




## MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, MAY 2018

Release Number: CB18-100

**June 27, 2018** — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for May 2018:

	 <b>ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT</b>	 <b>ADVANCE WHOLESALE INVENTORIES</b>	 <b>ADVANCE RETAIL INVENTORIES</b>
<b>MAY 2018</b>	<b>\$64.8 Billion</b> <b>-3.7%<sup>o</sup></b>	<b>\$633.2 Billion</b> <b>+0.5%</b>	<b>\$635.5 Billion</b> <b>+0.4%</b>
<b>APRIL 2018</b>	<b>\$67.3 Billion</b>	<b>\$630.0 Billion (R)</b>	<b>\$632.8 Billion (R)</b>
<b>Next release: July 26, 2018.</b>			
<small>* The 90 percent confidence interval includes zero. There is insufficient evidence to conclude that the actual change is different from zero.  <sup>o</sup> Statistical significance is not applicable or not measurable.                      Data adjusted for seasonality but not price changes.                      Source: U.S. Census Bureau; Advance Economic Indicators Report, June 27, 2018.</small>			

### Advance International Trade in Goods

The international trade deficit was \$64.8 billion in May, down \$2.5 billion from \$67.3 billion in April. Exports of goods for May were \$143.6 billion, \$2.9 billion more than April exports. Imports of goods for May were \$208.4 billion, \$0.4 billion more than April imports.

### Advance Wholesale Inventories

Wholesale inventories for May, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$633.2 billion, up 0.5 percent ( $\pm 0.2$  percent) from April 2018, and were up 5.9 percent ( $\pm 3.7$  percent) from May 2017. The March 2018 to April 2018 percentage change was unrevised from the preliminary estimate of up 0.1 percent ( $\pm 0.2$  percent)\*.

### Advance Retail Inventories

Retail inventories for May, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$635.5 billion, up 0.4 percent ( $\pm 0.2$  percent) from April 2018, and were up 2.3 percent ( $\pm 1.6$  percent) from May 2017. The March 2018 to April 2018 percentage change was unrevised from the preliminary estimate of up 0.5 percent ( $\pm 0.2$  percent).

The June 2018 Advance report is scheduled for release on July 26, 2018. View the full schedule in the Economic Briefing Room: [www.census.gov/economic-indicators/](http://www.census.gov/economic-indicators/). The full text and tables of this release can be found at [www.census.gov/econ/indicators/](http://www.census.gov/econ/indicators/).

#### Data Inquiries

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## **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](http://www.census.gov/foreign-trade/guide/sec2.html#coverage)> and <[www.census.gov/foreign-trade/guide/sec2.html#valuation](http://www.census.gov/foreign-trade/guide/sec2.html#valuation)>, respectively.

### **Nonsampling 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](http://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](http://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](http://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](http://www.census.gov/retail) and [www.census.gov/wholesale](http://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 selected to measure inventories consist of a stratified simple random sampling method of approximately 11,000 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 48.3 percent provided data for this reporting period resulting in a total quantity response rate of 52.3 percent. For surveyed Wholesale companies, approximately 54.6 percent provided data for this reporting period resulting in a total quantity response rate of 54.0 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  $\pm 1.6$  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](http://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](http://www.census.gov/econ/indicators/historical_data.html).

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## RESOURCES

### 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/](http://www.census.gov/developers/)>

### FRED Mobile App



Receive the latest updates on the nation's key economic indicators by downloading the FRED App <<https://fred.stlouisfed.org/fred-mobile/>> for both Apple and Android devices. FRED, the signature database of the Federal Reserve Bank of St. Louis, now incorporates the Census Bureau's 13 economic indicators.

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\* The 90 percent confidence interval includes zero. There is insufficient 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		
	May 2018 (a)	April 2018	March 2018	May 2017	May 2018/ April 2018	April 2018/ March 2018	May 2018/ May 2017
<b>Seasonally Adjusted</b>							
Balance	-64,845	-67,335	-68,520	-65,709	(X)	(X)	(X)
Exports	143,560	140,625	140,335	126,568	2.1	0.2	13.4
Foods, Feeds, & Beverages	13,997	12,414	11,760	10,964	12.8	5.6	27.7
Industrial Supplies (3)	44,234	45,656	44,310	37,597	-3.1	3.0	17.7
Capital Goods	47,842	46,126	47,547	43,314	3.7	-3.0	10.5
Automotive Vehicles, etc.	13,565	13,919	14,134	12,879	-2.5	-1.5	5.3
Consumer Goods	17,760	17,217	17,147	16,812	3.2	0.4	5.6
Other Goods	6,162	5,293	5,436	5,003	16.4	-2.6	23.2
Imports	208,405	207,961	208,855	192,277	0.2	-0.4	8.4
Foods, Feeds, & Beverages	12,375	12,274	12,332	11,417	0.8	-0.5	8.4
Industrial Supplies (3)	47,544	47,901	46,734	41,783	-0.7	2.5	13.8
Capital Goods	58,831	56,916	56,519	52,583	3.4	0.7	11.9
Automotive Vehicles, etc.	29,644	30,003	30,906	29,283	-1.2	-2.9	1.2
Consumer Goods	51,381	51,895	54,681	49,274	-1.0	-5.1	4.3
Other Goods	8,630	8,972	7,684	7,937	-3.8	16.8	8.7
<b>Not Seasonally Adjusted</b>							
Balance	-72,155	-67,563	-58,969	-72,815	(X)	(X)	(X)
Exports	143,947	137,710	149,164	127,782	4.5	-7.7	12.7
Foods, Feeds, & Beverages	11,298	11,146	11,903	9,954	1.4	-6.4	13.5
Industrial Supplies (3)	45,811	45,906	46,127	38,919	-0.2	-0.5	17.7
Capital Goods	48,198	45,136	51,882	43,359	6.8	-13.0	11.2
Automotive Vehicles, etc.	14,747	14,127	15,158	13,992	4.4	-6.8	5.4
Consumer Goods	17,690	16,176	18,506	16,531	9.4	-12.6	7.0
Other Goods	6,203	5,219	5,589	5,026	18.9	-6.6	23.4
Imports	216,102	205,272	208,133	200,597	5.3	-1.4	7.7
Foods, Feeds, & Beverages	13,094	12,500	12,872	12,157	4.8	-2.9	7.7
Industrial Supplies (3)	50,629	48,286	46,860	44,562	4.9	3.0	13.6
Capital Goods	60,722	56,240	57,397	54,790	8.0	-2.0	10.8
Automotive Vehicles, etc.	30,174	30,343	33,033	29,945	-0.6	-8.1	0.8
Consumer Goods	52,613	48,804	49,649	50,960	7.8	-1.7	3.2
Other Goods	8,871	9,098	8,323	8,183	-2.5	9.3	8.4

(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](http://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](http://www.census.gov/econ/indicators/advance_report.pdf)>.

Source: U.S. Census Bureau; Advance Economic Indicators Report, June 27, 2018.

## 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		
	May 2018 (a)	April 2018 (r)	May 2017 (r)	May 2018/ April 2018	April 2018/ March 2018	May 2018/ May 2017
<b>Adjusted<sup>1</sup></b>						
Merchant wholesale <sup>2</sup> trade, total	633,234	630,023	598,020	0.5	0.1	5.9
Durable goods	381,771	380,027	359,563	0.5	0.3	6.2
Nondurable goods	251,463	249,996	238,457	0.6	-0.1	5.5
Retail trade, total	635,509	632,785	621,048	0.4	0.5	2.3
Total (excl. motor veh. & parts)	408,657	408,157	398,617	0.1	0.3	2.5
Motor vehicle & parts dealers	226,852	224,628	222,431	1.0	0.8	2.0
<b>Not Adjusted</b>						
Merchant wholesale <sup>2</sup> trade, total	627,922	632,116	593,525	-0.7	-0.5	5.8
Durable goods	382,641	380,126	360,395	0.7	0.6	6.2
Nondurable goods	245,281	251,990	233,130	-2.7	-2.2	5.2
Retail trade, total	628,715	633,033	613,968	-0.7	0.4	2.4
Total (excl. motor veh. & parts)	400,126	402,582	390,259	-0.6	0.1	2.5
Motor vehicle & parts dealers	228,589	230,451	223,709	-0.8	1.0	2.2

(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		
	May 2018 (a)	April 2018 (r)	May 2017 (r)	May 2018/ April 2018	April 2018/ March 2018	May 2018/ May 2017
Merchant wholesale <sup>2</sup> trade, total	1.4	1.4	1.4	0.1	0.1	2.1
Durable goods	2.1	2.1	1.5	0.1	0.2	2.8
Nondurable goods	1.4	1.5	2.1	0.2	0.2	1.9
Retail trade, total	0.6	0.6	0.8	0.1	0.1	0.9
Total (excl. motor veh. & parts)	0.5	0.5	0.6	0.1	0.1	0.9
Motor vehicle & parts dealers	1.3	1.2	1.5	0.2	0.2	1.7

(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 2012 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 [www.census.gov/wholesale/www/how\\_surveys\\_are\\_collected/monthly\\_methodology.html](http://www.census.gov/wholesale/www/how_surveys_are_collected/monthly_methodology.html) for wholesale and at [www.census.gov/retail/mrts/how\\_surveys\\_are\\_collected.html](http://www.census.gov/retail/mrts/how_surveys_are_collected.html) for retail.