

# U.S. Data Review

- Consumer confidence: noticeable softening, although less than expected
- Chicago purchasing managers' index: not so bad

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## Consumer Confidence

The Conference Board's measure of consumer confidence fell 12.6 index points in March to 120.0 (a drop of 9.5 percent), moving to a level last seen in July 2017 (chart). The retreat was sizeable, although much less than the expected decline of 20.7 index points (or 15.8 percent). The reading in the prior month was revised slightly higher (132.6 rather than 130.7).

Individuals did not seem deeply concerned about the economy, as assessments of current conditions eased only slightly (off 0.9 percent). Similarly, assessments of the labor market remained robust, as the share viewing jobs as plentiful exceeded the share seeing jobs as hard to get. Converted to an ISM basis (50 being the neutral reading), the current reading of the job market totaled 65.5, down from 66.3 in February and a cyclical high of 69.2 in August 2019.

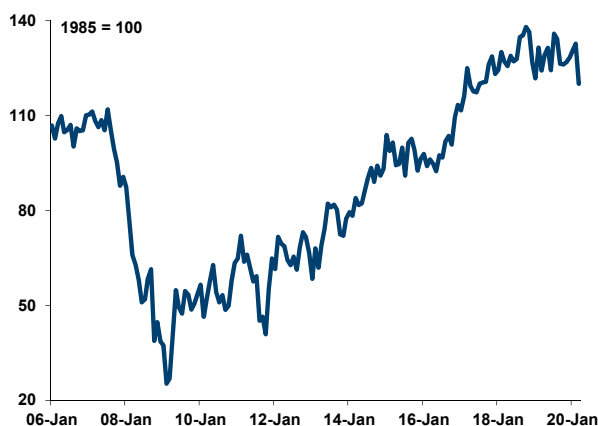
The expectation component tumbled in March, dropping 18.4 percent and moving to its lowest level since October 2016. The deterioration in expectations suggested that the potential effects of the coronavirus and the collapse in equity values were the driving forces behind this retreat. We suspect that responses to the survey early in the month were less negative than those received later in the month, suggesting more softening in April.

## Chicago PMI

The Chicago purchasing managers index eased in March, but the change was modest considering the environment (off 1.2 percentage points to 47.8 percent, much better than the expected decline of 9.0 percentage points to 40.0 percent). The latest reading remained comfortably within the range of the past several months, although that range has been low. Indeed, the measure has been below 50 percent for nine consecutive months (chart, right).

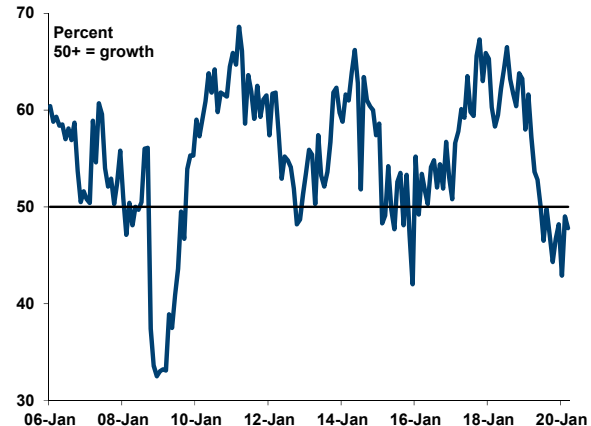
Among the components, the production index posted the sharpest decline, falling 6.6 percentage points to 44.4. This measure moved to the low portion of the recent range, although it was not the lowest (four readings in the past nine months were slightly lower). The new orders component eased 3.9 percentage points to 45.2 percent, a reading in the middle of the recent range. The employment index rose 0.4 percentage point, although the latest reading of 44.9 percent was in the low portion of the recent range.

### Consumer Confidence



Source: The Conference Board via Haver Analytics

### MNI Chicago Report: Business Barometer Index



Source: MNI Market News via Haver Analytics

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