



Weekly US Data Highlights –September 28-October 2

MNI US DataWatch

By Kevin Kastner

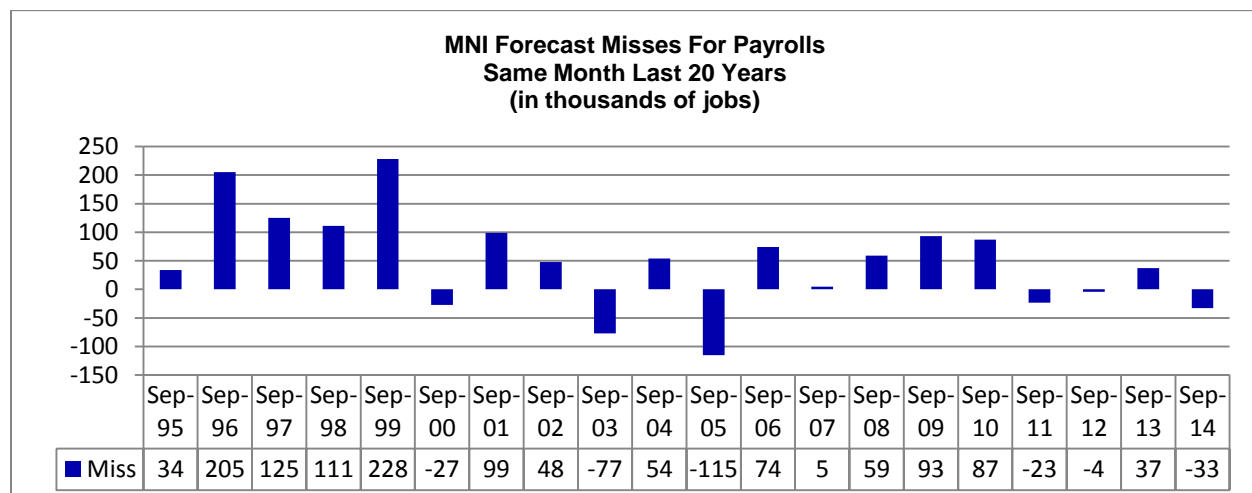
The September 28 week includes all of the key early month data, particularly the employment report on Friday. Nonfarm payrolls are expected to rise by 200,000 in September after a relatively modest 173,000 rise in August. **The August level is usually revised upward after coming in below expectations in the initial estimate, but September payrolls also have a tendency to be overestimated, so some offset is expected.** Other data released earlier in the week include personal income, consumer confidence, the MNI Chicago Report, the ISM manufacturing data and the vehicle sales.

Here is a closer look at the key data in the coming week:

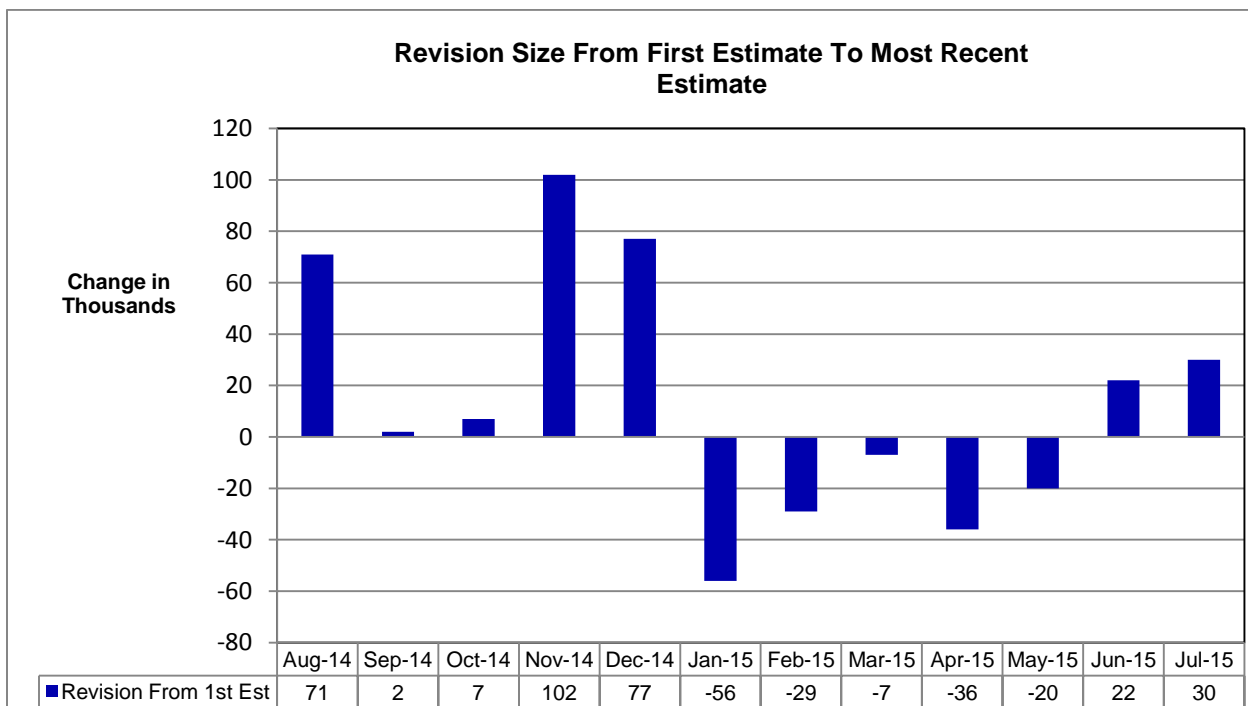
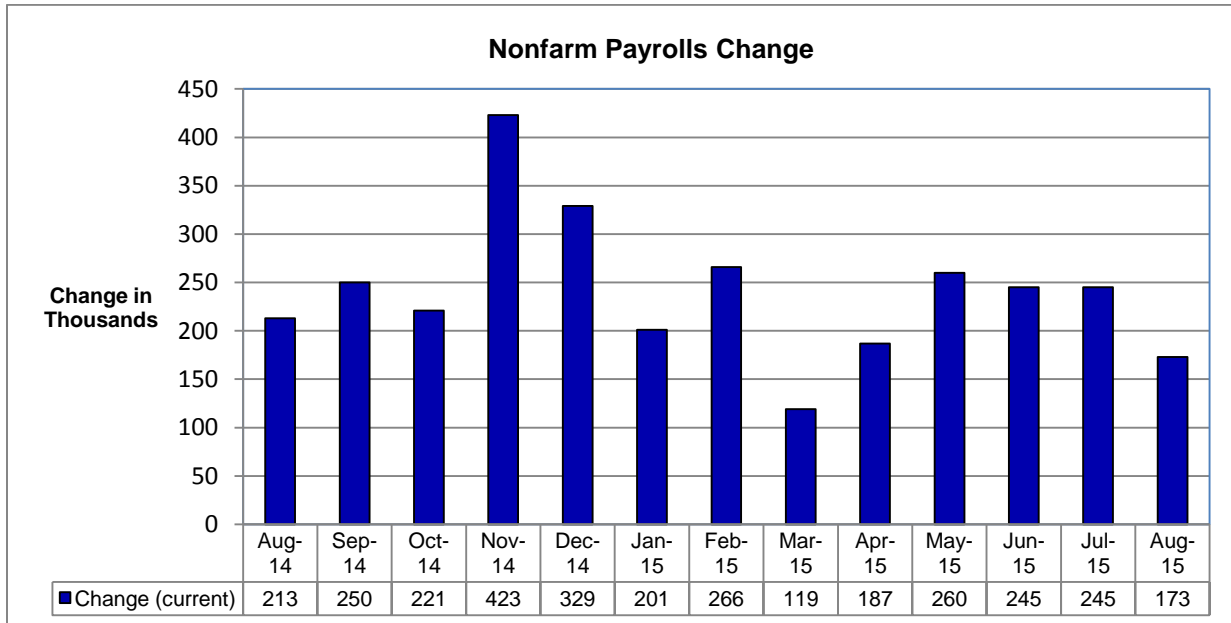
NONFARM PAYROLLS FOR SEPTEMBER, FRIDAY, OCTOBER 2, AT 8:30 A.M. ET

Nonfarm payrolls are forecast to rise by 200,000 in September after a 173,000 increase in August. Upward estimates to August data have been common in recent years. The unemployment rate is expected to hold steady at 5.1% after dipping to that level in August. Hourly earnings are forecast to rise a closer-to-trend 0.2% after a 0.3% gain in August, while the average workweek is expected to stay at 34.6 hours.

Over the last 10 years of forecasts for September payrolls, there were six overestimates and four underestimates, a better mix than in August, when there were nine overestimates. The average miss across all 10 years was 53,000, a larger miss than in August. Going further back, there were 14 overestimates over the last 20 years and 6 underestimates. As a result, there is likely to be a disappointing September data offset by an upward revision to August data.



The median estimate has been overestimated in the last two months, with a 10,000 overestimate in July and a 37,000 overestimate in August, but upward revisions are not only common in August every year, but have occurred in both June and July this year after five straight underestimates.



PERSONAL INCOME AND PCE FOR AUGUST, MONDAY, SEPTEMBER 28 AT 8:30 A.M. ET

Personal income is expected to rise 0.5% in August, as payrolls rose 173,000, hourly earnings rose 0.3%, and the average workweek rose to 34.6 hours. Nominal PCE is seen up 0.3%, as retail sales rose 0.2% and were up 0.1% excluding motor vehicle sales. The core PCE price index is forecast to rise by 0.1% for a fifth straight month.

Inputs To Personal Income and PCE				
	May-15	Jun-15	Jul-15	Aug-15
Nonfarm Payrolls Change (in thousands)	260	245	245	173
Private Payrolls Change (in thousands)	252	218	224	140
Average Workweek (in hours)	34.5	34.5	34.5	34.6
Hourly Earnings Percent Change (all workers)	0.2	0.0	0.2	0.3
Retail Sales Percent Change	1.2	0.0	0.7	0.2
Non-MV Retail Sales Percent Change	1.0	0.4	0.6	0.1
Percent changes in previous reports:				
Personal Income Percent Change	0.4	0.4	0.4	--
Current Dollar PCE Percent Change	0.8	0.3	0.3	--
Core PCE Price Index	0.1	0.1	0.1	--

CONSUMER CONFIDENCE FOR SEPTEMBER, TUESDAY, SEPTEMBER 29 AT 10:00 A.M. ET

The level of consumer confidence is expected to pull back to a still-strong reading of 96.3 in September after surging in August despite turmoil in the stock market. The Michigan Sentiment index fell to 87.2 from 91.9 in the previous month.

MNI CHICAGO REPORT FOR SEPTEMBER, WEDNESDAY, SEPTEMBER 30 AT 9:45 A.M. ET

The MNI Chicago report's business barometer is expected to fall to a reading of 52.6 in September after a slight dip to 54.4 in August. Other regional data already released have been very weak, with the Empire State, Richmond, Philadelphia, and Kansas City regions all indicating contraction.

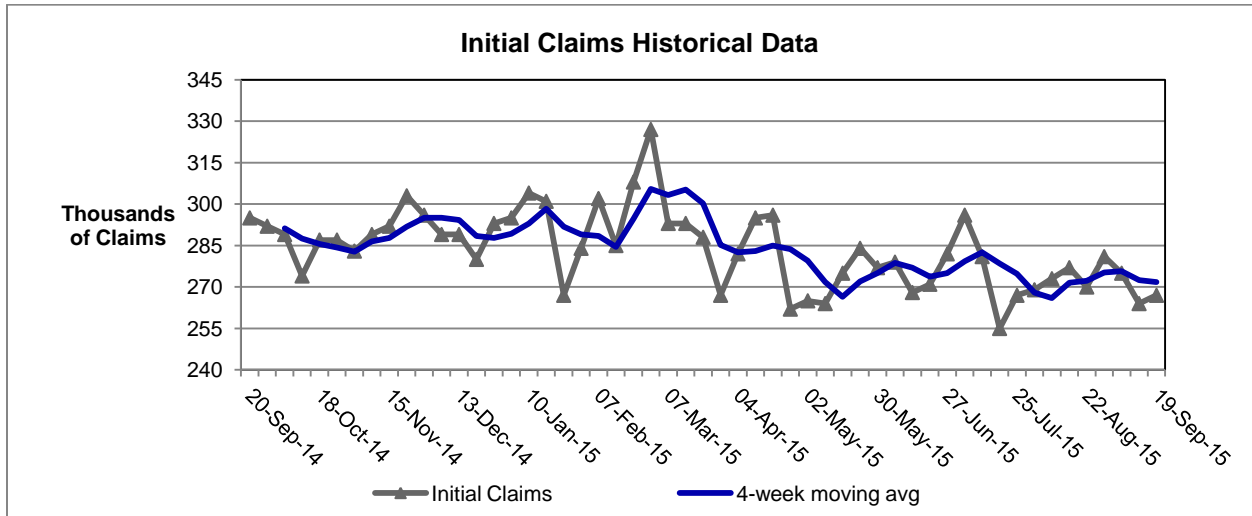
DOMESTIC-MADE VEHICLE SALES FOR SEPTEMBER, THURSDAY, OCTOBER 1

The pace of domestic-made vehicle sales is expected to slow modestly to a 13.7 million seasonally adjusted annual rate in September after rising modestly to 13.8 million in August. Seasonal adjustment factors are fairly accommodative in September and will add to unadjusted sales for both cars and trucks after subtracting from sales in August.

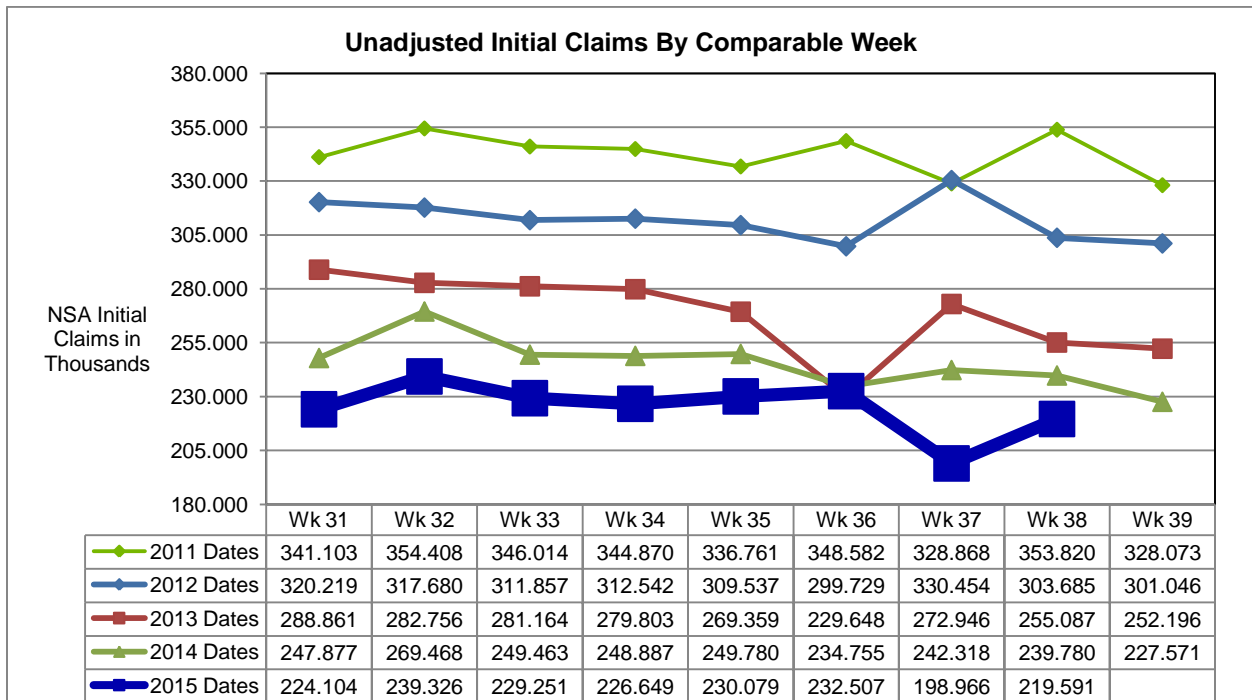
Relevant seasonal adjustment factors			
	Sep-15	Aug-15	Sep-14
Cars	93.33	106.51	88.94
Light Trucks	96.27	105.97	91.55

WEEKLY JOBLESS CLAIMS FOR SEPT 26 WEEK, THURSDAY, OCTOBER 1, AT 8:30 A.M. ET

The level of initial jobless claims is expected to rise by 5,000 in the September 26 week to 272,000 after an increase of 3,000 in the previous week. The four-week moving average fell by 750 to 271,750 in the September 19 week and should decline further in the coming week. The 281,000 level in the August 29 week will roll off the four-week average calculation as the current week is added, which would pull down the moving average by 2,250 if the MNI forecast is realized in the current week, all else being equal.



Seasonal adjustment factors expect unadjusted claims to fall modestly in the September 26 week after rising by 20,625 in the previous week. In the comparable week a year ago, unadjusted claims fell by 12,209, slightly more than seasonal factors had expected. As a result, seasonally adjusted claims fell by 3,000 that week.

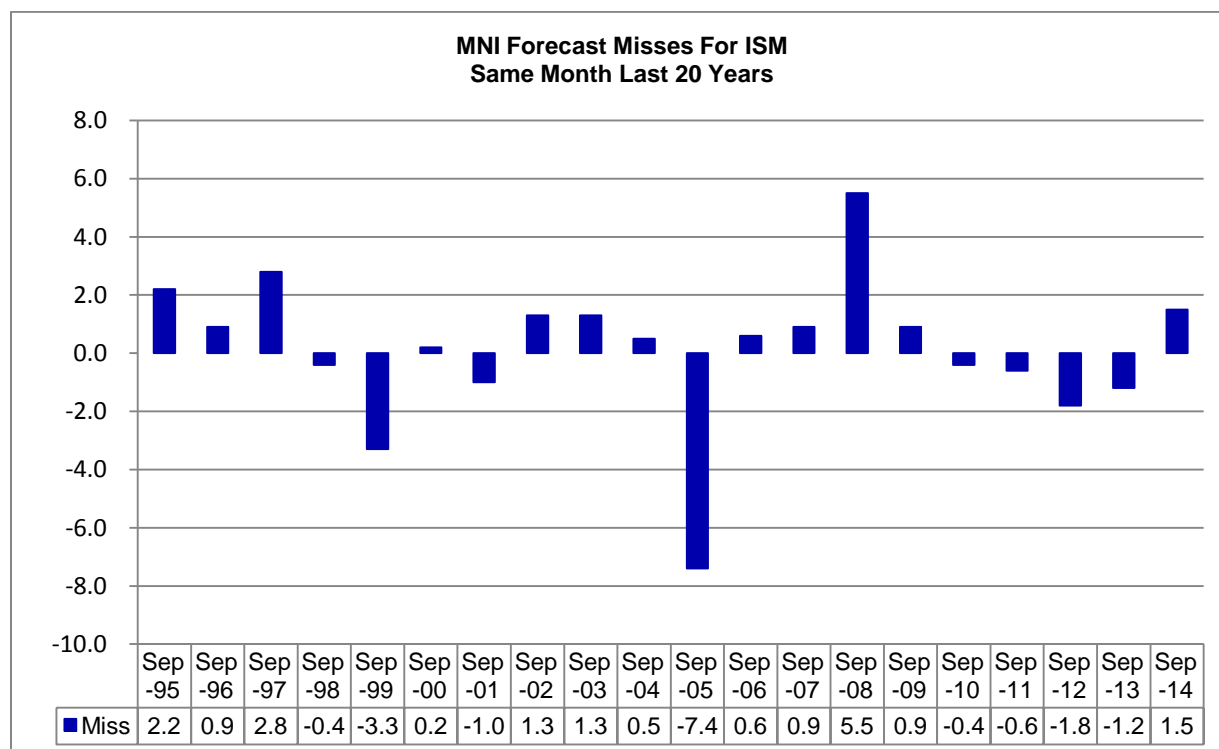


ISM MANUFACTURING INDEX FOR SEPTEMBER, THURSDAY, OCTOBER 1, AT 10:00 A.M. ET

The ISM manufacturing index is expected to decline for the third straight month to a reading of 50.5 in September. Regional conditions data released so far have overwhelmingly indicated weakness.

Over the last 20 years, analysts have overestimated manufacturing ISM in September 12 times, with an average miss of 1.55 and underestimated it eight times by a larger 2.01 average. The overall absolute average miss was 1.74, larger than 1.69 in August. When sign is considered, the average miss was +0.13 due to the larger number of the overestimates.

Looking at the most recent 10 years, there were five overestimates and five underestimates. Over the 10 year period, the absolute average miss was 2.05, much larger than the 1.58 average in August. The September 2014 ISM was overestimated, but that followed underestimates in the previous four years.



CONSTRUCTION SPENDING FOR AUGUST, THURSDAY, OCTOBER 1 AT 10:00 A.M. ET

August construction spending is expected to post a 0.5% increase after surging 0.7% in each of the last two months. Housing starts declines for the second straight month in August, suggesting that residential building could come in weaker in the current month.

FACTORY ORDERS FOR AUGUST, FRIDAY, OCTOBER 2 AT 10:00 A.M. ET

Factory orders are expected to fall by 1.5% in August, as durable goods orders were already reported down 2.0% on a sharp drop in transportation orders. Durables orders excluding transportation were flat in the advance estimate. Nondurable goods orders are seen decline further in the month after July's 1.3% drop. Total orders excluding transportation are expected to fall by 0.2%.