

News Digest

Continued from p. 1 of this section

relations.

Economic News

Construction spending in January was estimated at a seasonally adjusted annual rate of \$883.3 billion, according to the U.S. Census Bureau. That rate is 2.1 percent below December and 7.1 percent above January 2012.

The **Chicago Fed National Activity Index** decreased to -0.32 in January from 0.25 in December. Three of the four broad categories of indicators that make up the index decreased from December, and only two of the four categories made positive contributions to the index. The index's three-month moving average, **CFNAI-MA3**, increased to 0.3 from 0.23 in December.

Real gross domestic product – the output of goods and services produced by labor and property located in the U.S. – increased at an annual rate of 0.1 percent in the fourth quarter of 2012 sequentially, according to the second estimate released by the Bureau of Economic Analysis. Third-quarter real GDP increased 3.1 percent.

The U.S. manufacturing sector expanded in

February, according to the latest **Manufacturing Report on Business** from the Institute for Supply Management. The PMI registered 54.2 percent, an increase of 1.1 percentage points from January's reading.

Average U.S. HVACR average distributor sales snapped back from a 1.8 percent decline in December 2012 with a gain of 19.4 percent in January, according to Heating, Air-conditioning and Refrigeration Distributors International's Monthly Targeted and Regional Economic News for Distribution Strategies report. The improvement was widespread with six of the seven reporting regions registering double-digit gains.

Compared with December 2012, the **European industrial producer price index** rose by 0.6 percent in both the euro area (EA17) and the EU27 in January, according to Eurostat. In December 2012 prices fell by 0.2 percent in both zones. Compared with January 2012, industrial producer prices gained 1.9 percent in January in the euro area and 1.8 percent in the EU27.

European GDP fell by 0.6 percent in the euro

continued on p.4 of this section

Calculation of MDM Inflation Index for December 2012

	BLS Price Indices Dec. '12	BLS Price Indices Nov. '12	BLS Price Indices Dec. '11	% Sales Weight	Weighted Indices Dec. '12 (1)X(4)	% Change Dec. '12 Nov. '12	% Change Dec. '12 Dec. '11
1136 Abr. Prod.	549.5	549.2	543.2	19.1	104.95	0.05	1.15
1135 Cutting Tools	487.5	487.5	486.7	18.9	92.14	0.00	0.17
1145 Power Trans.	781.6	776.0	765.1	15.4	120.37	0.72	2.16
1081 Fasteners	498.3	498.8	498.3	9.0	44.84	-0.11	0.00
1149.01 Valves, etc.	934.1	940.3	906.6	7.6	70.99	-0.65	3.03
1132 Power Tools	347.6	347.0	343.0	6.5	22.60	0.19	1.36
1144 Mat. Handling	561.4	561.4	541.3	6.2	34.80	0.00	3.71
0713.03 Belting	864.3	853.3	778.0	6.1	52.72	1.28	11.09
1042 Hand Tools	762.5	764.5	742.4	8.1	61.76	-0.27	2.71
108 Misc. Metal	473.8	474.6	472.1	3.1	14.69	-0.18	0.36
<hr/>							
"New" December Index	323.9	December Inflation Index			619.87	0.15	2.39
"New" November Index	323.4	November Inflation Index			618.94		
		December 2011 Inflation Index			605.39		

New index reflects 1977=100 base other #: 1967 To convert multiply by .52247