




MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, SEPTEMBER 2018

Release Number: CB18-164

October 25, 2018 — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for September 2018:

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
SEPTEMBER 2018	\$76.0 Billion +0.8% ^o	\$644.1 Billion +0.3%	\$642.1 Billion +0.1% [*]
AUGUST 2018	\$75.5 Billion	\$642.0 Billion (R)	\$641.7 Billion (R)
Next release: November 28, 2018.			
<small>* The 90 percent confidence interval includes zero. There is insufficient evidence to conclude that the actual change is different from zero. ^o 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, October 25, 2018.</small>			

Advance International Trade in Goods

The international trade deficit was \$76.0 billion in September, up \$0.6 billion from \$75.5 billion in August. Exports of goods for September were \$141.0 billion, \$2.5 billion more than August exports. Imports of goods for September were \$217.0 billion, \$3.1 billion more than August imports.

Advance Wholesale Inventories

Wholesale inventories for September, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$644.1 billion, up 0.3 percent (± 0.2 percent) from August 2018, and were up 5.1 percent (± 3.9 percent) from September 2017. The July 2018 to August 2018 percentage change was revised from up 1.0 percent (± 0.2 percent) to up 0.9 percent (± 0.2 percent).

Advance Retail Inventories

Retail inventories for September, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$642.1 billion, up 0.1 percent (± 0.2 percent)* from August 2018, and were up 3.1 percent (± 1.6 percent) from September 2017. The July 2018 to August 2018 percentage change was revised from up 0.7 percent (± 0.2 percent) to up 0.6 percent (± 0.2 percent).

The October 2018 Advance report is scheduled for release on November 28, 2018. View the full schedule in the Economic Briefing Room: <www.census.gov/economic-indicators/>. The full text and tables of this release can be found at <www.census.gov/econ/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**

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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.

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

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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 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 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 46.4 percent provided data for this reporting period resulting in a total quantity response rate of 51.5 percent. For surveyed Wholesale companies, approximately 52.5 percent provided data for this reporting period resulting in a total quantity response rate of 52.6 percent.

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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 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.

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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: <census.gov/econ/indicators/historical_data.html>.

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/>

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 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		
	September 2018 (a)	August 2018	July 2018	September 2017	September 2018/ August 2018	August 2018/ July 2018	September 2018/ September 2017
Seasonally Adjusted							
Balance	-76,036	-75,456	-72,042	-64,921	(X)	(X)	(X)
Exports	140,952	138,422	140,210	130,202	1.8	-1.3	8.3
Foods, Feeds, & Beverages	10,959	12,028	13,245	11,348	-8.9	-9.2	-3.4
Industrial Supplies (3)	46,745	44,126	46,537	39,162	5.9	-5.2	19.4
Capital Goods	47,443	46,417	46,316	44,921	2.2	0.2	5.6
Automotive Vehicles, etc.	12,907	12,780	13,060	13,094	1.0	-2.1	-1.4
Consumer Goods	17,758	17,615	15,973	16,336	0.8	10.3	8.7
Other Goods	5,139	5,455	5,079	5,341	-5.8	7.4	-3.8
Imports	216,988	213,878	212,252	195,124	1.5	0.8	11.2
Foods, Feeds, & Beverages	12,139	12,305	12,439	11,698	-1.3	-1.1	3.8
Industrial Supplies (3)	49,129	49,660	49,302	41,248	-1.1	0.7	19.1
Capital Goods	59,736	57,677	58,156	54,838	3.6	-0.8	8.9
Automotive Vehicles, etc.	31,096	31,711	30,709	29,722	-1.9	3.3	4.6
Consumer Goods	55,405	53,472	52,612	49,815	3.6	1.6	11.2
Other Goods	9,482	9,053	9,033	7,803	4.7	0.2	21.5
Not Seasonally Adjusted							
Balance	-72,512	-82,852	-83,511	-64,518	(X)	(X)	(X)
Exports	138,947	139,637	133,429	130,278	-0.5	4.7	6.7
Foods, Feeds, & Beverages	10,305	11,047	10,963	10,733	-6.7	0.8	-4.0
Industrial Supplies (3)	45,113	45,424	46,410	38,245	-0.7	-2.1	18.0
Capital Goods	47,507	47,168	44,756	45,671	0.7	5.4	4.0
Automotive Vehicles, etc.	12,925	13,686	11,632	13,285	-5.6	17.7	-2.7
Consumer Goods	18,031	16,815	14,703	17,029	7.2	14.4	5.9
Other Goods	5,066	5,496	4,965	5,314	-7.8	10.7	-4.7
Imports	211,460	222,489	216,940	194,796	-5.0	2.6	8.6
Foods, Feeds, & Beverages	11,124	12,130	12,246	10,873	-8.3	-0.9	2.3
Industrial Supplies (3)	47,190	52,250	52,085	40,452	-9.7	0.3	16.7
Capital Goods	57,707	59,681	59,866	54,292	-3.3	-0.3	6.3
Automotive Vehicles, etc.	29,551	32,828	29,328	28,553	-10.0	11.9	3.5
Consumer Goods	56,751	56,493	54,565	52,825	0.5	3.5	7.4
Other Goods	9,137	9,106	8,850	7,802	0.3	2.9	17.1

(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>.

Source: U.S. Census Bureau; Advance Economic Indicators Report, October 25, 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		
	September 2018 (a)	August 2018 (r)	September 2017 (r)	September 2018/ August 2018	August 2018/ July 2018	September 2018/ September 2017
Adjusted¹						
Merchant wholesale ² trade, total	644,081	641,959	612,690	0.3	0.9	5.1
Durable goods	392,808	389,783	368,244	0.8	0.9	6.7
Nondurable goods	251,273	252,176	244,446	-0.4	0.9	2.8
Retail trade, total	642,142	641,660	622,970	0.1	0.6	3.1
Total (excl. motor veh. & parts)	407,772	408,045	401,720	-0.1	-0.1	1.5
Motor vehicle & parts dealers	234,370	233,615	221,250	0.3	1.7	5.9
Not Adjusted						
Merchant wholesale ² trade, total	641,109	631,667	610,399	1.5	0.4	5.0
Durable goods	395,767	392,120	370,901	0.9	0.5	6.7
Nondurable goods	245,342	239,547	239,498	2.4	0.3	2.4
Retail trade, total	643,862	629,877	625,564	2.2	1.3	2.9
Total (excl. motor veh. & parts)	416,274	404,400	410,527	2.9	1.4	1.4
Motor vehicle & parts dealers	227,588	225,477	215,037	0.9	1.1	5.8

(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		
September 2018 (a)	August 2018 (r)	September 2017 (r)	September 2018/ August 2018	August 2018/ July 2018	September 2018/ September 2017	
Merchant wholesale ² trade, total	1.4	1.4	1.5	0.1	0.1	2.2
Durable goods	2.1	2.2	1.7	0.2	0.2	3.0
Nondurable goods	1.4	1.3	1.9	0.3	0.2	1.9
Retail trade, total	0.6	0.7	0.7	0.1	0.1	0.9
Total (excl. motor veh. & parts)	0.6	0.6	0.6	0.1	0.1	0.9
Motor vehicle & parts dealers	1.5	1.5	1.4	0.2	0.3	1.8

(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 for wholesale and at www.census.gov/retail/mrts/how_surveys_are_collected.html for retail.