

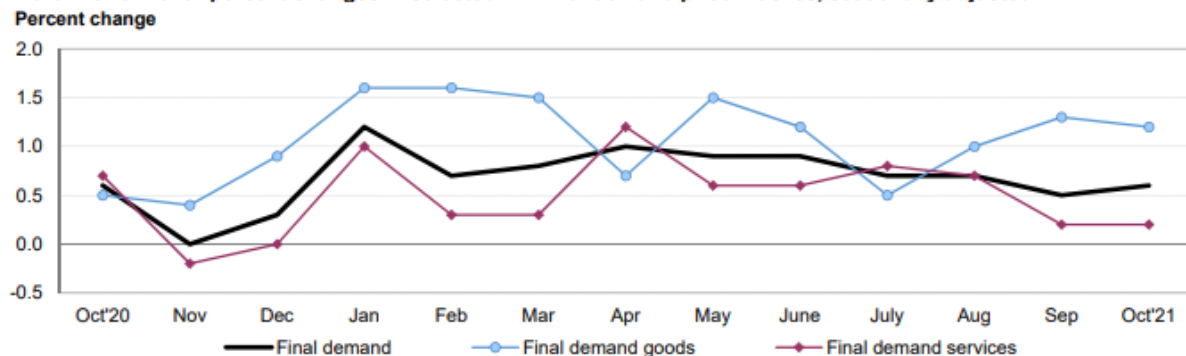
Summary: Two important inflation indicators were released this week, and both registered sharp increases in October. The producer-price index (PPI), which measures prices from goods producers, or wholesale prices, rose 8.6 percent in October from a year ago, its highest annual [increase](#) going back nearly 11 years. And the consumer-price index (CPI), which measures what consumers pay for goods and services, was up 6.2 percent in October from a year ago, its highest annual [increase](#) since 1990, with prices climbing fastest in the South. On Wednesday, the White House responded to the high CPI reading with a [statement](#) that “reversing this [inflationary] trend is a top priority.” Concerns about inflation are weighing heavily on consumers’ minds, as well, with the University of Michigan reporting that consumer sentiment reached its lowest level in the last decade in preliminary results for its November survey. Job numbers continued to improve nationally with new unemployment claims decreasing to 267,000, its lowest mark since March 14, 2020, and job openings in September again exceeded 10 million.

### **Federal Government Indicators and Reports:**

Bureau of Labor Statistics

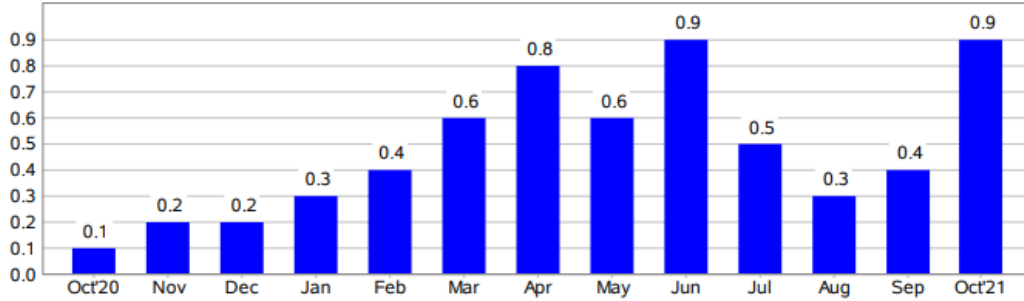
Tuesday, [Producer Price Index](#): “The Producer Price Index for final demand increased 0.6 percent in October, seasonally adjusted. . . . Final demand prices moved up 0.5 percent in September and 0.7 percent in August. . . . Over 60 percent of the October increase in the index for final demand can be traced to a 1.2-percent rise in prices for final demand goods.” Over the last 12 months, the index increased 8.6 percent (not seasonally adjusted).

**Chart 1. One-month percent changes in selected PPI final demand price indexes, seasonally adjusted**



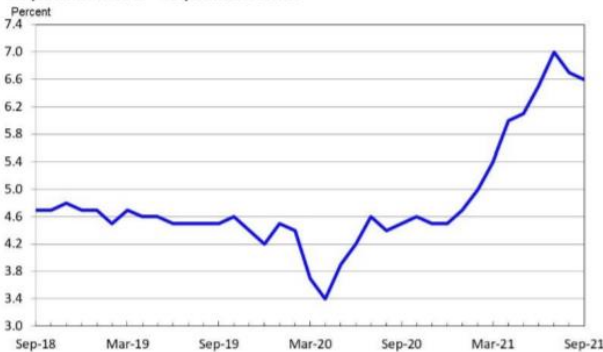
Wednesday, [Consumer Price Index](#): “The Consumer Price Index . . . increased 0.9 percent in October on a seasonally adjusted basis after rising 0.4 percent in September. . . . The monthly all items seasonally adjusted increase was broad-based, with increases in the indexes for energy, shelter, food, used cars and trucks, and new vehicles among the larger contributors. The energy index rose 4.8 percent over the month, as the gasoline index increased 6.1 percent and the other major energy component indexes also rose. The food index increased 0.9 percent as the index for food at home rose 1.0 percent.” Over the last 12 months, the all items index increased 6.2 percent (not seasonally adjusted).

**Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Oct. 2020 - Oct. 2021**  
Percent change

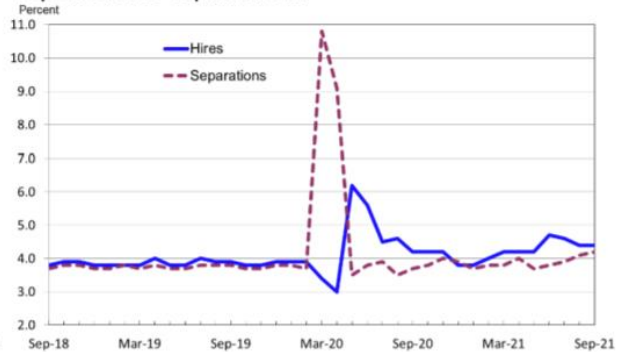


Friday, [Job Openings and Labor Turnover \(JOLTs\)](#): “The number of job openings was little changed at 10.4 million on the last business day of September. . . . Hires and total separations were little changed at 6.5 million and 6.2 million, respectively. Within separations, the quits level and rate increased to a series high of 4.4 million and 3.0 percent, respectively. The layoffs and discharges rate was unchanged at 0.9 percent.”

**Chart 1. Job openings rate, seasonally adjusted, September 2018 - September 2021**



**Chart 2. Hires and total separations rates, seasonally adjusted, September 2018 - September 2021**



Department of Labor

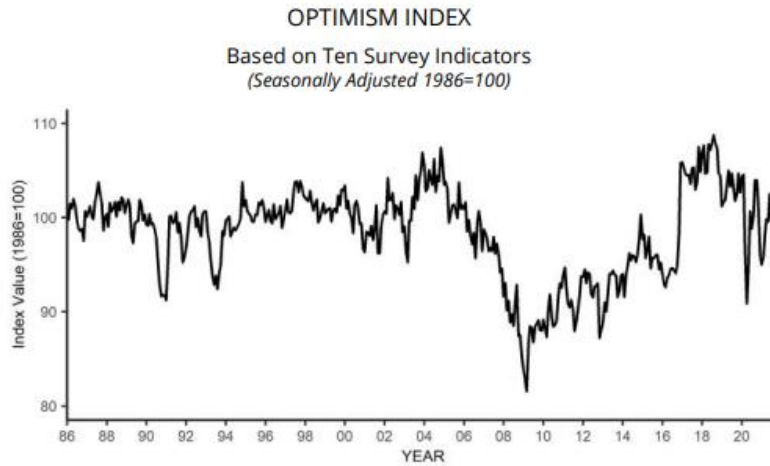
Wednesday, [Unemployment Insurance Weekly Claims](#): “In the week ending November 6, the advance figure for seasonally adjusted initial claims was 267,000, a decrease of 4,000 from the previous week’s revised level. This is the lowest level for initial claims since March 14, 2020 when it was 256,000.” In Tennessee, there were 7,728 initial claims for the week ending November 6, an increase of 2,144 from the week prior (not seasonally adjusted).



**Economic Indicators and Confidence:**

National Federation of Independent Business

Tuesday, [Small Business Optimism Index](#): “The Optimism Index decreased slightly in October by 0.9 points to 98.2. . . . Small businesses are hanging on, trying to take advantage of current economic growth while remaining pessimistic about the course of business conditions in the near future. Not knowing the course of federal economic policies (e.g., taxes) makes it harder to make the investment expenditures that will be needed to raise worker productivity. Add to that the unclear course of the virus and associated government policies and owners face an economy filled with uncertainty that must be resolved to figure out the likely course of the economy.”



University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment fell in early November to its lowest level in a decade due to an escalating inflation rate and the growing belief among consumers that no effective policies have yet been developed to reduce the damage from surging inflation. One-in-four consumers cited inflationary reductions in their living standards in November, with lower income and older consumers voicing the greatest impact. Nominal income gains were widely reported but when asked about inflation-adjusted gains, half of all families anticipated reduced real incomes next year. Rising prices for homes, vehicles, and durables were reported more frequently than any other time in more than half a century.”

	Nov	Oct	Nov	M-M	Y-Y
	2021	2021	2020	Change	Change
Index of Consumer Sentiment	66.8	71.7	76.9	-6.8%	-13.1%
Current Economic Conditions	73.2	77.7	87.0	-5.8%	-15.9%
Index of Consumer Expectations	62.8	67.9	70.5	-7.5%	-10.9%