HEADLINE NUMBERS:

Balance of Payments (3/14/03)

U.S. International Transactions: Fourth Quarter and Year 2002:

Fourth Quarter, Current Account:

The U.S. current-account deficit--the combined balances on trade in goods and services, income, and net unilateral current transfers--increased to $136.9 billion (preliminary) in the fourth quarter of 2002 from $126.3 billion (revised) in the third, according to the Bureau of Economic Analysis. An increase in the deficit on goods accounted for most of the increase, though a decrease in the surplus on services and an increase in net outflows for unilateral current transfers also contributed to the rise in the deficit.

The Year 2002, Current Account:

The U.S. current-account deficit--the combined balances on trade in goods and services, income, and net unilateral current transfers--increased to $503.4 billion in 2002 from $393.4 billion in 2001. An increase in the deficit on goods and a decrease in the surplus on services accounted for more than two-thirds of the increase. The balance on income shifted to a deficit, and net outflows for unilateral current transfers increased, accounting for the remainder of the increase.

Consumer Confidence (3/25/03)

The Conference Board's Consumer Confidence Index, which had been on the decline for the past four months, improved sharply in April. The Index now stands at 81.0 (1985=100), up from 61.4 in March. The Expectations Index rose to 84.8 from 61.4. The Present Situation Index improved to 75.3 from 61.4.

Consumer Prices (3/23/03) – Also have complete report

CONSUMER PRICE INDEX: MARCH 2003

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.6 percent in March, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The March level of 184.2 (1982-84=100) was 3.0 percent higher than in March 2002.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also increased 0.6 percent in March, prior to seasonal adjustment. The March level of 180.3 was 3.2 percent higher than in March 2002.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.3 percent in March, following an increase of 0.6 percent in February. Energy costs again rose sharply--up 4.6 percent in March--and accounted for over 90 percent of the advance in the overall CPI-U. Within energy, the index for petroleum-based energy advanced 4.3 percent and the index for energy services increased 5.0 percent. The index for food rose 0.2 percent in March, following a 0.7 percent rise in February. The index for food at home, which increased 0.9 percent in February, rose 0.1 percent in March. The moderation was largely as the result of a markedly smaller increase in the index for meats, poultry, fish, and eggs. The index for all items less food and energy was unchanged in March after increasing 0.1 percent in both January and February.

Durable Goods (3/26/03)

HIGHLIGHTS FROM THE ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS

Summary

New orders for manufactured goods in March, at the highest level since May 2001, increased $7.2 billion or 2.2 percent to $330.0 billion, the Department of Commerce, Census Bureau reported today. This followed a 1.0 percent February decrease. Shipments, at the highest level since May 2001, increased $6.1 billion or 1.9 percent to $328.7 billion. This followed a 1.4 percent February decrease. Unfilled orders increased $1.2 billion or 0.3 percent to $477.6 billion, following a $0.2 billion February increase. Inventories decreased $0.1 billion to $433.1 billion, following a 0.4 percent February increase.

New Orders

New orders for manufactured durable goods in March increased $2.6 billion or 1.5 percent to $173.4 billion, revised from the previously published 2.0 percent increase.
New orders for manufactured nondurable goods increased $4.6 billion or 3.0 percent to $156.5 billion.

Shipments

Shipments of manufactured durable goods in March increased $1.5 billion or 0.9 percent to $172.2 billion, revised from the previously published 1.0 percent increase.
Shipments of manufactured nondurable goods increased $4.6 billion or 3.0 percent to $156.5 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in March increased $1.2 billion or 0.3 percent to $477.6 billion, unrevised from the previously published 0.3 percent increase.

Inventories

Inventories of manufactured durable goods in March decreased $0.6 billion or 0.2 percent to $264.1 billion, revised from the previously published $0.1 billion increase.

Inventories of manufactured nondurable goods increased $0.4 billion or 0.3 percent to $169.0 billion.

Employment Report (3/7/03) – Also have complete report

THE EMPLOYMENT SITUATION: APRIL 2003

The unemployment rate rose to 6.0 percent in April, and nonfarm payroll employment edged down by 48,000, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. In April, job losses continued in manufacturing, some travel-related industries, and department stores.

Employment Cost Index

EMPLOYMENT COST INDEX-MARCH 2003

The Employment Cost Index for total compensation rose 1.3 percent from December 2002 to March 2003, following a 0.7 percent gain from September to December 2002, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Benefit costs increased 2.2 percent and continued to substantially outpace the 1.0 percent gain in wages and salaries for civilian workers in March. The Employment Cost Index (ECI), a component of the National Compensation Survey, measures quarterly changes in compensation costs, which include wages, salaries, and employer costs for employee benefits, for nonfarm private and State and local government workers.

Factory Orders (3/6/03)

See Durable Goods Above. Note this report is from 3/26.

FOMC Meeting (3/20/03)

The Federal Open Market Committee decided today to keep its target for the federal funds rate unchanged at 1-1/4 percent.

While incoming economic data since the January meeting have been mixed, recent labor market indicators have proven disappointing. However, the hesitancy of the economic expansion appears to owe importantly to oil price premiums and other aspects of geopolitical uncertainties. The Committee believes that as those uncertainties lift, as most analysts expect, the accommodative stance of monetary policy, coupled with ongoing growth in productivity, will provide support to economic activity sufficient to engender an improving economic climate over time.

In light of the unusually large uncertainties clouding the geopolitical situation in the short run and their apparent effects on economic decisionmaking, the Committee does not believe it can usefully characterize the current balance of risks with respect to the prospects for its long-run goals of price stability and sustainable economic growth. Rather, the Committee decided to refrain from making that determination until some of those uncertainties abate. In the current circumstances, heightened surveillance is particularly informative.

Voting for the FOMC monetary policy action were Alan Greenspan, Chairman; William J. McDonough, Vice Chairman; Ben S. Bernanke; Susan S. Bies; J. Alfred Broaddus, Jr.; Roger W. Ferguson, Jr.; Edward M. Gramlich; Jack Guynn; Donald L. Kohn; Michael H. Moskow; Mark W. Olson; and Robert T. Parry.

GDP Final (3/27/03) – Also have complete report

GROSS DOMESTIC PRODUCT: FIRST QUARTER 2003 (ADVANCE)

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.6 percent in the first quarter of 2003, according to advance estimates released by the Bureau of Economic Analysis. In the fourth quarter, real GDP increased 1.4 percent.

Housing Starts (3/18/03)

BUILDING PERMITS
Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,685,000, according to estimates reported today by the U.S. Commerce Department's Census Bureau. This is 7.0 percent (±0.9%) below the revised February rate of 1,811,000, but is 3.4 percent (±1.2%) above the March 2002 estimate of 1,629,000. Single-family authorizations in March were at a rate of 1,307,000; this is 1.0 percent (±0.9%) below the February figure of 1,320,000. Authorizations of units in buildings with five units or more were at a rate of 311,000 in March.

HOUSING STARTS
Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,780,000. This is 8.3 percent (±9.4%) above the revised February estimate of 1,644,000 and is 6.3 percent (±7.1%) above the March 2002 rate of 1,675,000. Single-family housing starts in March 2003 were at a rate of 1,414,000; this is 7.7 percent (±11.4%) above the February figure of 1,313,000. The March estimate for units in buildings with five units or more was 329,000.

HOUSING COMPLETIONS
Privately-owned housing completions in March were at a seasonally adjusted annual rate of 1,631,000, according to estimates released jointly today by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development. This is 2.7 percent (±8.7%) below the revised February estimate of 1,676,000, but is 3.5 percent (±7.9%) above the March 2002 rate of 1,576,000. Single-family housing completions in March 2003 were at a rate of 1,334,000; this is 0.1 percent (±9.7%) below the February figure of 1,335,000. The March rate for units in buildings with five units or more was 249,000.

Industrial Production (3/14/03)

Industrial production fell 0.5 percent in March and is now estimated to have edged down 0.1 percent in February. Manufacturing output declined 0.2 percent in March, but excluding motor vehicles and parts, it was little changed for the second consecutive month. Output at utilities fell 4.1 percent after having increased noticeably in the past two months. Mining output moved up 0.6 percent and was 1.2 percent above the level of March 2002.

At 110.1 percent of its 1997 average, output in March was 0.5 percent above its year-earlier level. For the first quarter as a whole, industrial output increased at an annual rate of 0.4 percent. Capacity utilization for total industry decreased to 74.8 percent, 0.5 percentage point below the rate a year earlier and 6.5 percentage points below its 1972-2002 average.

ISM Manufacturing (4/1/03)

The information compiled in this report is for the month of April 2002.

April Manufacturing ISM Report On Business®

PMI at 53.9%

New Orders, Production Growing
Supplier Deliveries Slowing
Employment, Inventories Decline
Exports, Imports Growing

(Tempe, Arizona) — Economic activity in the manufacturing sector grew for the third consecutive month in April. The **overall economy** grew for the sixth consecutive month, say the nation's supply executives in the latest **Manufacturing ISM *Report On Business***®.

ISM Non-Manufacturing (3/5/03)

The information compiled in this report is for the month of April 2002.

APRIL NON-MANUFACTURING ISM REPORT ON BUSINESS

Business Activity at 55.3%

New Orders, Prices, Exports, Imports, Inventories Increase
Employment, Order Backlogs Decrease

(Tempe, Arizona) — Business activity in the **non-manufacturing sector** increased in April 2002, say the nation's purchasing and supply executives in the latest **Non-Manufacturing ISM *Report On Business***®.

The information compiled in this report is for the month of March 2003.

MARCH NON-MANUFACTURING ISM REPORT ON BUSINESS®

Business Activity at 47.9 %

Prices, Imports Increase; New Orders, Exports, Backlogs,
Employment, Inventories Decrease

(Tempe, Arizona) — Business activity in the **non-manufacturing sector** decreased in March 2003, say the nation's purchasing and supply executives in the latest **Non-Manufacturing ISM *Report On Business***®.

Leading Indicators (3/20/03)

The Conference Board announced today that the U.S. leading index decreased 0.2 percent, the coincident index held steady, and the lagging index decreased 0.1 percent in March.

- The leading index declined for a second consecutive month in March, but the information available so far in April suggests that these declines will not continue. The leading index has been fluctuating around a flat trend since December 2001.

- The flatness in the leading index suggests that U.S. real GDP growth will stay in the 2-3% range for now. As long as economic growth is constrained in this range, the labor market cannot improve.
- The coincident index has been essentially flat in recent months with gains in income and sales offset by weakness in employment and industrial production. With economic growth at or slightly below potential, the coincident index is unlikely to grow strongly.

LEADING INDICATORS. Half of the ten indicators that make up the leading index decreased in March. The negative contributors to the index - beginning with the largest negative contributor - were building permits, average weekly initial claims for unemployment insurance (inverted), interest rate spread, real money supply*, and index of consumer expectations. The positive contributors - from the largest positive contributor - were vendor performance, stock prices, manufacturers' new orders for nondefense capital goods*, and manufacturers' new orders for consumer goods and materials*. Average weekly manufacturing hours held steady in March. The leading index now stands at 110.6 (1996=100). Based on revised data, this index decreased 0.5 percent in February and increased 0.1 percent in January. During the six-month span through March, the leading index increased 0.2 percent, with three of the ten components advancing (diffusion index, six-month span equals 35 percent).

COINCIDENT INDICATORS. Two of the four indicators that make up the coincident index increased in March. The positive contributors to the index, beginning with the larger positive contributor - were personal income less transfer payments* and manufacturing and trade sales*. Industrial production and employees on nonagricultural payrolls declined in March. The coincident index now stands at 115.3 (1996=100). Based on revised data, this index decreased 0.2 percent in February and increased 0.3 percent in January. During the six-month period through March, the coincident index increased 0.1 percent.

The next release is scheduled for May 19, 2003 at 10 A.M. ET.

LAGGING INDICATORS. The lagging index decreased 0.1 percent to 99.2 (1996=100) in March, with two of the seven components declining. The negative contributors to the index - beginning with the larger negative contributor - were commercial and industrial loans outstanding* and change in labor cost per unit of output*. The positive contributors to the index were average duration of unemployment, change in CPI for services*, and ratio of manufacturing and trade inventories to sales*. Ratio of consumer installment credit to personal income* and average prime rate charged by banks held steady in March. Based on revised data, the lagging index decreased 0.2 percent in February and increased 0.2 percent in January.

Personal Income (3/28/03) – Also have complete report

Personal income increased $35.5 billion, or 0.4 percent, and disposable personal income (DPI)increased $26.5 billion, or 0.3 percent, in March, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased $30.7 billion, or 0.4 percent. In February, personal income increased $19.5 billion, or 0.2 percent, DPI increased $13.3 billion, or 0.2 percent, and PCE increased $9.2 billion, or 0.1 percent, based on revised estimates.

Producer Prices (3/14/03)

Producer Price Indexes -- March 2003

The Producer Price Index for Finished Goods advanced 1.5 percent in March, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This increase followed a 1.0-percent gain in February and a 1.6-percent rise in January. At the earlier stages of processing, prices for intermediate goods moved up 2.0 percent, after increasing 2.1 percent in the prior month. The crude goods index jumped 13.3 percent, following a 4.8-percent gain in February. (See table A.)

Productivity (rev) (3/6/03)

PRODUCTIVITY AND COSTS
First Quarter 2003

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data--as measured by output per hour of all persons--for the first quarter of 2003. The seasonally adjusted annual rates of productivity change in the first quarter were:

2.2 percent in the business sector and
1.6 percent in the nonfarm business sector.

These productivity increases occurred as modest output increases were combined with modest declines in the hours worked. In the business sector, output grew 1.7 percent and hours of all persons fell 0.5 percent. In nonfarm businesses, output rose 1.4 percent and hours dropped 0.1 percent. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

In manufacturing, productivity changes in the first quarter were:

2.1 percent in manufacturing,
2.4 percent in durable goods manufacturing, and
1.7 percent in nondurable goods manufacturing.

Productivity growth in manufacturing in the first quarter of 2003 reflected decreases in both output and hours; output declined 0.6 percent and hours of all persons fell 2.6 percent (seasonally adjusted annual rates). Output and hours in manufacturing, which includes about 15 percent of U.S. business sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors.

Retail Sales (3/13/03)

The Census Bureau of the Department of Commerce announced today that advance estimates of U.S. retail and food services sales for March, adjusted for seasonal, holiday, and trading-day differences, but not for price changes, were $311.5 billion, an increase of 2.1 percent (±0.9%) from the previous month and up 5.3 percent (±1.1%) from March 2002. Total sales for the January 2003 through March 2003 period were up 4.5 percent (±0.5%) from the same period a year ago. The January 2003 to February 2003 percent change was revised from -1.6 percent (±0.9%) to -1.3 percent (±0.4%).

Retail trade sales were up 2.2 percent (±1.0%) from February and were 5.3 percent (±1.1%) above last year. Gasoline stations sales were up 18.9 percent (±2.3%) from March 2002 and sales of nonstore retailers were up 8.0 percent (±6.7%) from last year.

Trade Balance (3/12/03)

Goods and Services

The U.S. Census Bureau and the Bureau of Economic Analysis, through the Department of Commerce, announced today that total February exports of $82.4 billion and imports of $122.8 billion resulted in a goods and services deficit of $40.3 billion, $0.9 billion less than the $41.2 billion in January, revised. February exports were $0.4 billion more than January exports of $82.0 billion. February imports were $0.5 billion less than January imports of $123.3 billion.

In February, the goods deficit decreased $0.7 billion from January to $44.2 billion, and the services surplus increased $0.2 billion to $3.9 billion. Exports of goods increased $0.6 billion to $57.4 billion, and imports of goods decreased $0.1 billion to $101.6 billion. Exports of services decreased to $25.0 billion from $25.2 billion, and imports of services decreased to $21.1 billion from $21.5 billion.

Goods

The January to February change in exports of goods reflected increases in capital goods ($1.1 billion); other goods ($0.1 billion); and foods, feeds, and beverages ($0.1 billion). Decreases occurred in consumer goods ($0.5 billion) and industrial supplies and materials ($0.1 billion). Automotive vehicles, parts,and engines were virtually unchanged.

The January to February change in imports of goods reflected decreases in capital goods ($1.0 billion) and foods, feeds, and beverages ($0.1 billion). Increases occurred in industrial supplies and materials ($0.8 billion) and consumer goods ($0.1 billion). Automotive vehicles, parts, and engines and other goods were virtually unchanged.

Services

Services exports decreased $0.2 billion from January to February. Decreases in travel and passenger fares more than accounted for the decrease. Changes in the other categories of services exports were small.

Services imports decreased $0.4 billion from January to February. Decreases in travel, other transportation (which includes freight and port expenditure services), and passenger fares more than accounted for the decrease. Changes in other categories of services imports were small.

Goods and Services Moving Average

For the three months ending in February, exports of goods and services averaged $81.7 billion, while imports of goods and services averaged $123.8 billion, resulting in an average trade deficit of $42.1 billion. For the three months ending in January, the average trade deficit was also $42.1 billion, reflecting average exports of $81.9 billion and average imports of $124.0 billion.

US Import / Export Index

U.S. IMPORT AND EXPORT PRICE INDEXES
-MARCH 2003-

The U.S. Import Price Index increased 0.5 percent in March, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Rising prices for nonpetroleum imports more than offset a small decline in petroleum prices. The Export Price Index rose for the third consecutive month, up 0.3 percent in March.

CBO Monthly Budget Review

Monthly Budget Review

A Congressional Budget Office Analysis
April 9, 2003

Based on the *Monthly Treasury Statement* for February and the *Daily Treasury Statements* for March

The federal government ran a deficit of $248 billion in the first six months of fiscal year 2003, CBO estimates, $116 billion more than in the same period last year. CBO recently projected that the 2003 deficit would total $246 billion in the absence of additional legislation affecting spending or revenues. However, the supplemental appropriation bill currently under consideration would add more than $40 billion to 2003 outlays and the deficit.