The \textit{NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS} (the "Index"), a forecast of the economy’s direction four to six months ahead, gave back a small amount of its recent gains by falling 0.4\% in December. The components of the Index were mixed, with the national index, manufacturing hours, and manufacturing earnings improving, while an increase in initial jobless claims and a drop in building permits had negative impacts on the Index. Still the Index is higher than a year ago and much more “bullish” than in mid-2012. The Index is suggesting an acceleration of economic growth in the state - at least through the early part of 2013.

\begin{table}[h]
\begin{tabular}{|l|c|c|}
\hline
\textbf{Chg. from prev. month} & \textbf{Chg. from prev. year} \\
\hline
\textbf{INDEX} & -0.4\% & +3.4\% \\
\textbf{ECRI-WLI} & +1.2\% & +5.0\% \\
\textbf{Claims} & +1.6\% & -7.8\% \\
\textbf{Permits} & -27.2\% & +45.7\% \\
\textbf{Hours} & +0.5\% & +1.0\% \\
\textbf{Earnings} & +1.0\% & +1.1\% \\
\hline
\end{tabular}
\end{table}

\textbf{About the Index:} The Index is composed of five components: the Economic Cycle Research Institute (ECRI)’s Weekly Leading Index (\texttt{http://www.businesscycle.com/resources/}), North Carolina initial claims for unemployment benefits, North Carolina building permits, average weekly hours of work of all North Carolina employees in manufacturing, and average weekly earnings of all North Carolina employees in manufacturing. All data are seasonally-adjusted and modified for differences in prices levels where appropriate. Data are from the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and ECRI, whose permission to use their Weekly Leading Index is greatly appreciated. All calculations are done by Dr. Michael Walden.

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