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06/05/2014

Leafing through Developments in the New Beige Book

Yesterday, the Fed's Board of Governors published the Beige Book. The [report](#), published in advance of the upcoming Federal Open Market Committee meeting, provides a summary of recent economic conditions gathered by all of the Federal Reserve Banks.

The first sentence of each section often gives a succinct overview of economic conditions in each specific region. Below is a compilation of each section's lead sentence:

National: All twelve Federal Reserve Districts report that economic activity expanded during the current reporting period.

Boston: Business activity generally continues to increase on a year-over-year basis in the First District, but performance varies across sectors.

New York: Economic activity in the Second District has continued to grow at a moderate pace since the last report.

Philadelphia: Aggregate business activity in the Third District grew at a modest pace during this current Beige Book period.

Cleveland: Business activity in the Fourth District expanded at a modest pace during the past six weeks.

Richmond: Fifth District economic activity expanded moderately in recent weeks, and contacts reported an optimistic outlook.

Atlanta: Sixth District business contacts described economic conditions as improving modestly in April and May.

Chicago: Growth in economic activity in the Seventh District was moderate in April and May.

St. Louis: The economy of the Eighth District has grown modestly since our previous report.

Minneapolis: The Ninth District economy grew at a moderate pace since the last report.

Kansas City: The Tenth District economy expanded modestly in late April and early May with solid expectations for growth during the coming months.

Dallas: The Eleventh District economy grew at a moderate pace over the past six weeks.

San Francisco: Economic activity in the Twelfth District continued to improve moderately during the reporting period of early April through mid-May.

Overall, it's clear that economic activity continued to pick up at a moderate pace in every region. Here are some highlights from the Atlanta Fed's [section](#):

Employment and prices

District payroll growth improved modestly since the last report. Staffing agencies noted a small increase in transitioning workers from temporary to permanent positions. Firms continued to show a preference towards using capital investment to enhance efficiency over hiring.

Consumer spending and tourism

District retail reports were mixed in April and May. Merchants with multiple sites stated that sales were better in locations with more affluent customers. Retailers reporting lackluster growth attributed it to a number of factors, including people diverting spending to obtain mandatory health insurance and a reduction in food stamp benefits. Contacts from the District's tourism and hospitality sector expressed an overall exuberance regarding activity. The near-term outlook among contacts remains positive.

Manufacturing and transportation

District contacts reported that manufacturing activity continued to expand. Growth in new orders, production, and employment suggested substantial strengthening in the District's manufacturing sector. Transportation contacts continued to cite expanding activity in April and May. District ports reported significant increases in exports of energy-related products; record unit volumes of cars, trucks, and tractors; and double-digit growth in containerized cargo.

Real estate and construction

More District brokers reported growth this period than the previous report expressed. Roughly two-thirds of broker reports indicated that home sales had increased from the year-earlier level. The majority of contacts continued to report that home prices remained ahead of the year-earlier level. Reports on current conditions from District builders were also more positive than the previous report. Most contacts reported that recent activity either met or exceeded their plan for the period.

Banking and finance

On balance, loan demand across the District increased, evidenced by a combination of new loan growth and increased lines of credit. Community banks also noted loan growth. However, new loans were being poached from larger banks.

Natural resources and agriculture

Energy activity in the District continued to expand as new discoveries, production, and oil field development increased across the Gulf Coast. Energy firms expect continued strength in the sector during the summer months.

The Board will publish the next Beige Book on July 16.



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June 5, 2014 in [Beige Book](#), [Economic conditions](#), [Economic Growth and Development](#) | [Permalink](#)

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