

# *National Week In Review*

## *Week Ending November 17, 2006*

**Consumer Inflation Down . . .** The Consumer Price Index (CPI), which measures the average change in prices of goods and services from the purchaser's perspective, fell for the second consecutive month, down 0.5% in October to 201.7 (1982 - 1984 = 100). Gasoline prices dropped 11.1%. The national average was \$2.23 per gallon, down from more than \$3.00 per gallon for much of the summer. Apparel prices fell 0.7%, led by lower prices for women's and girls' apparel (-1.2%). Food and beverage prices increased 0.3%, led by higher prices for dairy products (+0.7%), and beef (+0.6%). Airline fares slid 1.4%. The CPI is the government's broadest gauge of costs for goods and services. Almost 60% of the CPI covers prices consumers pay for services, ranging from medical visits to airline fares and movie tickets.

**Housing Construction Plunges . . .** Construction of new single-family homes and apartments plunged 14.6% in October to a seasonally adjusted annual rate of 1.486 million units, the Commerce Department reported. This represents the largest decline in 19 months and pushed total activity to its lowest level since July 2000. Construction of single-family homes tumbled 15.9%. Construction of multi-family units fell by 9.1%. In the South, the nation's largest housing market, starts plummeted 26.4%. Construction fell in the Midwest and West by 11.7% and 2.1%, respectively. The only region showing strength was the Northeast, where construction soared 31.0%. Building permits -- a leading indicator of housing construction -- fell for the eighth consecutive month, down 6.3%.

**Sources:**

- Bureau of Labor Statistics
- *Washington Post*

**By Mike Daniels**