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## Last Week in the News

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Existing home sales rose 9.4% in September to a seasonally adjusted annual rate of 5.57 million units from 5.1 million units in August. The increase was largely due to the tax incentive for first-time homebuyers.

According to the ICSC-Goldman Sachs index, retail sales rose 0.2% in the week ending October 17. On a year-over-year basis, retailers saw sales increase by 2.8%, the best showing in a year.

The producer price index, which tracks wholesale prices, rose 0.6% in September, following a 1.7% increase in August. For the year, wholesale prices are down 4.8%.

The Commerce Department reported that the combined construction of new single-family homes and apartments in September increased 0.5% to a seasonally adjusted annual rate of 590,000 units. That was less than the 610,000 economists had expected.

Initial claims for unemployment benefits rose by 11,000 to 531,000 in the week ending October 17. The figure was higher than the 515,000 that economists had forecast. The number of people continuing to claim jobless benefits in the week ending October 10 fell by 98,000 to 5.92 million.

The index of leading economic indicators — designed to forecast economic activity in the next three to six months — rose 1% in September after a revised 0.4% gain in August. It was the sixth straight monthly increase and marks the largest six-month gain in 26 years.

The National Association of Home Builders / Wells Fargo housing market index fell one point in October to 18. The decrease reflects the soon-to-expire tax credit for first-time homebuyers that boosted home sales earlier this year. An index reading below 50 indicates negative sentiment about the housing market.

Upcoming on the economic calendar are reports on consumer confidence on October 27, new home sales on October 28 and gross domestic product on October 29.