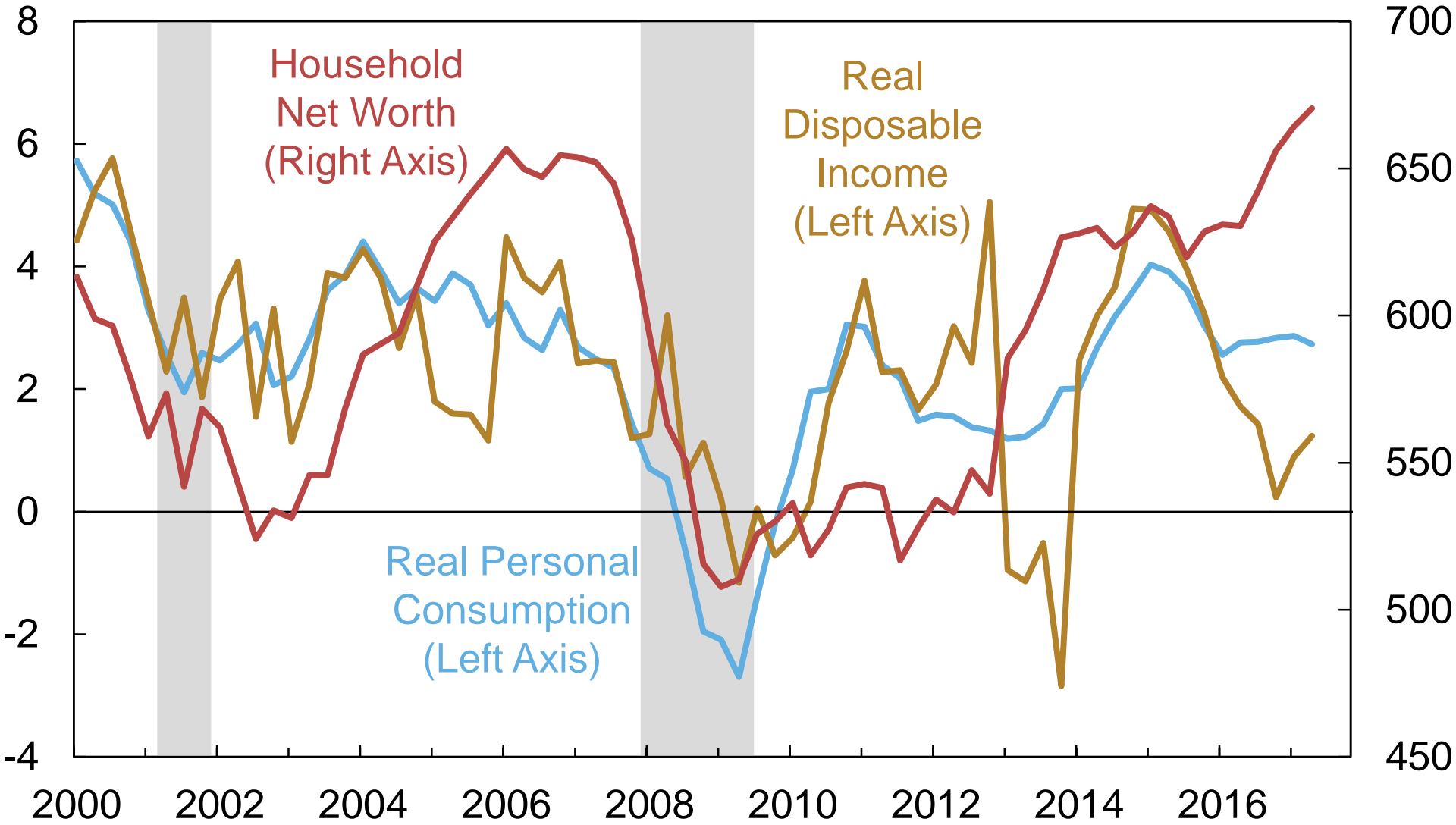


Source: Bureau of Economic Analysis via Haver Analytics

# Wealth helping to support consumer spending

4 Quarter % Change

% of Disposable Income

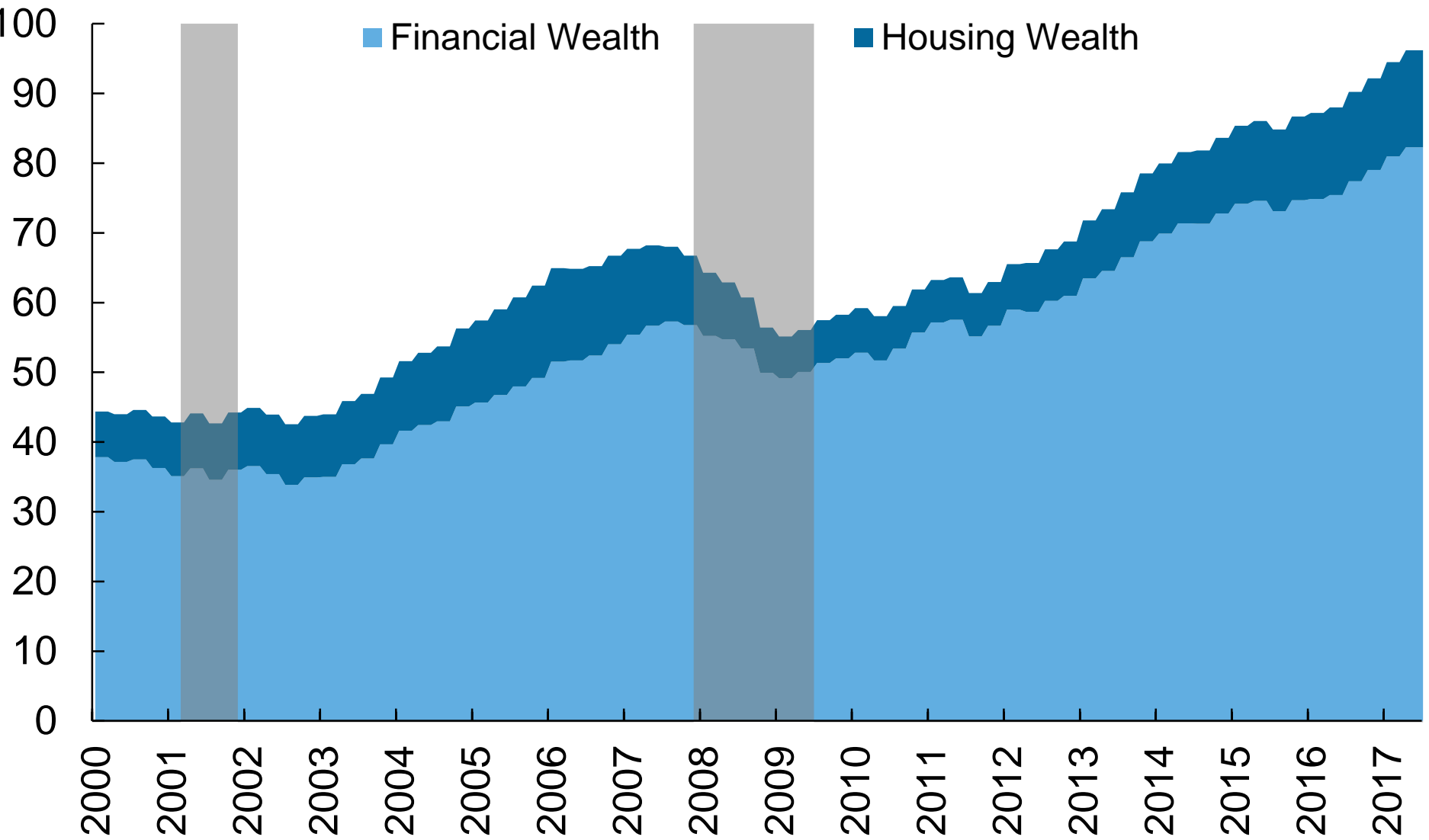


Source: Bureau of Economic Analysis, Federal Reserve Board, via Haver Analytics

Note: Shading shows NBER recessions.

# Stock prices and home values lift household net worth

Trillions of Dollars



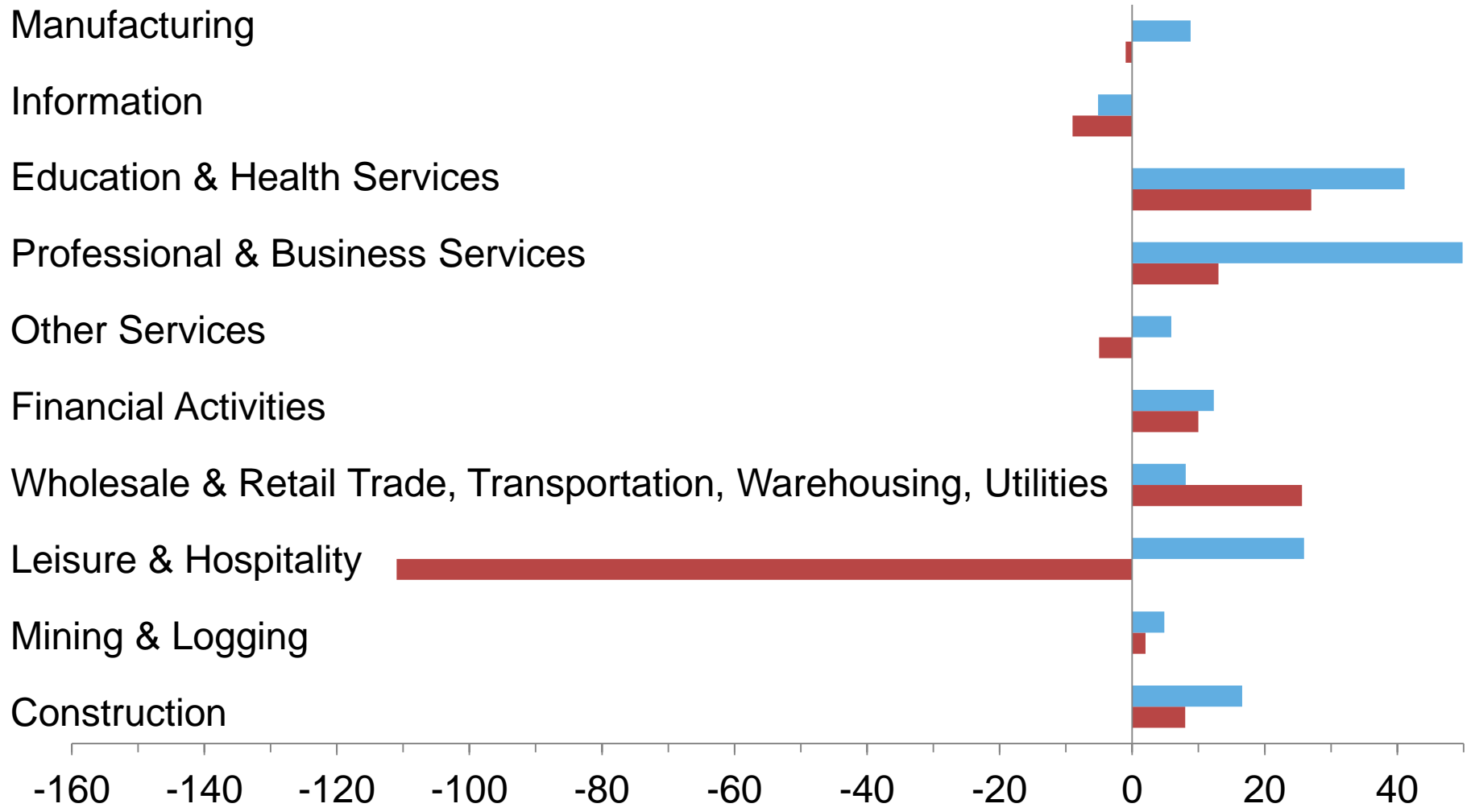
Source: Federal Reserve Board, Bureau of Economic Analysis via Haver Analytics

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# Hurricanes distorted payroll changes in September

Thousands

■ Average Monthly Change for the Year Prior      ■ Aug - Sep 2017 Change

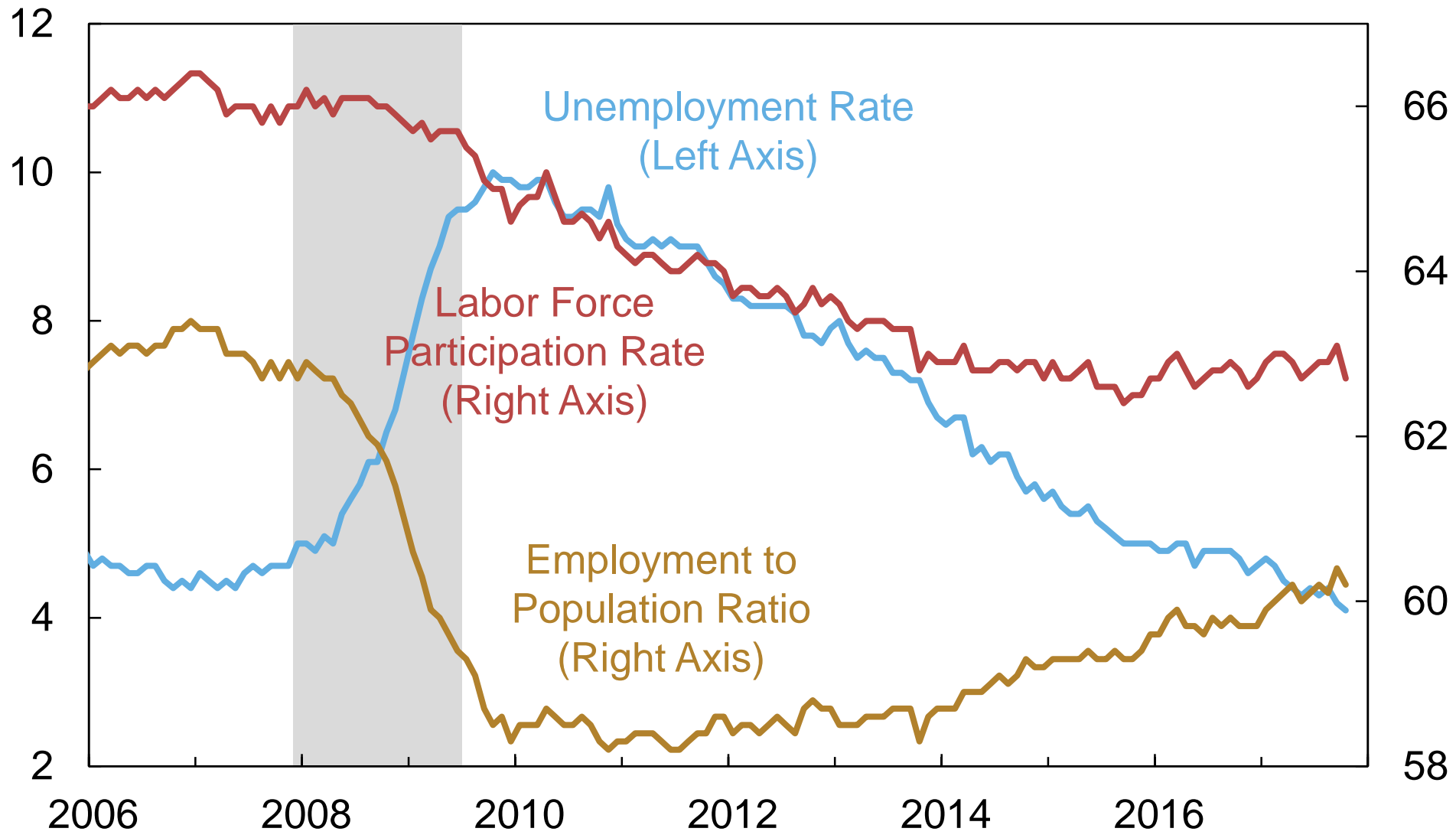


Source: Bureau of Labor Statistics via Haver Analytics

# Labor market conditions continue to improve

Percent

Percent



Source: Bureau of Labor Statistics  
via Haver Analytics

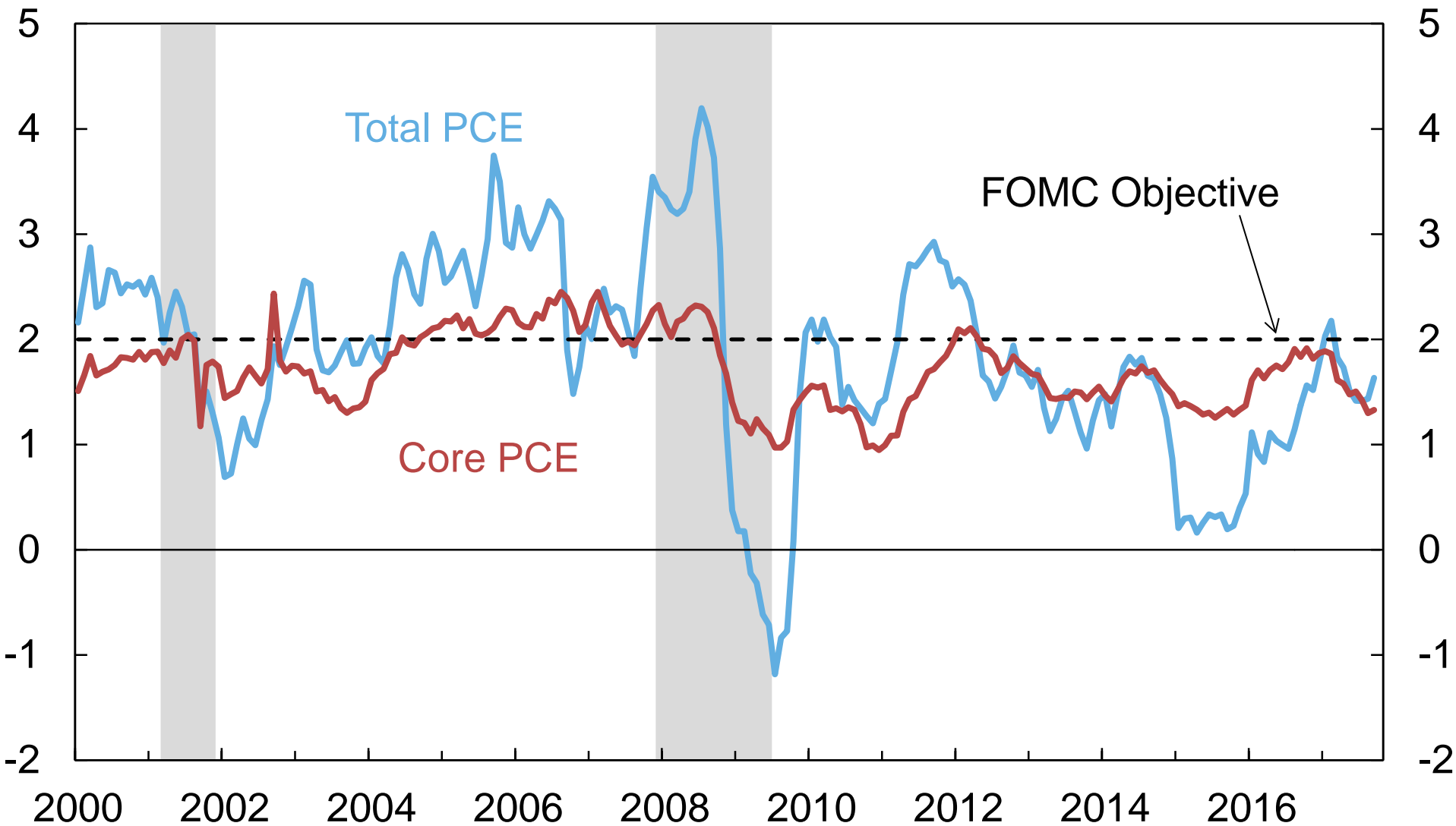
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# Inflation still running below the FOMC's objective

12 Month % Change

12 Month % Change



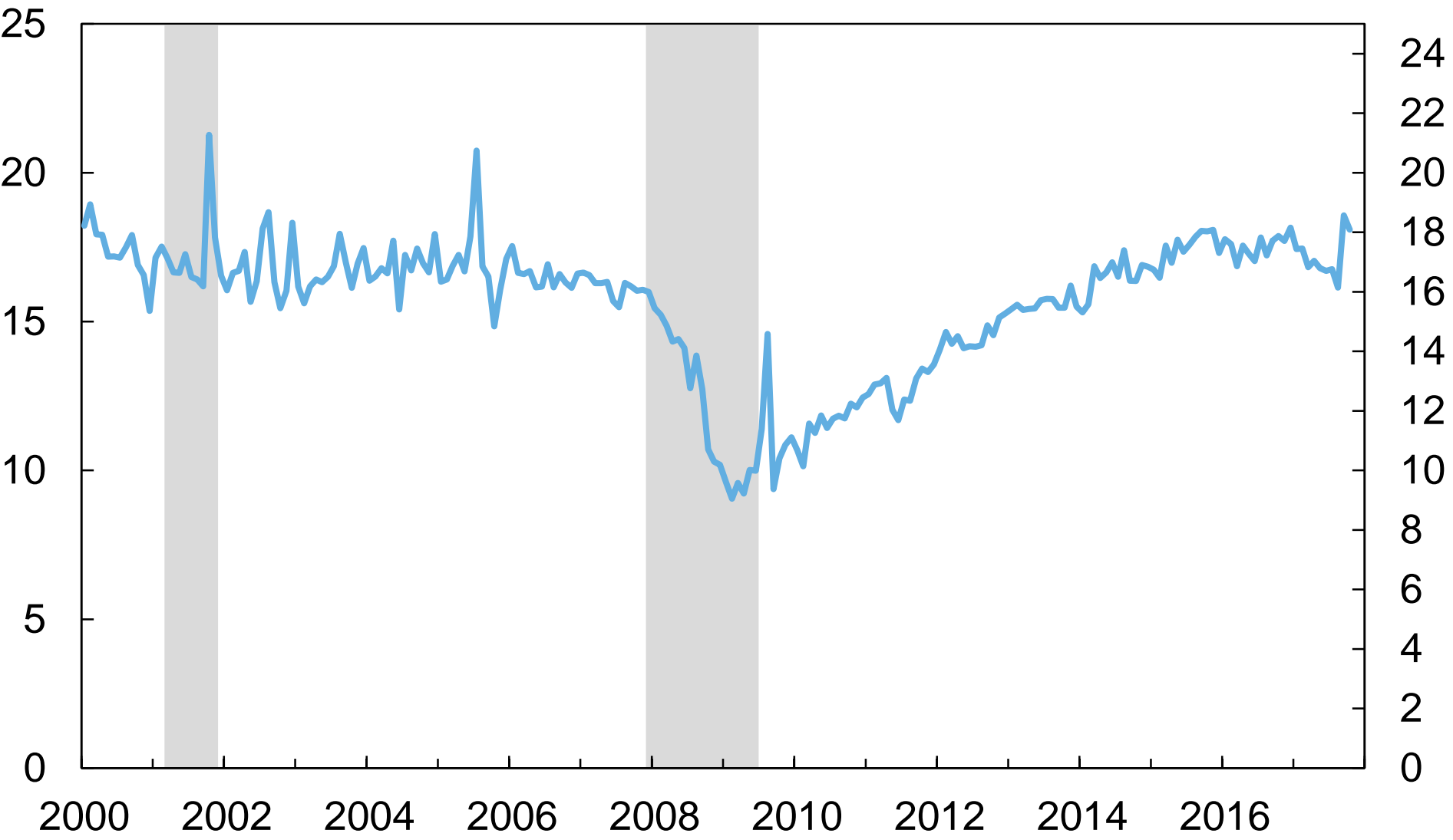
Source: Bureau of Economic Analysis  
via Haver Analytics

Note: Shading shows NBER recessions.

# Recent rebound in motor vehicle sales

Millions (SAAR)

Millions (SAAR)

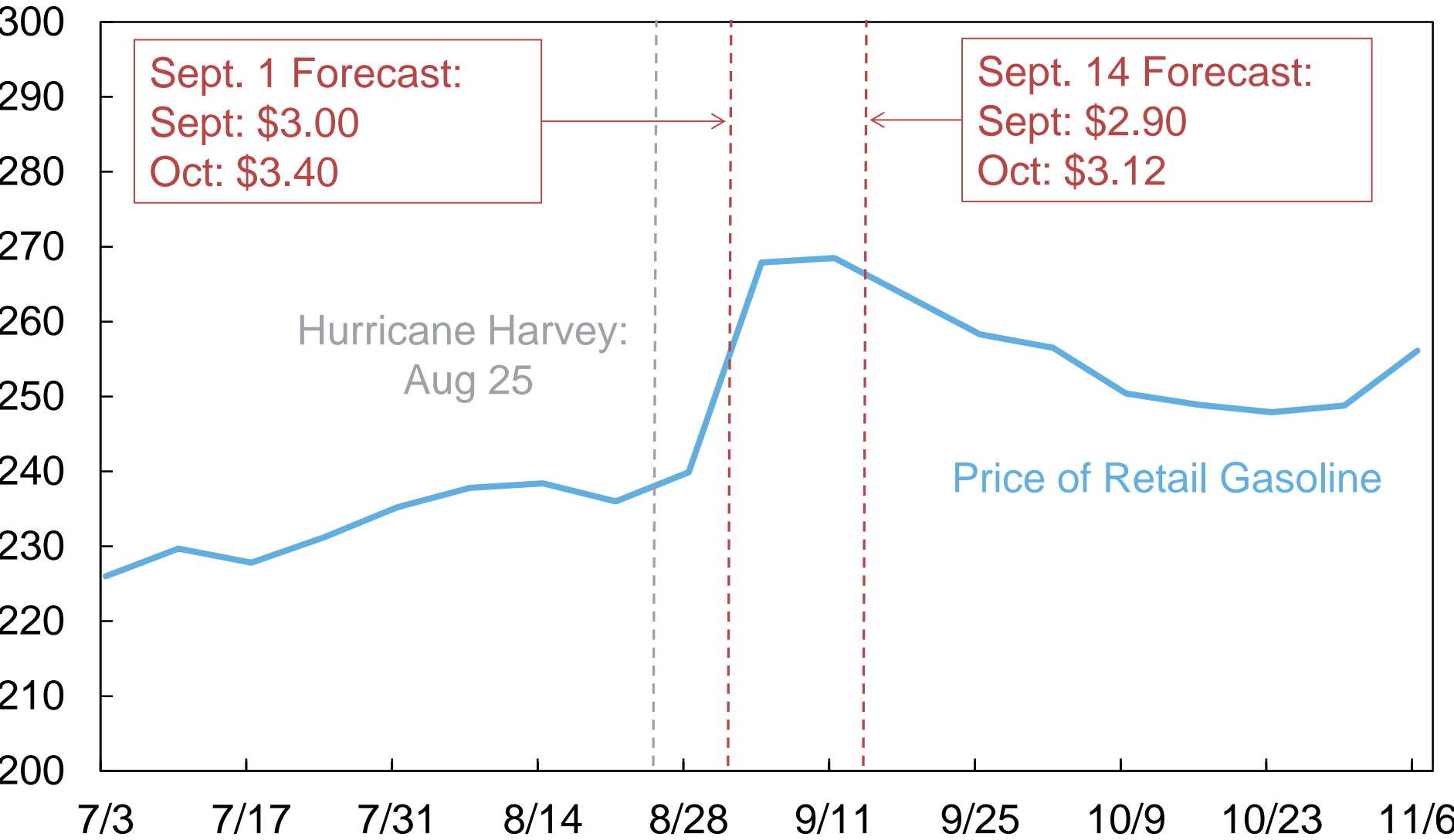


Source: Autodata via Haver Analytics

Note: Shading shows NBER recessions.

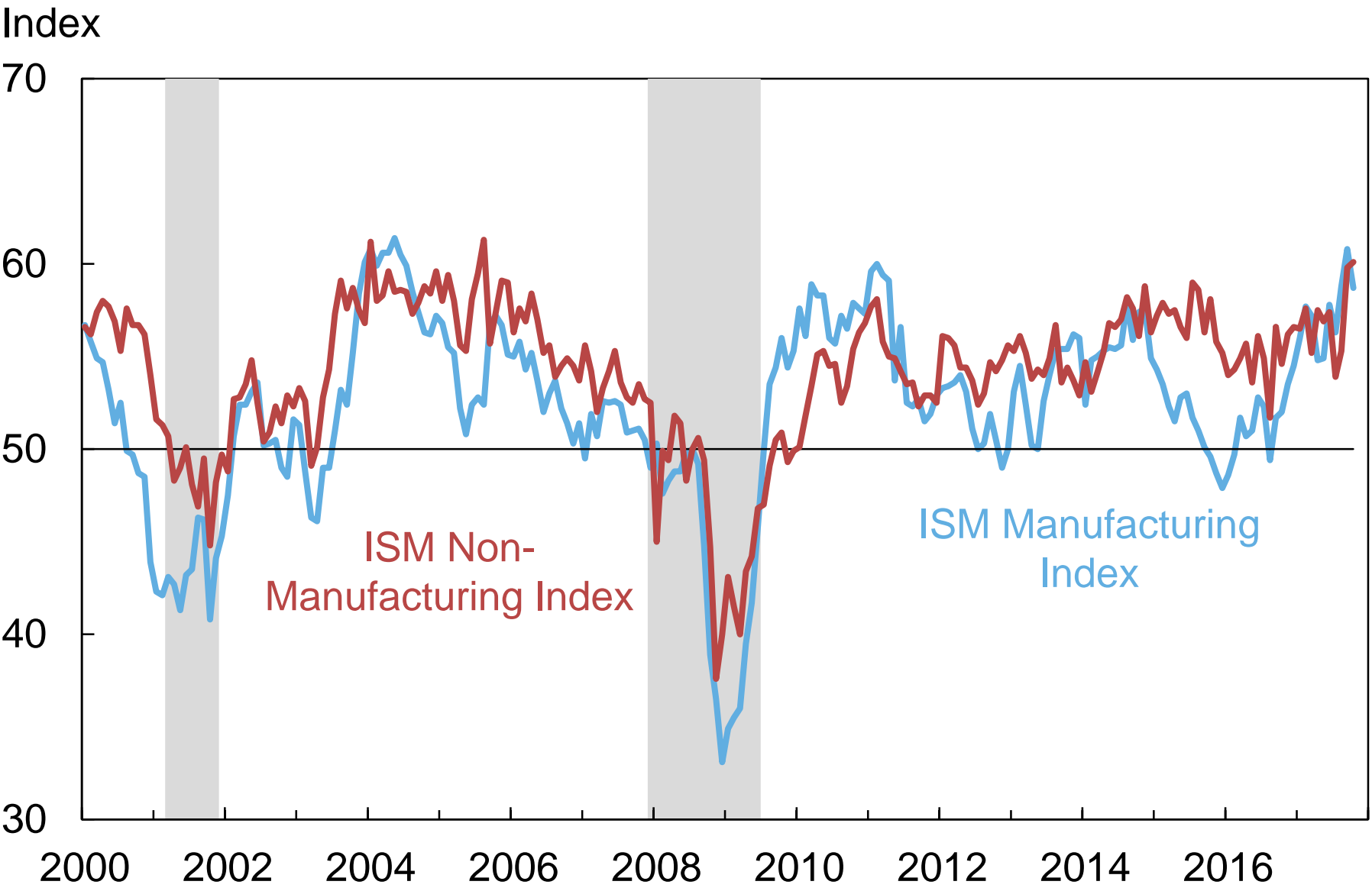
# Hurricane impact on gasoline prices less than expected

Cents Per Gallon



Source: Energy Information Administration  
via Haver Analytics

# Solid growth expected for manufacturing & service sectors



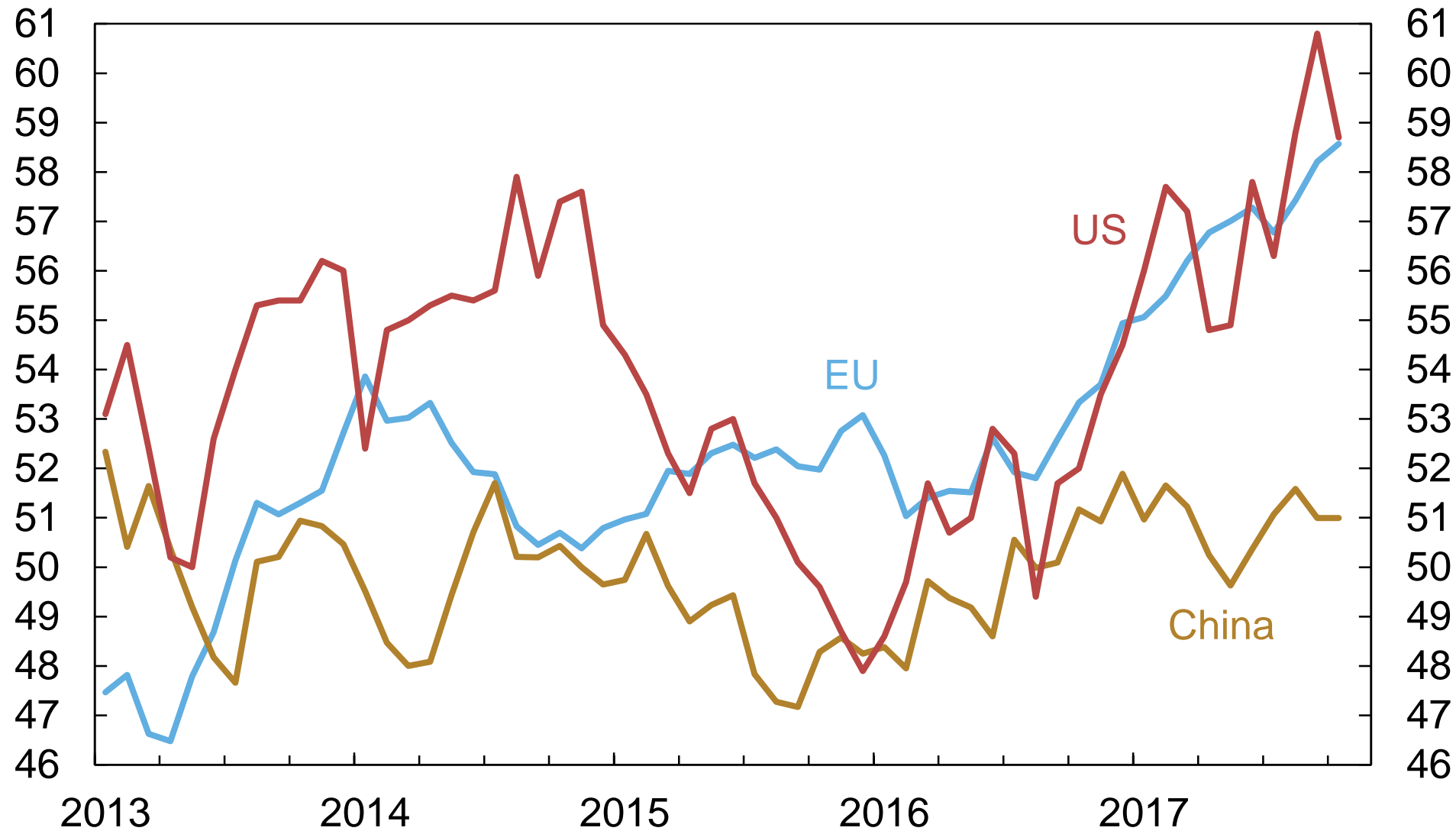
Source: Institute for Supply Management, Federal Reserve Board via Haver Analytics

Note: Shading shows NBER recessions.

# Signs pointing to strong and synchronized global growth

Index Level

Index Level



Source: IHS Markit and Institute for Supply Management via Haver Analytics