

U.S. Data Review

- New home sales: possibly reviving
- Consumer confidence: slight improvement in October

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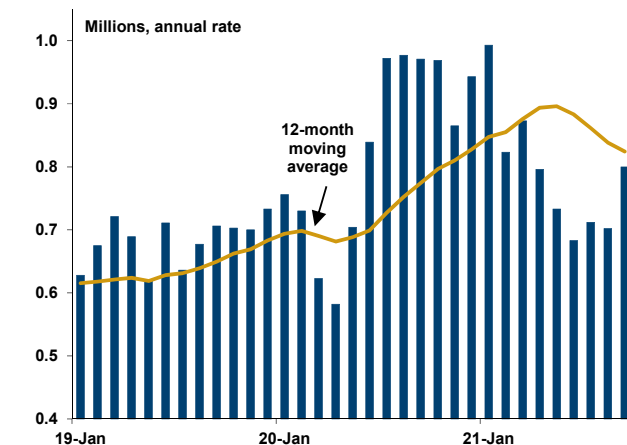
New Home Sales

Sales of new homes jumped 14.0 percent in September, easily beating the expected increase of 2.6 percent. The change occurred from downwardly revised results in the prior three months, with the cumulative changes leaving the level of activity in August 5.1 percent lighter than previously believed. Still, the new level of 800,000 exceeded the expected reading of 759,000. The increase in September marked the second advance in the past three months, with the gains offsetting a good portion of the slide earlier in the year. Activity, though, remained noticeably below levels seen late last year and early this year (chart).

The increase was broad-based geographically, with three of the four major regions of the country posting gains. The increases were especially sharp in the Northeast and South; the Midwest lagged, showing a slight decline.

The number of homes for sale was unchanged in September, but inventory in the new home market is not as tight as that in the market for existing homes. The increase in sales led to a drop in the months' supply of homes (5.7 months versus 6.5 in August), but the latest reading was still comfortably within the pre-pandemic range.

New Home Sales



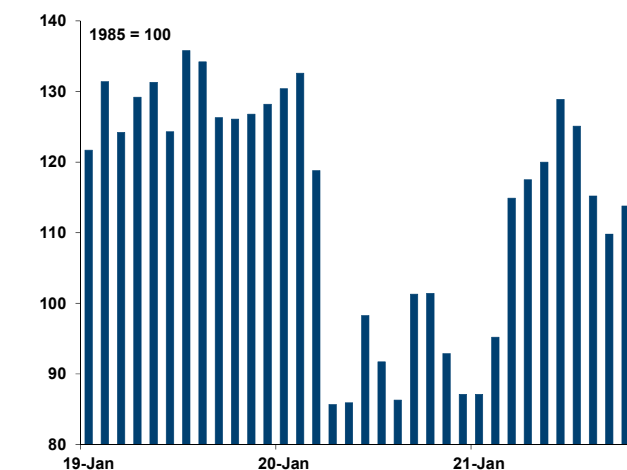
Source: U.S. Census Bureau via Haver Analytics

Consumer Confidence

The confidence index published by the Conference Board ended a three-month slide with an increase of 3.6 percent in October. The increase represented a much better performance than the expected drop of 0.9 percent, but it offset only a small portion of the declines in the prior three months. Moreover, the level of the index before the recent softening was not especially impressive. Thus, the index is still well below pre-pandemic norms (chart).

The slowing in the spread of Covid-19 probably had a positive influence in October. In addition, perceptions of the labor market helped a bit. The share of individuals indicating that jobs were plentiful and the share indicating that jobs were hard to get both fell, but the share indicating that jobs were hard to get fell by more. As a result, the net reading (plentiful less hard to get) moved to a new high for the current recovery.

Consumer Confidence



Source: The Conference Board via Haver Analytics

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