

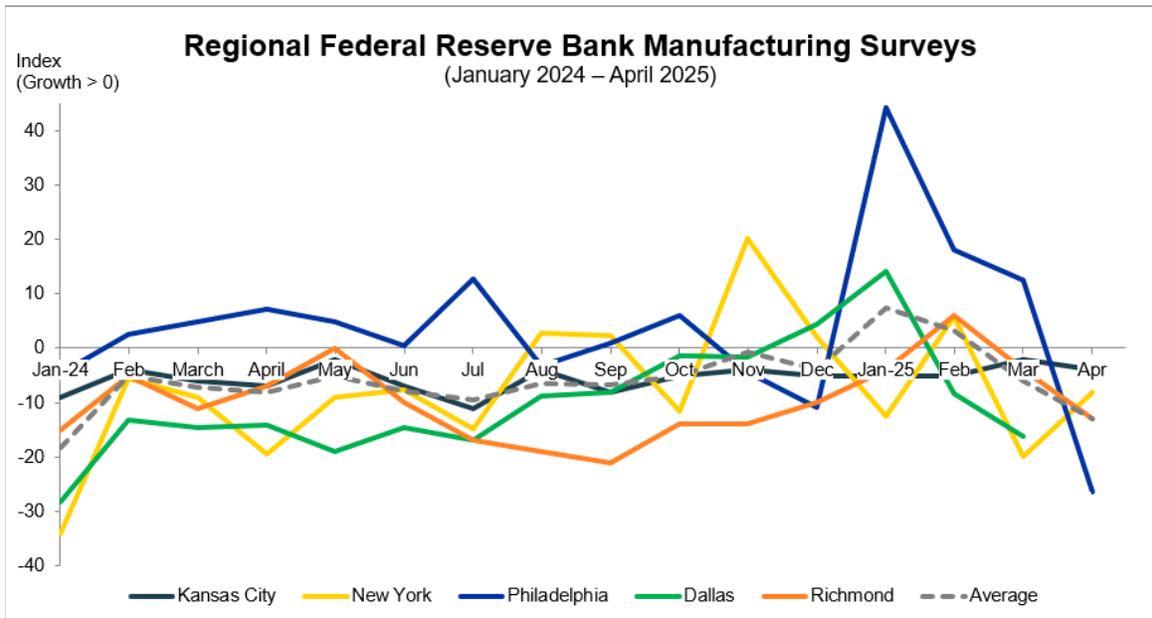
MONDAY ECONOMIC REPORT



Regional Manufacturing Surveys and Flash PMI Display Conflicting Narrative Amid Tariffs

April 28, 2025 – [SHARE](#)

By Victoria Bloom with contributions from Mary Frances Holland
Manufacturing-Focused Weekly Toplines



- **Kansas City manufacturers are feeling price pressure:** Manufacturing activity fell modestly in the Tenth District in April, with the month-over-month composite index down two points to -4. Meanwhile, expectations for future activity declined slightly but remained positive.

- **What it means:** Most month-over-month indexes were negative, apart from prices, supplier delivery times and inventories for finished goods. Manufacturers in the Kansas City Federal Reserve District highlight significant rising costs from tariffs, with respondents expecting potential layoffs and price increases for consumers.
- **Meanwhile, manufacturing activity slowed further in Richmond:** The composite manufacturing index fell from -4 to -13 in the Fifth District in April. Furthermore, expectations for future shipments and new orders both declined considerably and turned negative, suggesting that firms anticipate significant deterioration in these areas over the next six months.
 - **Why it matters:** Businesses in the Fifth District are much more hesitant about the prospects for future growth and making new investments. The further deterioration in optimism looking ahead doesn't bode well that an improvement in activity will return.
- **Flash PMI signals slight growth in manufacturing activity:** The S&P Global Flash U.S. Manufacturing PMI rose from 50.2 in March to 50.7 in April, above the 50-point marker that signals growth. Factory production edged back into growth after declining last month. New orders also rose at an increased rate, due to higher domestic orders. Meanwhile, falling export sales were linked widely to new tariffs, and the average price for goods and services in manufacturing rose to a 29-month high, as suppliers navigate tariff-based price hikes and a weakened exchange rate.
 - **What it means:** While the Flash PMI is only an early estimate of manufacturing activity based on 85% of survey responses, it can give an indication of where activity is trending. As manufacturing activity appears to have picked up marginally in April, the growth of the service sector slowed sharply, indicating that manufacturing activity and sentiment were more resilient to tariffs than the service sector.

This Week's Economic Indicators

Monday, April 28
*Texas Manufacturing Outlook
Survey*

*Pending Home Sales
PCE Price Index
Personal Income and Outlays*

Tuesday, April 29

*Wholesale and Retail Inventories
(Advance)
S&P CoreLogic Case-Shiller
Home Price Index
Conference Board Consumer
Confidence
Job Openings and Labor
Turnover Survey*

Wednesday, April 30

*GDP (Q1 2025 Advance
Estimate)
Employment Cost Index*

Thursday, May 1

*S&P U.S. Manufacturing PMI
Construction Spending
ISM Manufacturing Index*

Friday, May 2

*Employment Report
Factory Orders
J.P. Morgan Global
Manufacturing PMI*

Deeper Dive

- **Kansas City Fed Manufacturing Survey:** Manufacturing activity fell modestly in the Tenth District in April, with the month-over-month composite index down two points to -4. Meanwhile, expectations for future activity declined slightly but remained positive. The Tenth Federal Reserve District encompasses the western third of Missouri; all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming; and the northern half of New Mexico. The month-over-month decrease in activity continued to be due primarily to declines in nondurable manufacturing, specifically food and print manufacturing. Most month-over-month indexes were negative, apart from prices, supplier delivery times and inventories for finished goods. Written responses highlight significant price pressure from tariffs, with respondents expecting potential layoffs and price increases for consumers.

[How much did other indexes change?](#)

- **Richmond Fed Survey of Manufacturing Activity:** Manufacturing activity in the Fifth District slowed further in April. The composite manufacturing index fell from -4 in March to -13 in April. Manufacturers continue to be less optimistic looking ahead, with the outlook for future local business conditions falling from -22 in March to -37 in April. The Fifth Federal Reserve District consists of Virginia, Maryland, the Carolinas, the District of Columbia and most of West Virginia.

[How are other components trending?](#)

- **S&P Global Flash U.S. Manufacturing PMI:** The S&P Global Flash U.S. Manufacturing PMI rose from 50.2 in March to 50.7 in April, a two-month high and above the 50-point marker that signals growth in business conditions. Factory production edged back into growth after declining last month. New orders also rose at an increased rate, due to higher domestic orders. Meanwhile, falling export sales were linked widely to new tariffs. The Flash PMI is based on 85% of survey responses for the monthly PMI survey, so although not final, it can give an indication of where activity is trending.

[Are manufacturers still optimistic about the future?](#)

- **Existing Home Sales:** Existing home sales decreased 5.9% in March and 2.4% from March 2024. Housing inventory grew to 1.33 million units, reflecting an 8.1% rise from February and a 19.8% jump from last year. The median existing home price was \$403,700, up 2.7% from last year, with all four U.S. regions reporting price increases.

[Get more context.](#)

- **New Home Sales:** New single-family home sales rose a seasonally adjusted 7.4% in March and 6.0% over the year. The median sales price for new homes sold in March was \$403,600, a 1.9% decrease from the previous month and 7.5% lower than in March 2024. The average sales price was \$497,700, up 1.0% from February but down 4.7% from March 2024. The inventory of new homes available for sale was estimated at 503,000, an increase of 0.6% from February and 7.9% over the year. The supply of new homes for sale dropped to 8.3 months at the current sales pace, down 6.7% from February.
- **Durable Goods (Advance):** New orders for manufactured durable goods surged 9.2% in March, up \$26.6 billion to \$315.7 billion. Transportation equipment drove the increase, rising 27.0%, with nondefense aircraft and parts leaping 139.0%. When excluding transportation, new orders were unchanged.
- **University of Michigan Consumer Sentiment Index:** Consumer sentiment fell for a fourth month in a row in April, declining 8.4% from March to an index reading of 52.2. The expectations index plunged more than 10% to 47.3 and is now down 32% since January. Although sentiment decreased across all demographic and political groups, this month's deterioration was particularly strong for middle-income families. Labor market expectations remained bleak,

and consumers anticipated weaker income growth in the year ahead. This is notable because in recent years, strong labor markets and incomes have been the primary reason for continued durability in consumer spending.

Year-ahead inflation expectations surged for a fourth consecutive month in April from 5.0% to 6.5%, the highest reading since 1981. Long-run inflation expectations also rose from 4.1% to 4.4%, led by a large jump in concerns from independents. Overall, aggregate sentiment has been led by independents' views, and thus not swung by polarization across the two major parties.

- **Conference Board U.S. Leading Economic Index:** The Conference Board Leading Economic Index for the U.S. fell 0.7% to 100.5 in March, following a revised 0.2% decrease in February. Over the past six months, the LEI has fallen 1.2%, roughly half of the 2.3% decline in the prior six months. The LEI pointed to slowing economic activity ahead amid soaring uncertainty. The decline in the LEI was led by weakening consumer expectations, declining stock market prices and softening manufacturing orders. Nevertheless, the data does not show that a recession has begun, but the Conference Board did lower its U.S. GDP growth forecast to 1.6% for 2025.

Meanwhile, the Coincident Economic Index ticked up 0.1% to 114.4 in March, after a 0.3% rise the previous month. As a result, the CEI has grown 0.8% in the past six months, up slightly from the 0.7% growth rate in the previous six months. Of the four underlying indicators that make up the CEI, industrial production was the only negative indicator in March and declined for the first time since November 2024. The Lagging Economic Index edged down 0.1% in March to 119.1 but has risen 0.7% over the past six months, reversing the 0.7% decline over the previous six months.

