



MARKET EXPECTATIONS SURVEY

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Initial claims for unemployment insurance fell for a seventh straight week as the labor market continues its recovery from the Viral Recession. Claims fell by 1,000 in the week ending November 13 to 268,000, the lowest level since mid-March 2020, at the very beginning of the pandemic. Claims for the previous week were revised up by 2,000, to 269,000. The four-week moving average of initial claims, which smooths out some of the volatility, fell to by almost 6,000 in the week ending November 13 to 273,000. The four-week moving average has fallen for six straight weeks, and is also at its lowest level since the beginning of the pandemic.

Initial claims have been dropping over the past few months, and are rapidly approaching their pre-pandemic level of around 200,000. Initial claims jumped to more than 6 million in April of last year as the pandemic came to the U.S. They then fell quickly to around 900,000 per week by early August 2020, then stabilized at between 700,000 and 900,000 between August 2020 and March 2021. Claims fell gradually but steadily this spring before stabilizing at around 400,000 per week, and then started to decline again in August.

The total number of people receiving benefits under regular state unemployment insurance programs (continued claims) fell to 2.080 million in the week ending November 6, from 2.209 million the previous week. Continued claims have fallen in seven of the past eight weeks. The four-week moving average of continued claims fell to 2.157 million, from 2.257 million. These are the lowest levels for continued claims since March 2020, as the pandemic was first coming to the U.S. The four-week moving average of continued claims has fallen every week but once since late May as unemployed workers leave the rolls, either because their benefits have expired or because they have found a new job.

State continued claims peaked at more than 23 million in May 2020, and are gradually moving closer to their pre-recession level of around 1.7 million. With most people receiving benefits via pandemic-related programs until recently, continued claims under regular state programs had been less important as a labor market indicator. But those pandemic-related programs expired in September, and regular state continued claims are now more relevant.

The ongoing improvement in the U.S. labor market is clear in initial and continued unemployment insurance claims that are steadily falling and approaching their pre-pandemic levels. Demand for labor is very strong and workers are in short supply, so layoffs are very low right now. Those workers who do find themselves unemployed can quickly find new jobs. The biggest problem for the labor market in late 2021 is too few workers; there are about 3 million fewer people in the labor force now than there were before the pandemic. Millions of people lost their unemployment insurance benefits in September, or saw their benefits drop, as special pandemic-related UI programs expired. The expectation is that these people will soon reenter the labor force, relieving some of the labor shortages and allowing for stronger job growth. But labor force participation barely budged in September and October after the expiration of these benefits. Job growth in 2023 could be weaker than expected if these potential workers are slow to return to the labor force.

ACTION ECONOMICS SURVEY	Last Actual	PNC FINANCIAL SERVICES GROUP COMMENT
Oct Existing Home Sales (11/22, Monday) Range: 6.100 to 6.370 million Median: 6.200 million	6.290M (Sept)	Down to 6.10 million.
Oct Durable Goods Orders (11/24, Wednesday) Range: -0.5 to 1.0 percent Median: 0.4 percent	-0.3% (Sept)	Up 0.6 percent. Shipments up 0.7 percent.
Q3 GDP Second Report (11/24, Wednesday) Range: 2.0 to 2.6 percent Median: 2.2 percent	2.0% (Q3 1st report)	Revised up to 2.1 percent.
Q3 Chain Price Index Second Report (11/24, Wednesday) Range: 5.7 to 5.8 percent Median: 5.7 percent	5.7% (Q3 1st report)	Unrevised at 5.7 percent.
Initial Claims, Week of 11/20/21 (11/24, Wednesday) Range: 250K to 270K Median: 263K	268K (11/13/21)	Down to 263K.
Oct Personal Income (11/24, Wednesday) Range: -0.1 to 1.1 percent Median: 0.2 percent	-1.0% (Sept)	Up 0.4 percent. Unemployment and childcare payments fell but wage and salary income rose a strong 0.9 percent.
Oct Personal Consumption Expend. (11/24, Wednesday) Range: 0.5 to 1.3 percent Median: 1.0 percent	0.6% (Sept)	Up 1.2 percent. The total and core PCED rose 0.6 percent and 0.4 percent bringing their Y/Y percent rise up to 4.9 and 4.0 percent, respectively.
Oct New Home Sales (11/24, Wednesday) Range: 0.725 to 0.820 million Median: 0.800 million	0.800M (Sept)	Down to .750 million.
Nov U. Mich. Consumer Sentiment (final) (11/24, Wednesday) Range: 66.6 to 70.0 Median: 67.0	66.8 (Oct)	Up to 68.0.
Nov Consumer Confidence (11/30, Tuesday) Range: 106.0 to 113.9 Median: 110.0	113.8 (Oct)	Down to 112.0.
Nov ADP Employment Survey (12/1, Wednesday) Range: 342K to 665K Median: 480K	571 (Oct)	Up 650K.

ACTION ECONOMICS SURVEY	Last Actual	PNC FINANCIAL SERVICES GROUP COMMENT
Nov ISM (12/1, Wednesday) Range: 59.4 to 62.0 Median: 61.0	60.8 (Oct)	Up to 62.0.
Oct Construction Spending (12/1, Wednesday) Range: 0.0 to 1.1 percent Median: 0.8 percent	-0.5% (Sept)	Up 0.4 percent.
Nov Nonfarm Payrolls (12/3, Friday) Range: 306K to 675K Median: 500K	531K (Oct)	Up 575K.
Nov Private Nonfarm Payrolls (12/3, Friday) Range: 300K to 685K Median: 525K	604K (Oct)	Up 525K.
Nov Manufacturing Payrolls (12/3, Friday) Range: 18K to 53K Median: 45K	60K (Oct)	Up 45K.
Nov Unemployment Rate (12/3, Friday) Range: 4.4 to 4.7 percent Median: 4.5 percent	4.6% (Oct)	Down to 4.5 percent.
Nov Average Hourly Earnings (12/3, Friday) Range: 0.4 to 0.6 percent Median: 0.4 percent	0.4% (Oct)	Up 0.5 percent.
Nov Hours Worked (12/3, Friday) Range: 34.7 to 34.8 hours Median: 34.7 hours	34.7hrs (Oct)	Up to 34.8 hours.
Oct Factory Orders (12/3, Friday) Range: -0.2 to 0.9 percent Median: 0.5 percent	0.2% (Sept)	Up 0.7 percent. Shipments up 0.8 percent.
Nov ISM-NMI (12/3, Friday) Range: 63.0 to 67.8 Median: 65.0	66.7 (Oct)	Down to 63.5.

Visit <http://www.pnc.com/economicreports> to view the full listing of economic reports published by PNC's economists.

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MONTHLY CALENDAR OF ECONOMIC DATA

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Nov/Dec 2021

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY																																																																																																								
8	9 PRODUCER PRICE INDEX <table><thead><tr><th></th><th>Total</th><th>Core</th></tr></thead><tbody><tr><td>Aug</td><td>0.7%</td><td>0.3%</td></tr><tr><td>Sept</td><td>0.5</td><td>0.1</td></tr><tr><td>Oct</td><td>0.6</td><td>0.4</td></tr></tbody></table>		Total	Core	Aug	0.7%	0.3%	Sept	0.5	0.1	Oct	0.6	0.4	10 CONSUMER PRICE INDEX <table><thead><tr><th></th><th>Total</th><th>Core</th></tr></thead><tbody><tr><td>Aug</td><td>0.3%</td><td>0.1%</td></tr><tr><td>Sept</td><td>0.4</td><td>0.2</td></tr><tr><td>Oct</td><td>0.9</td><td>0.6</td></tr></tbody></table>		Total	Core	Aug	0.3%	0.1%	Sept	0.4	0.2	Oct	0.9	0.6	11	12 Nov U Mich Consumer Sentiment (prelim)																																																																																
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15	16 RETAIL SALES <table><thead><tr><th></th><th>Total</th><th>Ex-Autos</th></tr></thead><tbody><tr><td>Aug</td><td>1.2%</td><td>2.2%</td></tr><tr><td>Sept</td><td>0.8</td><td>0.7</td></tr><tr><td>Oct</td><td>1.7</td><td>1.7</td></tr></tbody></table> MFG and TRADE <table><thead><tr><th></th><th>Inv</th><th>Sales</th></tr></thead><tbody><tr><td>July</td><td>0.6%</td><td>0.5%</td></tr><tr><td>Aug</td><td>0.8</td><td>0.1</td></tr><tr><td>Sept</td><td>0.7</td><td>0.9</td></tr></tbody></table> IND PROD CAP UTIL <table><tbody><tr><td>Aug</td><td>0.0%</td><td>76.2%</td></tr><tr><td>Sept</td><td>-1.3</td><td>75.2</td></tr><tr><td>Oct</td><td>1.6</td><td>76.4</td></tr></tbody></table> Oct Import Price Index		Total	Ex-Autos	Aug	1.2%	2.2%	Sept	0.8	0.7	Oct	1.7	1.7		Inv	Sales	July	0.6%	0.5%	Aug	0.8	0.1	Sept	0.7	0.9	Aug	0.0%	76.2%	Sept	-1.3	75.2	Oct	1.6	76.4	17 HOUSING(000) <table><thead><tr><th></th><th>Starts</th><th>Permits</th></tr></thead><tbody><tr><td>Aug</td><td>1,573</td><td>1,721</td></tr><tr><td>Sept</td><td>1,530</td><td>1,586</td></tr><tr><td>Oct</td><td>1,520</td><td>1,650</td></tr></tbody></table>		Starts	Permits	Aug	1,573	1,721	Sept	1,530	1,586	Oct	1,520	1,650	18 LEADING INDICATORS <table><tbody><tr><td>Aug</td><td>0.7%</td></tr><tr><td>Sept</td><td>0.1</td></tr><tr><td>Oct</td><td>0.9</td></tr></tbody></table>	Aug	0.7%	Sept	0.1	Oct	0.9	19																																																					
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22 EXISTING HOME SALES(000) <table><tbody><tr><td>Aug</td><td>5.880</td></tr><tr><td>Sept</td><td>6.290</td></tr><tr><td>Oct</td><td></td></tr></tbody></table>	Aug	5.880	Sept	6.290	Oct		23 11/24 ADV DURABLE GOODS <table><thead><tr><th></th><th>Total</th><th>Ex-Transp</th></tr></thead><tbody><tr><td>Aug</td><td>1.3%</td><td>0.3%</td></tr><tr><td>Sept</td><td>-0.4</td><td>0.4</td></tr><tr><td>Oct</td><td></td><td></td></tr></tbody></table> GROSS DOMESTIC PRODUCT 3rd Qtr (2nd estimate) <table><thead><tr><th></th><th>Real GDP</th><th>Price Index</th></tr></thead><tbody><tr><td>Q3'20</td><td>33.8%</td><td>3.6%</td></tr><tr><td>Q4'20</td><td>4.5</td><td>2.2</td></tr><tr><td>Q1'21</td><td>6.3</td><td>4.3</td></tr><tr><td>Q2'21</td><td>6.7</td><td>6.1</td></tr><tr><td>Q3'21(1st)</td><td>2.0</td><td>5.7</td></tr><tr><td>Q3'21(2nd)</td><td></td><td></td></tr></tbody></table> NEW HOME SALES(000) <table><tbody><tr><td>Aug</td><td>702</td></tr><tr><td>Sept</td><td>800</td></tr><tr><td>Oct</td><td></td></tr></tbody></table>		Total	Ex-Transp	Aug	1.3%	0.3%	Sept	-0.4	0.4	Oct				Real GDP	Price Index	Q3'20	33.8%	3.6%	Q4'20	4.5	2.2	Q1'21	6.3	4.3	Q2'21	6.7	6.1	Q3'21(1 st)	2.0	5.7	Q3'21(2 nd)			Aug	702	Sept	800	Oct		24 Unemployment Claims (000) <table><thead><tr><th></th><th>Aug</th><th>Sept</th><th>Oct</th><th>Nov</th></tr></thead><tbody><tr><td></td><td>377</td><td>312</td><td>329</td><td>269</td></tr><tr><td></td><td>349</td><td>335</td><td>296</td><td>268</td></tr><tr><td></td><td>354</td><td>351</td><td>291</td><td></td></tr><tr><td></td><td>345</td><td>364</td><td>283</td><td></td></tr><tr><td></td><td></td><td></td><td>271</td><td></td></tr></tbody></table> PERSONAL <table><thead><tr><th></th><th>Income</th><th>Spending</th></tr></thead><tbody><tr><td>Aug</td><td>0.2%</td><td>1.0%</td></tr><tr><td>Sept</td><td>-1.0</td><td>0.6</td></tr><tr><td>Oct</td><td></td><td></td></tr></tbody></table> Nov U Mich Consumer Sentiment (final)		Aug	Sept	Oct	Nov		377	312	329	269		349	335	296	268		354	351	291			345	364	283					271			Income	Spending	Aug	0.2%	1.0%	Sept	-1.0	0.6	Oct			25 Thanksgiving Day (All Markets Closed)	26																	
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29	30 CASE-SHILLER HPI 20-City Composite(SA) <table><thead><tr><th></th><th>M/M</th><th>Y/Y</th></tr></thead><tbody><tr><td>July</td><td>1.5</td><td>20.0</td></tr><tr><td>Aug</td><td>1.2</td><td>19.6</td></tr><tr><td>Sept</td><td></td><td></td></tr></tbody></table> CB CONSUMER CONFIDENCE <table><thead><tr><th></th><th>Total</th><th>Current</th><th>Expect</th></tr></thead><tbody><tr><td>Sept</td><td>109.8</td><td>144.3</td><td>86.7</td></tr><tr><td>Oct</td><td>113.8</td><td>147.4</td><td>91.3</td></tr><tr><td>Nov</td><td></td><td></td><td></td></tr></tbody></table> Nov Chicago PMI		M/M	Y/Y	July	1.5	20.0	Aug	1.2	19.6	Sept				Total	Current	Expect	Sept	109.8	144.3	86.7	Oct	113.8	147.4	91.3	Nov				Dec 1 ISM MFG INDEX <table><tbody><tr><td>Sept</td><td>61.1</td></tr><tr><td>Oct</td><td>60.8</td></tr><tr><td>Nov</td><td></td></tr></tbody></table> CONSTRUCTION SPENDING <table><tbody><tr><td>Aug</td><td>0.1%</td></tr><tr><td>Sept</td><td>-0.5</td></tr><tr><td>Oct</td><td></td></tr></tbody></table> <table><thead><tr><th></th><th colspan="2">Autos</th><th colspan="2">Light</th><th>Total</th></tr><tr><th></th><th>Dom</th><th>For</th><th>Truck</th><th>Truck</th><th>Total</th></tr></thead><tbody><tr><td>Sept</td><td>1.8</td><td>0.8</td><td>9.6</td><td>12.2</td><td></td></tr><tr><td>Oct</td><td>1.9</td><td>0.9</td><td>10.2</td><td>13.0</td><td></td></tr><tr><td>Nov</td><td></td><td></td><td></td><td></td><td></td></tr></tbody></table> Nov ADP Employment Survey	Sept	61.1	Oct	60.8	Nov		Aug	0.1%	Sept	-0.5	Oct			Autos		Light		Total		Dom	For	Truck	Truck	Total	Sept	1.8	0.8	9.6	12.2		Oct	1.9	0.9	10.2	13.0		Nov						2 2	3 EMPLOYMENT REPORT <table><thead><tr><th></th><th>U.Rate</th><th>Jobs(000)</th></tr></thead><tbody><tr><td>Sept</td><td>4.8%</td><td>+312</td></tr><tr><td>Oct</td><td>4.6</td><td>+531</td></tr><tr><td>Nov</td><td></td><td></td></tr></tbody></table> MANUFACTURERS' <table><thead><tr><th></th><th>Ship</th><th>Inv</th><th>Orders</th></tr></thead><tbody><tr><td>Aug</td><td>0.1</td><td>0.7</td><td>1.0</td></tr><tr><td>Sept</td><td>0.6</td><td>0.8</td><td>0.2</td></tr><tr><td>Oct</td><td></td><td></td><td></td></tr></tbody></table> ISM NON-MFG INDEX <table><tbody><tr><td>Sept</td><td>61.9</td></tr><tr><td>Oct</td><td>66.7</td></tr><tr><td>Nov</td><td></td></tr></tbody></table>		U.Rate	Jobs(000)	Sept	4.8%	+312	Oct	4.6	+531	Nov				Ship	Inv	Orders	Aug	0.1	0.7	1.0	Sept	0.6	0.8	0.2	Oct				Sept	61.9	Oct	66.7	Nov	
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