

Macroeconomic Current

*Key Data and High-Frequency Indicators
of Economic Activity*



in partnership with

EQUIFAX

Market Pulse

Prepared By:











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Updated:

May 22, 2026

Summary for May 22, 2026

A “battle royal” is unfolding in the U.S. economy. On the positive side: off-the-charts capex spending on AI, a booming S&P 500 index, industrial production that seems to be reviving after flatlining in 2025, and retail sales that appear to be holding their own. On the negative side: the Strait of Hormuz remains closed, gasoline prices keep rising (\$4.55 today), and April inflation—CPI (3.8% Y/Y) and PPI (6.0% Y/Y)—exceeded expectations, suggesting that real incomes may be evaporating. The Atlanta Fed’s GDPNow model predicts 4.3% growth in Q2. But other current-quarter models that we also consider reliable (that assume a bigger push from diesel prices into transportation costs and therefore higher Q2 inflation) see a GDP number closer to zero for Q2. Something has got to give! We worry that there may be “money illusion” at work that creates a fog when prices rise. For example, the 0.5% M/M increase in nominal retail sales in April initially impressed analysts, but CPI was up 0.6% M/M in April, suggesting that real consumer spending may have fallen 0.1%—a drag for Q2 GDP. We sympathize with new Fed Chair Kevin Warsh. Although he would like to cut rates, we believe that CPI will soon be in the low 4% range and that his FOMC colleagues may be more interested in a rate increase than a decrease.

	 Growth & Recession	 Business & Finance	 Labor Market	 Consumers	 Housing	 Inflation	 Industry & Manufac.
Latest Highlights	Well-known growth forecasts remain strong, though high oil prices are a significant headwind	Equity markets remain bullish, but bond markets are increasingly signaling nervousness	The labor market is in stasis as layoffs remain low but hiring and job openings are lower compared to last year	Consumers are increasingly pessimistic but continue to spend. Can this continue?	Higher mortgage rates continue to weigh on affordability even as some metrics show improvement	Headline CPI jumped 0.6% M/M in April as high oil prices continue to exert inflationary pressure	Manufacturing activity continues to expand as April industrial production rose
Emerging Risks & Opportunities?	—	 Short-run expectations of business conditions have fallen 30% since February, according to University of Michigan	—	—	 Residential building permits jumped 5.8% M/M in April, but starts dipped	 The price index for food at home increased 0.7% M/M in April	—



Growth Forecasts

Quarter-over-Quarter Growth | The latest GDPNow estimate from the Atlanta Fed suggests that GDP will expand at an annual rate of 4.3% in Q2 2026. This latest reading is revised down slightly, a reflection of lower-than-expected residential investment (0.06 percentage points of expected growth). Consumer spending and inventory investment continue to drive growth forecasts (1.95 and 1.06 percentage points of expected growth, respectively).



Recession Risks

Recession Risks | The National Bureau of Economic Research (NBER) weighs the health of various metrics when declaring a recession, including the five listed below. Currently, 3 of these measures – employment, industrial production, and consumer spending – are experiencing growth. Real retail sales and real personal income are showing signs of slipping, both weighed down by high oil prices and inflation.

Real GDP “Nowcasting” Over Time

Percent change, seasonally adjusted annual rate

Latest estimate: **May 21**



Note: From the Atlanta Fed, GDPNow “provides a ‘nowcast’ of the official estimate [of the growth rate of real gross domestic product, or GDP] prior to its release by estimating GDP growth using a methodology similar to the one used by the U.S. Bureau of Economic Analysis. It is best viewed as a running estimate of real GDP growth based on available economic data for the current measured quarter.” The GDPNow forecast is constructed by aggregating forecasts for 13 subcomponents that comprise GDP, including net exports, personal consumption expenditures, residential investment, nonresidential fixed investment, government spending, and change in private inventories.

Key Indicator		M/M change	Y/Y change
Employment (Total nonfarm payroll employment, BLS, April, SA)	▲	+115K	+251K
Industrial Production (Total Index, Federal Reserve, 2017=100, April, SA)	▲	+0.7%	+1.4%
Real Retail Sales (Inflation-adjusted, Census Bureau & St. Louis Fed, April, SA)	■	-0.1%	+1.1%
Real Personal Income (Inflation-adjusted DPI, BEA, March, SA)	■	-0.1%	+0.4%
Real Consumer Spending (Inflation-adjusted PCE, BEA, March, SA)	▲	+0.2%	+2.1%

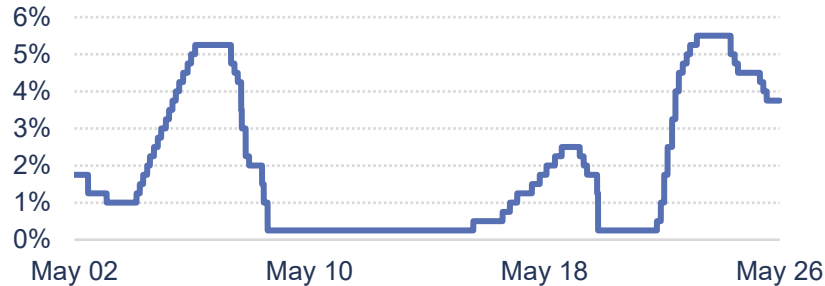


Business & Finance

Business and Finance Update | Financial markets generally continue to be healthy, though rising bond yields are increasingly a concern. While equity markets continue to post new highs, bond markets are signaling nervousness as high oil prices and inflation worries mean that prediction markets now think a rate hike is more likely than a rate cut by the end of 2026. Meanwhile, April was a strong month for business applications in most states.

Federal Funds Rate and Projections

Federal Reserve and CME Group, percent, daily



Current target range:
350-375 bps

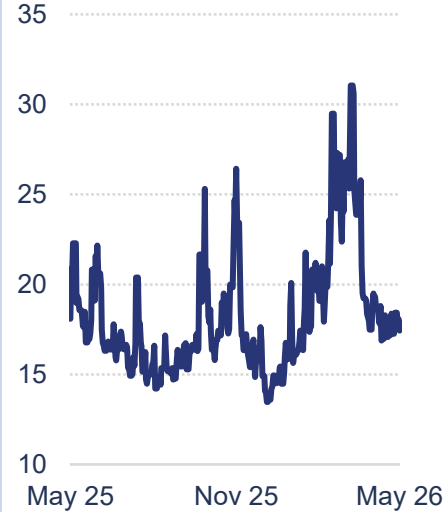
Future Probabilities

Jun. 17 **96%**
350-375 No change

Jul. 29 **84%**
350-375 No change

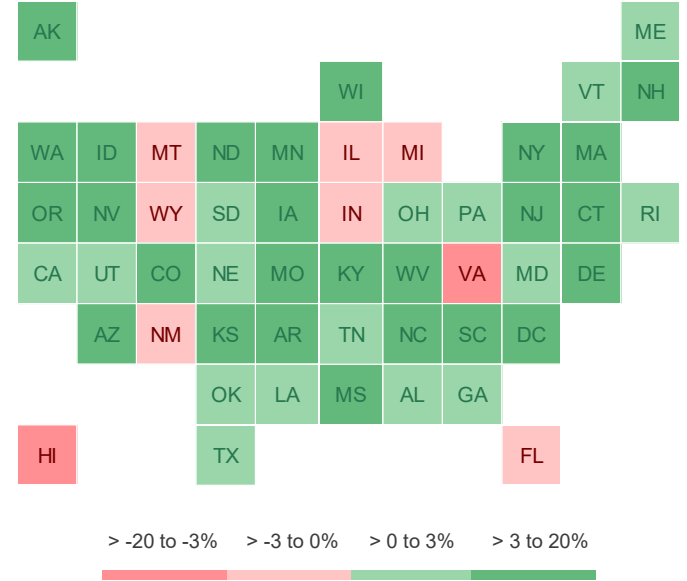
Market Volatility Index (VIX)

CBOE, S&P 500, close, daily



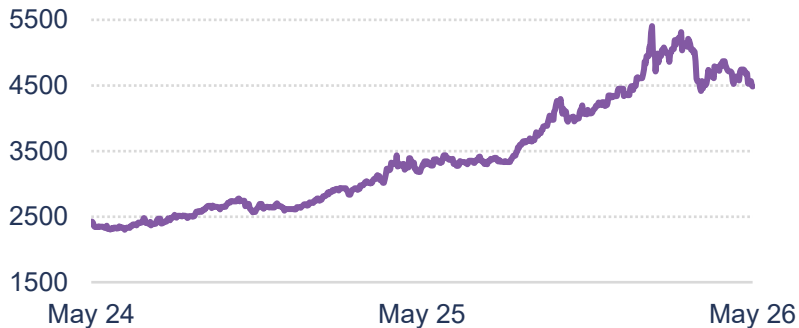
Monthly Growth in Business Applications

Census, M/M, April, seasonally adjusted



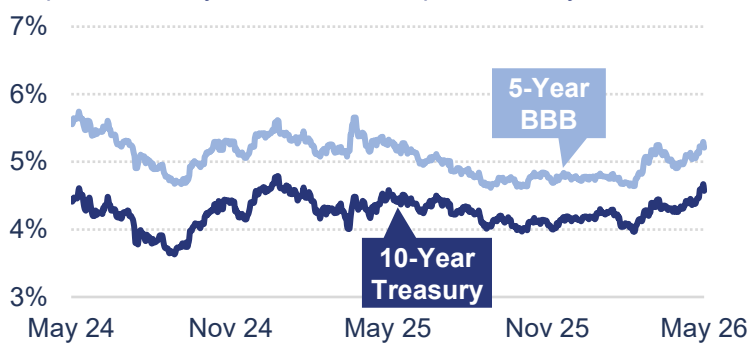
Commodity Prices: Gold

LBMA, world gold price, USD per troy ounce, daily



Bond Yields: 10-Year Treasury and 5-Year BBB

Dept. of Treasury and Macrobond, percent, daily



Nominal Dollar Index vs. 10 Major Currencies

Federal Reserve, index, goods only, daily



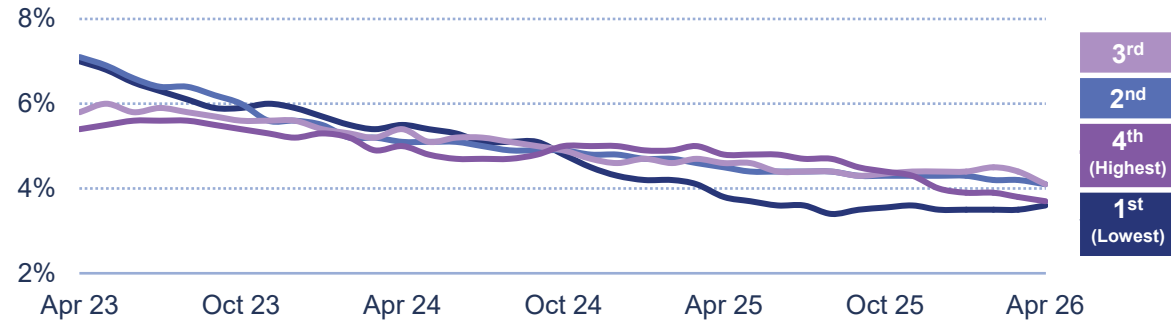


Labor Market

Labor Market Update | The labor market continues to tread water as layoffs remain low, but hiring is somewhat subdued. Initial claims for unemployment remain low by historical standards and small business hiring plans and job openings are in line with this time last year. Still, there has been continued cooling in wage growth and in jobs postings for work categories that tend to fill towards the end of the business cycle, both of which are a concern.

Year-over-year Growth in Hourly Wages, by Wage Quartile

Atlanta Fed, 12-month moving average of median growth



NFIB Small Business Surveys

Seasonally adjusted % of firms with:

Prior Year

	Mar 2026	Apr 2026	Mar 2025	Apr 2025
Job Openings	32%	34%	40%	34%
Plans (Net) for More Employment	12%	13%	12%	13%
Plans (Net) for Higher Compensation	18%	18%	19%	17%

Unemployment Insurance

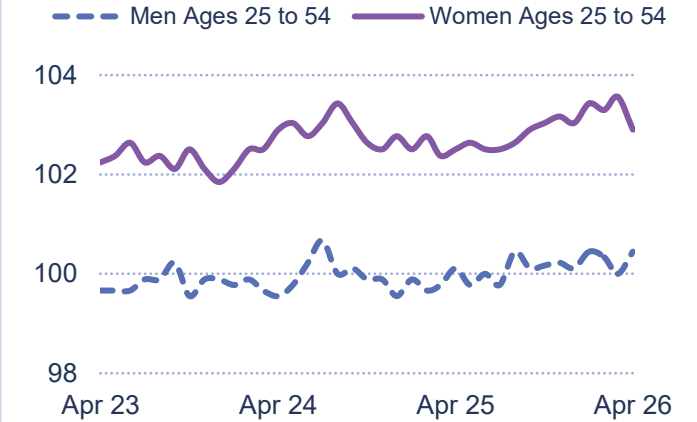
DOL, weekly claims, seasonally adjusted

Released: May 21

	Initial	Continued
Latest Estimate	209,000	1,782,000
Prior Week's Estimate (rev.)	212,000	1,776,000
Change	-3,000	+6,000

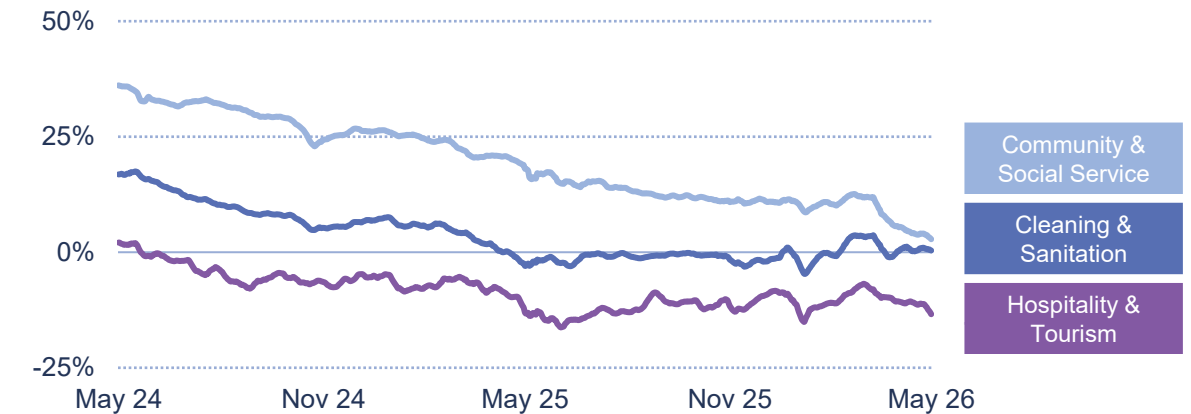
Labor Force Participation Rates

Bureau of Labor Statistics, January 2019 = 100



Change in Job Postings by Industry since February 2020

Indeed Hiring Lab, seasonally adjusted, 7DMA





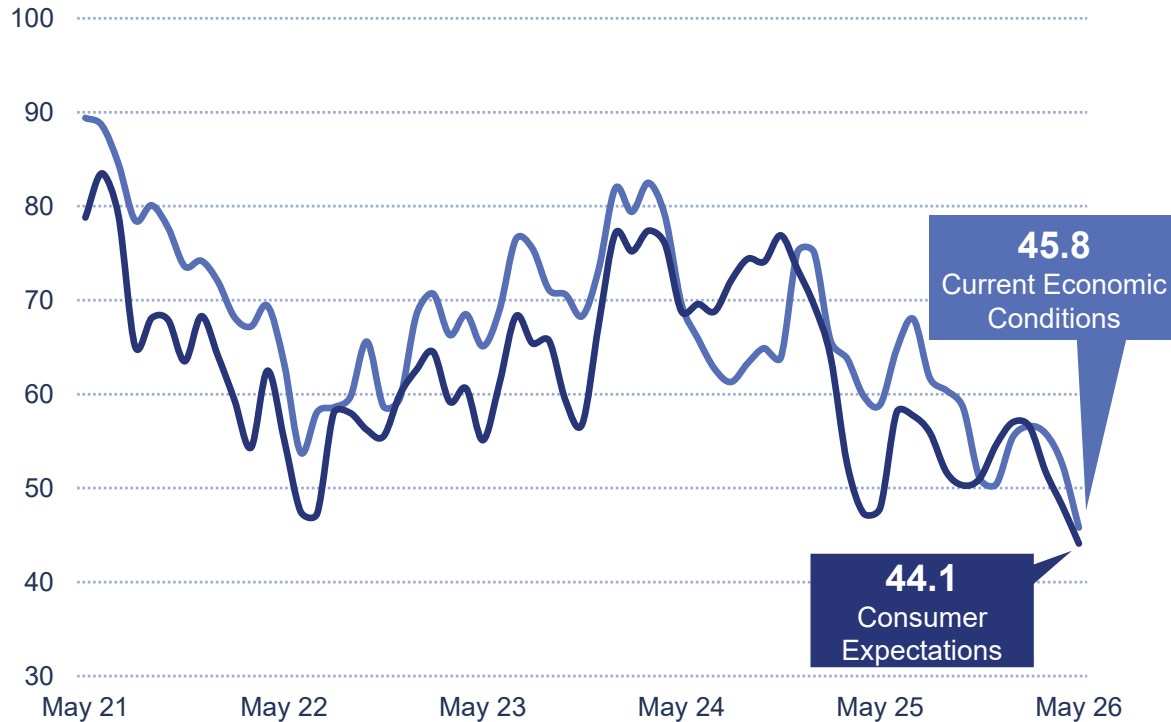
Consumers

Consumers Update | Consumers are largely still spending even as consumer pessimism and concerns about high prices intensify. Though retail sales surpassed expectations in April, they dipped slightly in real terms as some consumers, especially lower income ones, continue to feel squeezed by high gas prices and reaccelerating inflation. Even so, Visa's Spending Momentum Index indicates a slight acceleration in spending. Overall, auto sales have decelerated a bit.

Consumer Sentiment

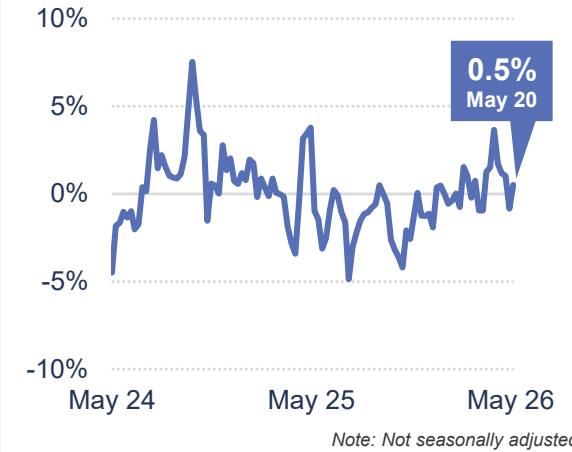
Survey of Consumers, University of Michigan

Release: **Final**



Motor Gasoline Supplied (Demand)

EIA, YoY % Change, 4WMA



National Average Gasoline Price

AAA, regular unleaded, USD, daily

Today May 22	\$4.55 ▲
Week Ago May 15	\$4.53
Month Ago April 22	\$4.02
Record High June 24, 2022	\$5.02

Light Vehicle Sales

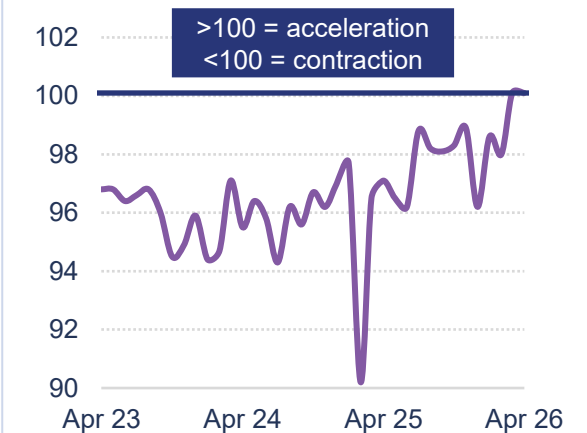
BEA*, millions, SA, annual rate, monthly

Latest Month April 2026	15.9 M
Prior Month March 2026	16.3 M
Pre-Pandemic Average Jan. 2015 – Jan. 2020	17.2 M

* If the BEA figure has not yet been released for the latest month, Cox Automotive's estimate may be substituted instead

Visa Spending Momentum Index

Diffusion index, vs. one year ago, SA, monthly





Housing

Housing Update | The housing market continues to sidewind as a long-hoped-for recovery remains elusive due to stubbornly high mortgage rates. In positive news, home sales, active listings, and mortgage applications are all up Y/Y and homebuilder sentiment lifted a bit in May. Nevertheless, mortgage rates are up more than half a percentage point from their most recent low in February and price increases have accelerated in recent weeks, especially in DC, Denver, and Chicago.

NAHB Housing Market Index

Measure of builder sentiment

Feb: **37** Mar: **38** Apr: **34** May: **37**
 30-year avg. = 52 30-year avg. = 52 30-year avg. = 50 30-year avg. = 51

Mortgage Applications Index

Mortgage Bankers Association



Homes Sold in All Metros

Y/Y % change, Redfin

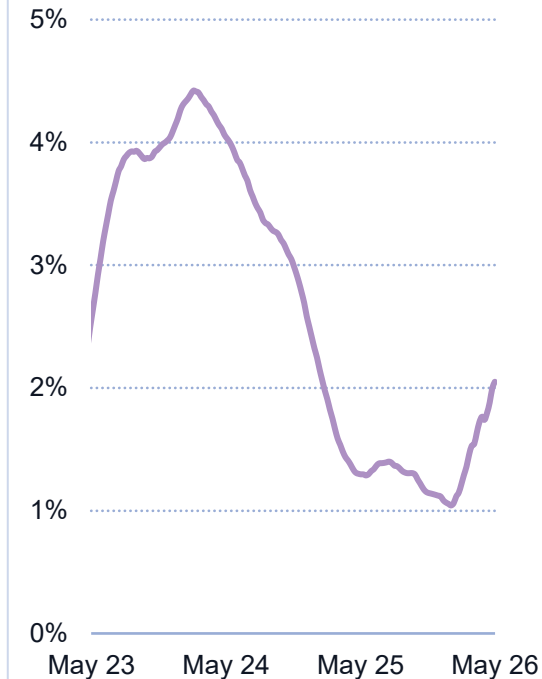


May 17

	Latest	Y/Y Change
Active Listings	1,493k	+1.4%
Days on Market	41	+3 days

Redfin Median Home Sale Price

All residential, Y/Y % change, 4WMA



Regional Sale Prices

Redfin, all residential, Y/Y % change, week ending May 17

Metro Area	Y/Y % Change
Washington, DC	+2.1%
New York, NY	+1.0%
Los Angeles, CA	-0.9%
Seattle, WA	-1.8%
Dallas, TX	-0.4%
Phoenix, AZ	+0.4%
Atlanta, GA	+0.5%
Chicago, IL	+2.6%
Miami, FL	-2.5%
Denver, CO	+1.5%

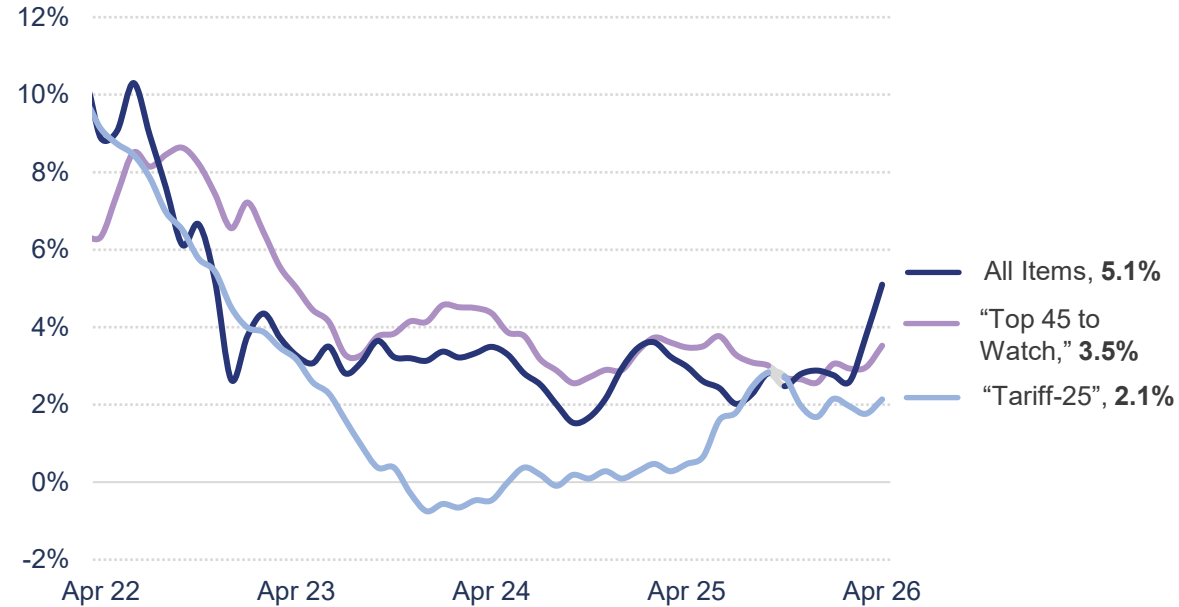


Inflation

Inflation Update | The inflation situation continues to deteriorate as oil prices fluctuate but remain high. Headline CPI jumped 0.6% M/M in April, accelerating to 3.8% Y/Y. Headline CPI is now running at 5.1% at an annual rate over the last six months. Our Top 45 to Watch measure rose to 3.5% at a six-month annualized rate as high oil prices start to put pressure on fuel-dependent categories other than gasoline. Unsurprisingly, consumer inflation expectations ticked up in May.

Change in Consumer Prices by Category*

Six-month annualized rates, monthly



* Since August 2021 and March 2025, respectively, we have analyzed monthly data from the Bureau of Labor Statistics and selected from 70+ components of the Consumer Price Index for a “Top Series to Watch” based on our thinking about which goods and services are likely to show longer-term inflation (e.g., electricity, food away from home, pet care) and a series based on our thinking about which goods are most likely to be impacted by tariff-related price increases (e.g., seafood, appliances, new vehicles). Additional data is available upon request.

Consumer Inflation Expectations

University of Michigan, monthly



Crude Oil Prices

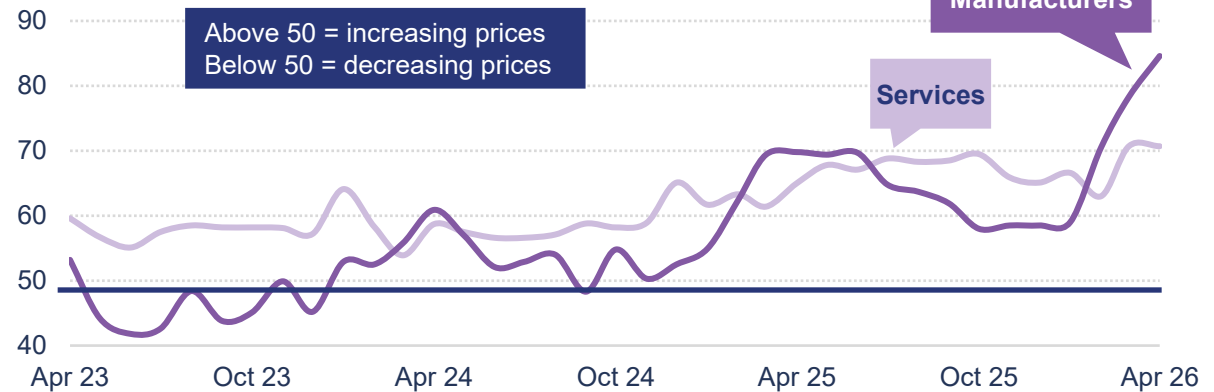
USD/barrel, 5DMA

May 20



Prices Paid by Firms

ISM, NMI/PMI, prices, by type of firm, SA, index, monthly



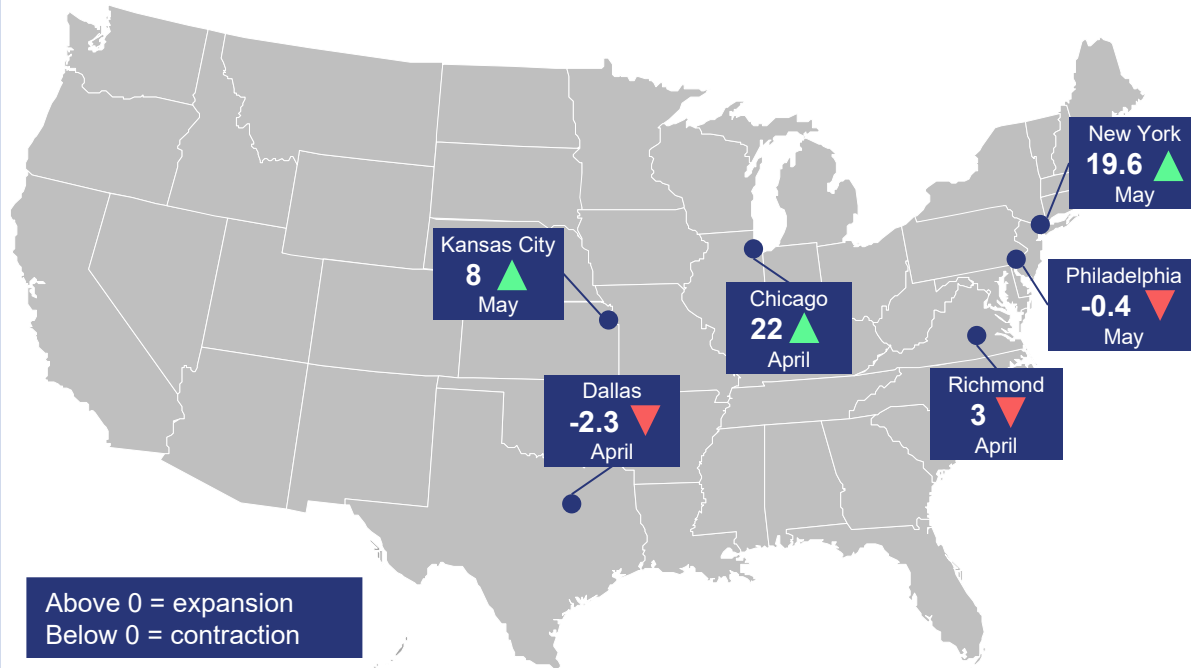


Manufac. & Industry

Manufacturing and Industry Update | Manufacturing activity has continued to improve. Both the headline and manufacturing industrial production indexes rose in April, boosted by a jump in motor vehicle assemblies, and steel production increased notably in recent weeks. Meanwhile, the regional Federal Reserve manufacturing indexes paint a more mixed picture, with Kansas City and New York pointing to expanding activity in May, but Philadelphia showing contraction.

Regional Federal Reserve Bank Manufacturing Indexes

Various Federal Reserve Branches, Diffusion Index



Above 0 = expansion
Below 0 = contraction

Note: All are diffusion indexes where >0 signals expansion and <0 signals contraction. Magnitude between the Fed branches' measures cannot necessarily be compared. For branches that have multiple measures, only most recent reading for current manufacturing and/or general activity is shown.

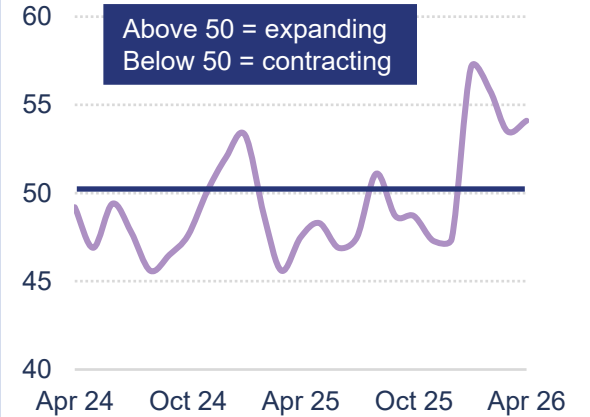
Steel Production

AISI, millions, weekly



New Orders for Manufacturers

Institute for Supply Management, monthly



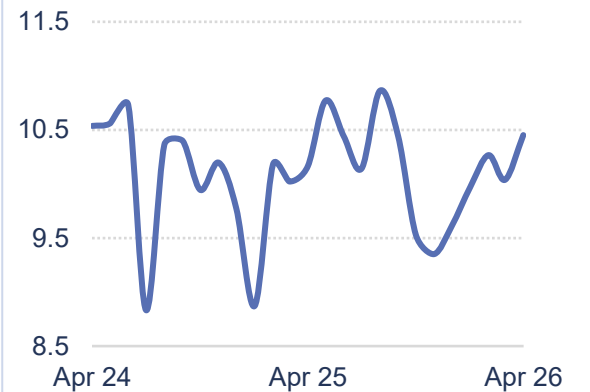
Industrial Production: Manufacturing

Federal Reserve, index, SA, monthly



Motor Vehicle Assemblies

Federal Reserve, millions, autos and light trucks, SA, annual rate, monthly



About This Report

The Macroeconomic Current is intended to provide a snapshot of where the U.S. economy currently stands, based on the collective evaluation of a mix of high-frequency, alternative, and traditional indicators of economic activity. It briefly explains how the U.S. economy is faring at present and identifies emerging areas of opportunity or risk for businesses in the current economic environment.

The data tool was constructed around a few key needs and assumptions:

- Regular evaluation of high-frequency data: The economic downturn first associated with the spread of the coronavirus was the fastest in U.S. history, and the slope of the recovery often changed on a daily or weekly basis. Although traditional economic indicators like the unemployment rate and quarterly GDP growth still provide the most accurate read of how the economy is faring, the lag between data collection and release and backward-looking nature of these measures does not allow for an evaluation of the economy as it stands right now, which may be very different from how it looked a month (or even a couple of weeks) ago.
- Qualitative assessment of quantitative measures: The Macroeconomic Current provides qualitative commentary on current quantitative measures. It also summarizes the latest developments across several key interest areas and flags, where appropriate, critical opportunities (or risks).
- Regional trends: As the U.S. has emerged from the pandemic and its recovery, different U.S. regions and states have had markedly different experiences. Several pages contain data at a state-by-state or regional level to get a glimpse of these differential impacts on topics ranging from business health to manufacturing activity.