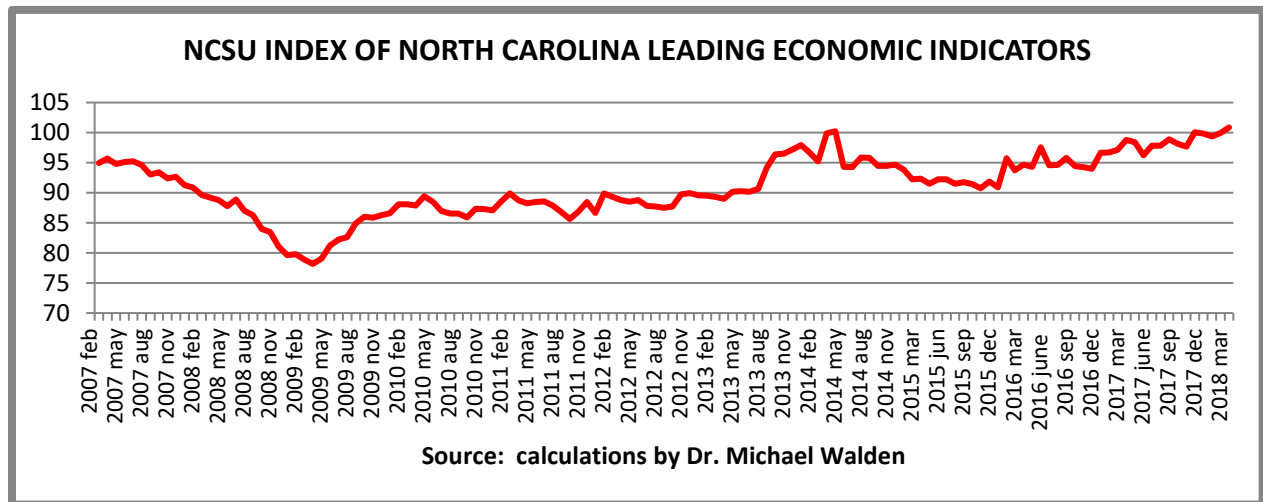


NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS

Vol. 9, No. 3

March 2018

The *NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS* (the “Index”), a forecast of the state economy’s direction four to six months ahead, continued its upward trend, rising 0.9% in February from its level in January. Year over year the Index was up 2.1% and has now been trending higher since late 2015. In the recent reading, gains in the national index and in



manufacturing hours and earnings countered a decline in building permits and a rise in initial jobless claims. The strength of the Index’s gains in the last two years increases our confidence that 2018 will be another growth year for the North Carolina economy. However, there are always uncertainties ahead, and the recent concerns about a world trade war and the volatility of the stock market are reminders to always read economic forecasts with caution.

Chg. from prev. month Chg. from prev. year

INDEX	0.9%	2.1%
ECRI-WLI	0.1%	3.5%
Claims	17.2%	-6.2%
Permits	-5.2%	29.4%
Hours	2.2%	-1.4%
Earnings	2.4%	2.4%

About the Index: The Index is composed of five components: the Economic Cycle Research Institute (ECRI)’s Weekly Leading Index (<http://www.businesscycle.com/resources/>), North Carolina initial claims for unemployment benefits, North Carolina building permits, average weekly hours of work of all North Carolina employees in manufacturing, and average weekly earnings of all North Carolina employees in manufacturing. All data are seasonally-adjusted and modified for differences in prices levels where appropriate. Data are from the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and ECRI, whose permission to use their Weekly Leading Index is greatly appreciated. All calculations are done by Dr. Michael Walden.

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