




MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, OCTOBER 2016

Release Number: CB16-197

November 25, 2016 — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for October 2016:

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
OCTOBER 2016	\$62.0 Billion +9.6%^o	\$586.9 Billion -0.4%*	\$603.3 Billion -0.4%
SEPTEMBER 2016	\$56.5 Billion	\$589.0 Billion (R)	\$606.0 Billion (R)
Next release: December 29, 2016.			
<small>* The 90 percent confidence interval includes zero. ^o Statistical significance is not applicable or not measurable. All data adjusted for seasonality but not price changes. Source: U.S. Census Bureau; U.S. International Trade in Goods; Monthly Wholesale Trade Survey; Monthly Retail Trade Survey.</small>			

Advance International Trade in Goods

The international trade deficit was \$62.0 billion in October, up \$5.5 billion from \$56.5 billion in September. Exports of goods for October were \$122.1 billion, \$3.4 billion less than September exports. Imports of goods for October were \$184.1 billion, \$2.1 billion more than September imports.

Advance Wholesale Inventories

Wholesale inventories for October, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$586.9 billion, down 0.4 percent (± 0.4 percent)* from September 2016, and were down 0.5 percent (± 1.4 percent)* from October 2015. The August 2016 to September 2016 percentage change was revised from up 0.1 percent (± 0.2 percent)* to down 0.1 percent (± 0.2 percent)*.

Advance Retail Inventories

Retail inventories for October, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$603.3 billion, down 0.4 percent (± 0.2 percent) from September 2016, and were up 3.2 percent (± 0.5 percent) from October 2015. The August 2016 to September 2016 percentage change was revised from up 0.2 percent (± 0.1 percent) to virtually unchanged (± 0.2 percent)*.

The November 2016 Advance report is scheduled for release on December 29, 2016. View the full schedule in the Economic Briefing Room: <www.census.gov/economic-indicators/>.

Data InquiriesInternational Trade Indicator Branch: 301-763-2311 eid.international.trade.data@census.govRetail Indicator Branch: 301-763-2713 eid.retail.indicator.branch@census.govWholesale Indicator Branch: 301-763-6856 eid.wholesale.indicator.branch@census.gov**Media Inquiries**

Public Information Office

301-763-3030

pio@census.gov

EXPLANATORY NOTES

International Trade in Goods

Goods (Census Basis)

Data for goods on a Census basis are compiled from the documents collected by the U.S. Customs and Border Protection and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. Foreign Trade Zones. They include government and non-government shipments of goods and exclude shipments between the United States and its territories and possessions; transactions with U.S. military, diplomatic, and consular installations abroad; U.S. goods returned to the United States by its Armed Forces; personal and household effects of travelers; and in-transit shipments. Data for U.S. exports to Canada are derived from import data compiled by Canada. For more information on the data exchange and substitution please refer to the FT-900. The General Imports value reflects the total arrival of merchandise from foreign countries that immediately enters consumption channels, warehouses, or Foreign Trade Zones.

For imports, the value reported is the U.S. Customs and Border Protection appraised value of merchandise—generally, the price paid for merchandise for export to the United States. Import duties, freight, insurance, and other charges incurred in bringing merchandise to the United States are excluded.

Exports are valued at the free alongside ship value of merchandise at the U.S. port of export, based on the transaction price including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Additional information on coverage and valuation are available in the Guide to Foreign Trade Statistics, <www.census.gov/foreign-trade/guide/sec2.html#coverage> and <www.census.gov/foreign-trade/guide/sec2.html#valuation>, respectively.

Non Sampling Errors

Goods data are a complete enumeration of documents collected by the U.S. Customs and Border Protection and are not subject to sampling errors. This report presents current month statistics which reflect nearly complete coverage. Current month statistics reflecting complete coverage will be published in the upcoming U.S. International Trade in Goods and Services report (FT-900). Statistics for other months shown reflect complete coverage and appear in the most recently published FT-900. Quality assurance procedures are performed at every stage of collection, processing, and tabulation. However, the data are still subject to several types of nonsampling errors. Information on nonsampling errors and other quality issues are available in the Guide to Foreign Trade Statistics, <www.census.gov/foreign-trade/guide/sec2.html>.

The U.S. Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling errors could impact the conclusion drawn from the results. For a detailed discussion of errors affecting the goods data, see U.S. Merchandise Trade Statistics: A Quality Profile (October 2014), available

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at www.census.gov/foreign-trade/aip/quality_profile10032014.pdf or from the Economic Indicators Division, U.S. Census Bureau.

Adjustments for Seasonal and Trading-Day Variations

Goods data are presented on a seasonally adjusted and not seasonally adjusted basis. Seasonally adjusted (and/or trading day adjusted data) are produced using X-13ARIMA-SEATS software to develop monthly adjustment factors. Goods data are initially classified under the Harmonized Commodity Description and Coding System (Harmonized System), which is an internationally accepted standard for the commodity classification of traded goods. Combining trade into approximately 140 export and 140 import end-use categories makes it possible to examine goods according to their principal uses. These categories are used as the basis for computing the seasonal and trading-day adjusted data. These adjusted data are then summed to the six end-use aggregates for publication.

For more information, visit the seasonal adjustment section of the Guide to Foreign Trade here: www.census.gov/foreign-trade/guide/sec2.html#seasonal

Retail and Wholesale Inventories

National estimates of end-of-month inventories are based on data from the Monthly Retail Trade Survey and the Monthly Wholesale Trade Survey. Additional information for each survey can be found at www.census.gov/retail and www.census.gov/wholesale. The advance estimates contained in this report are not incorporated into the full MRTS and MWTS time series.

The MRTS and MWTS samples consist of a stratified simple random sampling method of approximately 10,000 retail firms and 4,200 wholesale firms located in the United States. The retail and wholesale samples include firms of all sizes and are updated on a quarterly basis to account for new retail and wholesale firms, deaths, and other changes to the universe.

Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. For surveyed Retail companies, approximately 44.3 percent provided data for this reporting period resulting in a total quantity response rate of 55.5 percent. For surveyed Wholesale companies, approximately 54.3 percent provided data for this reporting period resulting in a total quantity response rate of 54.3 percent.

MRTS estimates cover companies with one or more establishments that sell merchandise and related services to final consumers. Nonemployers are represented in the retail estimates through benchmarking to prior annual survey estimates that include nonemployer sales based on administrative records.

MWTS estimates cover wholesale merchants who sell goods on their own account and include such businesses as wholesale merchants or jobbers, industrial distributors, exporters, and importers. Sales offices and branches maintained by manufacturing, refining, or mining firms for the purpose of marketing their

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products are not covered in this report. Also excluded is NAICS Industry Group 4251: Wholesale Electronic Markets and Agents and Brokers.

Reliability of Estimates

Because the retail and wholesale estimates are based on a sample survey, they contain sampling error and nonsampling error.

Sampling error is the difference between the estimate and the result that would be obtained from a complete enumeration of the sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Standard errors and coefficients of variation are estimated measures of sampling variation.

The margin of sampling error gives a range about the estimate which is a 90 percent confidence interval. If, for example, the percentage change estimate is +1.2 percent and its estimated standard error is 0.9 percent, then the margin of sampling error is $\pm 1.753 \times 0.9$ percent or ± 1.6 percent, and the 90 percent confidence interval is -0.4 percent to +2.8 percent. If the interval contains 0, then one does not have sufficient evidence to conclude at the 90 percent confidence level that the change is different from zero and therefore the change is not statistically significant. Estimated changes are statistically significant unless otherwise noted. For a monthly total, the estimated coefficient of variation is given. The resulting confidence interval is the estimated value $\pm 1.753 \times CV \times$ (the estimated monthly total).

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the universe of businesses, mistakes in the recording and coding of data, and other errors of collection, response, coverage, or processing. Although nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of error.

The U.S. Census Bureau recommends that individuals using retail and wholesale estimates incorporate this information into their analyses, as sampling error and nonsampling error could affect the conclusions drawn from the estimates.

Adjustments for Seasonal Variations

Concurrent seasonal adjustment is used to adjust the retail and wholesale inventories estimates for seasonal variations. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-13ARIMA-SEATS program. The factors derived from the program are applied to the retail and wholesale estimates of current and previous month inventories and for inventories estimates a year ago as well.

Data Availability

The Advance Economic Indicators Report is available at www.census.gov/econ/indicators/index.html. For archived versions of the Advance Economic Indicators Report please visit the Historical Data tab at the following: www.census.gov/econ/indicators/historical_data.html.

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America's Economy Mobile App

The America's Economy app provides real-time updates for 19 key economic indicators released from the U.S. Census Bureau, Bureau of Labor Statistics, and Bureau of Economic Analysis.

www.census.gov/mobile/economy/

API

The Census Bureau's application programming interface lets developers create custom apps to reach new users and makes key demographic, socio-economic and housing statistics more accessible than ever before.

www.census.gov/developers/

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* The 90 percent confidence interval includes zero. In such cases, there is insufficient statistical evidence to conclude that the actual change is different from zero.

° Statistical significance is not applicable or not measurable for this survey.

(R) Revised from the last published Monthly Retail Trade Report and Monthly Wholesale Trade: Sales and Inventories Report

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Table 1. U.S. International Trade in Goods by Principal End-Use Category (1)

In millions of dollars. Details may not equal totals due to seasonal adjustment and rounding. (X) - Not applicable

	Goods - Census Basis (2)						
	Monthly				Percent change		
	October 2016 (a)	September 2016	August 2016	October 2015	October 2016/ September 2016	September 2016/ August 2016	October 2016/ October 2015
Seasonally Adjusted							
Balance	-61,990	-56,540	-59,015	-61,572	(X)	(X)	(X)
Exports	122,068	125,459	124,736	122,538	-2.7	0.6	-0.4
Foods, Feeds, & Beverages	11,154	12,644	14,377	10,056	-11.8	-12.0	10.9
Industrial Supplies (3)	33,343	34,765	34,268	33,330	-4.1	1.5	0.0
Capital Goods	43,641	43,684	42,108	44,289	-0.1	3.7	-1.5
Automotive Vehicles, etc.	12,205	12,452	12,909	12,655	-2.0	-3.5	-3.6
Consumer Goods	15,829	16,824	16,087	16,486	-5.9	4.6	-4.0
Other Goods	5,895	5,090	4,988	5,723	15.8	2.0	3.0
Imports	184,058	181,999	183,751	184,111	1.1	-1.0	0.0
Foods, Feeds, & Beverages	10,907	10,915	10,911	10,307	-0.1	0.0	5.8
Industrial Supplies (3)	37,564	38,007	38,045	36,207	-1.2	-0.1	3.7
Capital Goods	49,403	48,475	50,165	49,847	1.9	-3.4	-0.9
Automotive Vehicles, etc.	29,194	29,823	28,641	29,248	-2.1	4.1	-0.2
Consumer Goods	48,925	47,199	48,035	50,843	3.7	-1.7	-3.8
Other Goods	8,066	7,580	7,953	7,658	6.4	-4.7	5.3
Not Seasonally Adjusted							
Balance	-63,624	-61,347	-71,178	-64,832	(X)	(X)	(X)
Exports	127,922	124,527	122,933	130,300	2.7	1.3	-1.8
Foods, Feeds, & Beverages	14,027	11,074	11,128	12,581	26.7	-0.5	11.5
Industrial Supplies (3)	33,463	34,389	35,353	33,942	-2.7	-2.7	-1.4
Capital Goods	45,148	43,935	42,442	46,777	2.8	3.5	-3.5
Automotive Vehicles, etc.	12,961	12,963	13,605	13,616	0.0	-4.7	-4.8
Consumer Goods	16,414	17,109	15,406	17,648	-4.1	11.1	-7.0
Other Goods	5,909	5,058	4,999	5,736	16.8	1.2	3.0
Imports	191,546	185,874	194,112	195,132	3.1	-4.2	-1.8
Foods, Feeds, & Beverages	10,902	10,268	10,888	10,451	6.2	-5.7	4.3
Industrial Supplies (3)	36,999	37,962	40,551	36,138	-2.5	-6.4	2.4
Capital Goods	50,528	48,888	52,119	51,696	3.4	-6.2	-2.3
Automotive Vehicles, etc.	30,719	29,128	30,126	31,104	5.5	-3.3	-1.2
Consumer Goods	54,341	51,738	52,581	57,911	5.0	-1.6	-6.2
Other Goods	8,058	7,891	7,845	7,833	2.1	0.6	2.9

(a) Advance statistics

(1) For a listing of the detail included in each end-use category, see www.census.gov/foreign-trade/reference/codes/enduse/exeumstr.txt.

(2) Data are presented on a Census basis. The information needed to convert to a balance of payment basis is not available.

(3) Includes petroleum and petroleum products.

NOTES:

* Current month statistics reflect nearly complete coverage; current month statistics reflecting complete coverage will be published in the upcoming U.S. International Trade in Goods and Services report (FT-900). Statistics for other months shown reflect complete coverage and appear in the most recently published FT-900.

* For information on data sources, nonsampling errors, and definitions, see the explanatory notes in this release or at www.census.gov/econ/indicators/advance_report.pdf.

Table 2. Levels and Percent Changes for Inventories

Inventories estimates are shown in millions of dollars. Estimates are based on data from the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey.

	Inventories					
	Monthly			Percent change		
	October 2016 (a)	September 2016 (r)	October 2015 (r)	October 2016/ September 2016	September 2016/ August 2016	October 2016/ October 2015
Adjusted¹						
Merchant wholesale ² trade, total	586,877	589,030	590,057	-0.4	-0.1	-0.5
Durable goods	354,024	354,100	360,825	0.0	-0.6	-1.9
Nondurable goods	232,853	234,930	229,232	-0.9	0.7	1.6
Retail trade, total	603,317	605,964	584,832	-0.4	0.0	3.2
Total (excl. motor veh. & parts)	391,843	392,946	388,696	-0.3	-0.1	0.8
Motor vehicle & parts dealers	211,474	213,018	196,136	-0.7	0.2	7.8
Not Adjusted						
Merchant wholesale ² trade, total	592,700	586,157	596,329	1.1	1.2	-0.6
Durable goods	356,014	355,797	362,978	0.1	-0.4	-1.9
Nondurable goods	236,686	230,360	233,351	2.7	3.7	1.4
Retail trade, total	630,005	609,125	612,180	3.4	3.0	2.9
Total (excl. motor veh. & parts)	417,996	402,233	415,344	3.9	3.4	0.6
Motor vehicle & parts dealers	212,009	206,892	196,836	2.5	2.0	7.7

(a) Advance estimate

(r) Revised estimate

See footnotes and notes at the end of Table 3.

Table 3. Estimated Measures of Sampling Variability

Estimates are shown as percents and are based on data from the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey.

	Inventories					
	Monthly			Standard Error of		
	Coefficient of Variation			Percent Change		
	October 2016 (a)	September 2016 (r)	October 2015 (r)	October 2016/ September 2016	September 2016/ August 2016	October 2016/ October 2015
Merchant wholesale ² trade, total	1.5	1.5	1.5	0.2	0.1	0.8
Durable goods	1.6	1.7	1.9	0.2	0.2	0.8
Nondurable goods	2.4	2.3	1.7	0.4	0.3	1.2
Retail trade, total	0.7	0.8	0.7	0.1	0.1	0.3
Total (excl. motor veh. & parts)	0.6	0.6	0.6	0.0	0.0	0.3
Motor vehicle & parts dealers	1.5	1.5	1.5	0.2	0.2	1.0

(a) Advance estimate

(r) Revised estimate

(1) Estimates are concurrently adjusted for seasonal variation, but not for price changes. Concurrent seasonal adjustment uses all available not adjusted estimates as input to the X-13ARIMA-SEATS program. The factors derived from the program are used in calculating all seasonally adjusted estimates shown in this table.

(2) The 2007 North American Industry Classification System (NAICS) defines merchant wholesalers as including manufacturers' sales branches and offices. However, the estimates included in this release exclude manufacturers' sales branches and offices. Note that this is not a change in coverage from prior releases and is consistent with the description used in the Monthly Wholesale Trade Survey data products.

NOTES:

Estimated measures of sampling variability are based on estimates not adjusted for seasonal variation. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at http://www.census.gov/wholesale/www/how_surveys_are_collected/monthly_methodology.html for wholesale and at http://www.census.gov/retail/mrts/how_surveys_are_collected.html for retail.