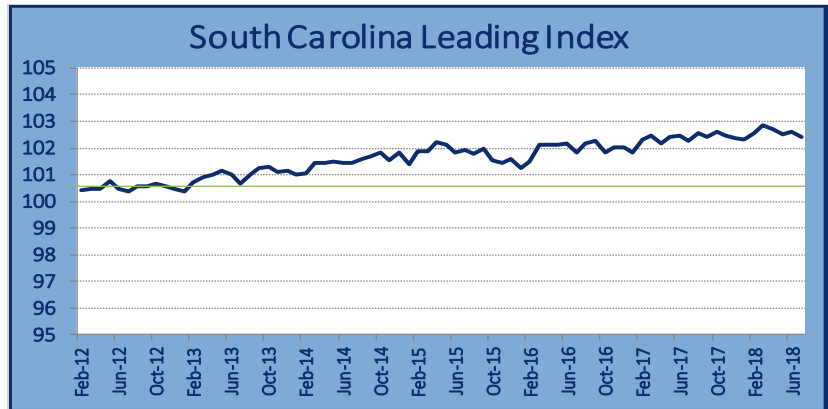




ECONOMIC OUTLOOK

The South Carolina Leading Index (SCLI) fell 0.21 points last month, ending with a value of 102.39, following revisions.

Key metrics were mixed in July, but housing starts and unemployment claims dampened the overall results. The number of issued housing permits decreased by 12.1 percent, and valuation fell 14.3 percent. Unemployment claims rose 23.7 percent. Average weekly manufacturing hours, however, were up 0.2 percent, and the Dow Jones Composite Average rose 4.9 percent.



Source: S.C. Department of Commerce

The Conference Board's national Leading Economic Index rose 0.6 percent in July to 110.7, continuing a long growth trend. Solid growth is expected for the remainder of 2018, as index readings over 100 forecast expansion of the economy.

- Brandon Wilkerson

KEY S.C. INDICATORS

Income

+1.2% **State Personal Income**
increased to \$208.0 billion in the 1st quarter of 2018.
U.S. Bureau of Economic Analysis

+1.3% **S.C. Stock Index**
rose 2.59 points in July, closing at 196.57 for the month.
Bloomberg

Real Estate

-2.4% **Median Home Sales Price**
fell \$5,000 from the prior month to \$205,000 for July.
South Carolina Association of Realtors

-12.1% **Residential Building Permits**
fell by 417 permits from the prior month to 3,021 in July.
U.S. Census Bureau

Employment

-0.6% **Nonfarm Employment**
decreased by 13,500 net non-seasonally adjusted jobs from the prior month.
U.S. Bureau of Labor Statistics

-0.1% **Labor Force**
decreased by 3,115 to 2,309,954, seasonally-adjusted, in July.
U.S. Bureau of Labor Statistics

+0.2% **Manufacturing Weekly Hours**
rose 0.1 hours to 43.4 hours in July from the prior month, as revised.
U.S. Bureau of Labor Statistics

+10.1% **Available Online Job Postings**
increased by 5,500 positions in July to a seasonally-adjusted 60,100 job postings.
The Conference Board Help Wanted Online Index

-0.2% **Unemployment Rate**
improved to 3.6 percent, seasonally-adjusted, in July.
U.S. Bureau of Labor Statistics

About S.C. Commerce's Research Division

The Research Division is a highly-skilled, multidisciplinary team of professionals that collects, examines and disseminates data to support economic development in South Carolina. The division furnishes information to companies considering an investment in the state and produces rigorous analysis for stakeholders of all kinds.

Those who wish to receive S.C. Commerce's monthly Economic Outlook can e-mail bwilkerson@SCcommerce.com.

South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

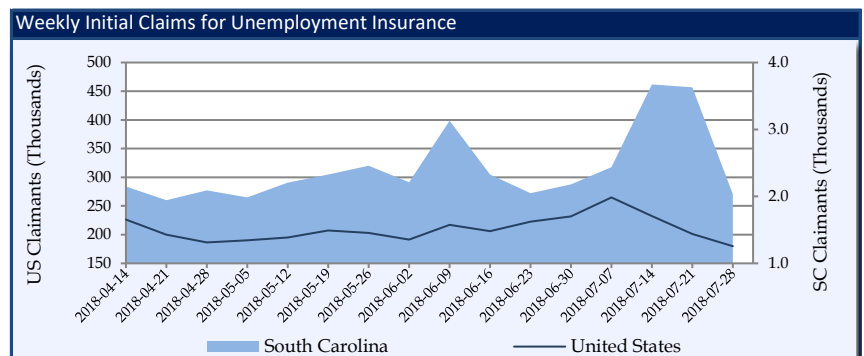
South Carolina's total non-seasonally adjusted, nonfarm employment fell by 13,500 net jobs to 2,132,200 in July, a 0.6 percent decrease from revised June numbers but 2.0 percent higher than one year ago. Several sectors reported net job gains for the month, with Construction (+2,000) leading the way. Other sectors with net gains included Manufacturing (+700); Information (+300); and Finance (+300). Sectors reporting a net job loss included Government (-11,300); Professional and Business Services (-2,900); Leisure and Hospitality (-1,200); Educational and Health Services (-600); and Trade, Transportation, and Utilities (-100). Compared to one year ago, the state economy added 42,700 nonfarm jobs.

| Industry Sector | July 2018 | Previous Month | Previous Year | % Change Month Ago | % Change Year Ago |
|--------------------------------------|------------------|------------------|------------------|--------------------|-------------------|
| Goods Producing | 352,000 | 349,300 | 351,700 | 0.77% | 0.09% |
| Natural Resources and Mining | 4,500 | 4,500 | 4,300 | 0.00% | 4.65% |
| Construction | 101,900 | 99,900 | 100,000 | 2.00% | 1.90% |
| Manufacturing | 245,600 | 244,900 | 247,400 | 0.29% | -0.73% |
| Service Providing | 1,780,200 | 1,796,400 | 1,737,800 | -0.90% | 2.44% |
| Trade, Transportation, and Utilities | 409,000 | 409,100 | 400,700 | -0.02% | 2.07% |
| Information | 28,200 | 27,900 | 26,400 | 1.08% | 6.82% |
| Finance | 103,500 | 103,200 | 102,200 | 0.29% | 1.27% |
| Professional and Business Services | 277,100 | 280,000 | 273,500 | -1.04% | 1.32% |
| Educational and Health Services | 250,500 | 251,100 | 244,100 | -0.24% | 2.62% |
| Leisure and Hospitality | 278,300 | 279,500 | 263,500 | -0.43% | 5.62% |
| Other Services | 78,500 | 79,200 | 72,800 | -0.88% | 7.83% |
| Total Private | 1,777,100 | 1,779,300 | 1,734,900 | -0.12% | 2.43% |
| Government | 355,100 | 366,400 | 354,600 | -3.08% | 0.14% |
| Total Nonfarm | 2,132,200 | 2,145,700 | 2,089,500 | -0.63% | 2.04% |

Source: U.S. Department of Labor, Bureau of Labor Statistics

Weekly Unemployment Claims

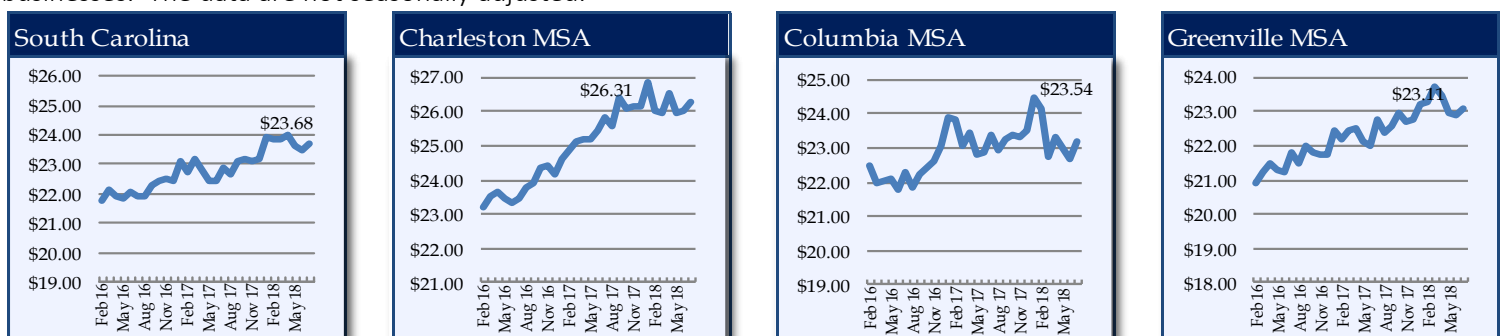
The average number of initial reported claims for unemployment insurance in the state increased in July. The average for the month was 2,942 weekly initial claims, up 23.7 percent month-over-month. Five of the six largest MSAs reported increased claims versus June, including Greenville (+82.7 percent), Spartanburg (+78.2 percent), Charleston (+19.6 percent), Myrtle Beach (+13.9 percent) and Florence (+4.1 percent). Columbia reported a decrease in claims month-over-month (-9.3 percent).



Source: U.S. Department of Labor, Bureau of Labor Statistics

Average Hourly Earnings

These charts present the average hourly earnings of all employees in private industry, based on a monthly national survey of businesses. The data are not seasonally adjusted.



Source: US Department of Labor, Bureau of Labor Statistics.

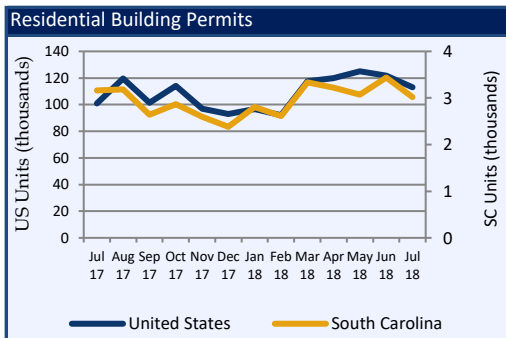
Real Estate & Business Activity

In July, the number of building permits issued in South Carolina for new residential construction fell 12.1 percent to 3,021. This figure was nevertheless 6.9 percent higher year-to-date than the same point in 2017. Valuation for the permits fell 14.3 percent month-over-month but was 5.9 percent higher year-to-date versus 2017. Total closings fell 8.5 percent compared to June, and the median sales price dropped 2.4 percent. Foreclosure activity decreased 5.7 percent compared to July 2017. Among the top six MSAs, total closings were up for Spartanburg (+5.6 percent), with all others seeing a decline month-over-month.

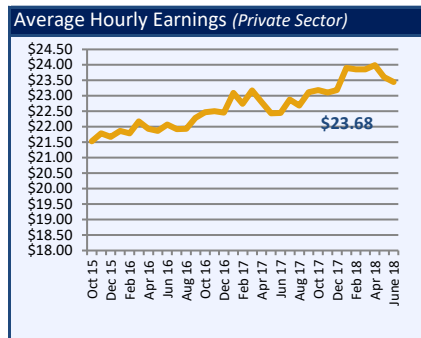
| | Month | Current | Previous Year | % Change Year Ago | 2018 YTD | 2017 YTD | % Change YTD |
|------------------------------------------|-------|-----------|---------------|-------------------|-------------|-------------|--------------|
| Closings | July | 7,534 | 7,248 | 3.9% | 48,893 | 46,444 | 5.3% |
| Median Sales Price* | July | \$205.0 | \$194.8 | 5.2% | \$201.4 | \$189.0 | 6.6% |
| Foreclosures | July | 1,414 | 1,499 | -5.7% | 11,800 | 13,072 | -9.7% |
| Residential Building Permits -Total | July | 3,021 | 3,162 | -4.5% | 21,506 | 20,125 | 6.9% |
| Residential Building Permits -Valuation* | July | \$621,559 | \$667,572 | -6.9% | \$4,833,436 | \$4,565,620 | 5.9% |

* Thousands of US dollars. Source: S.C. Association of Realtors, RealtyTrac, U.S. Census.

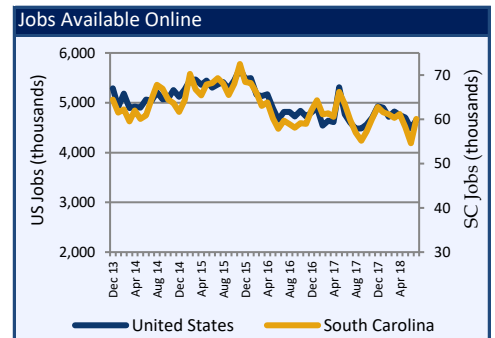
Business Activity



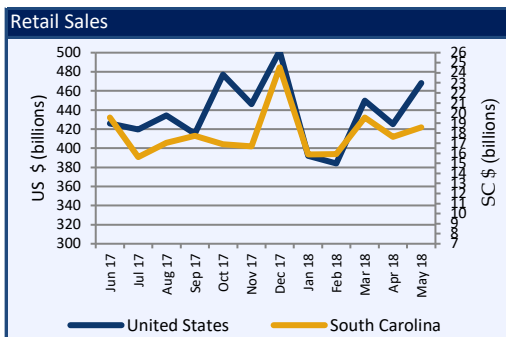
Source: U.S. Census



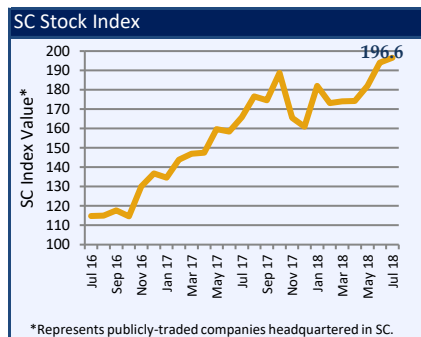
Source: U.S. Department of Labor



Source: The Conference Board Help Wanted Online Index

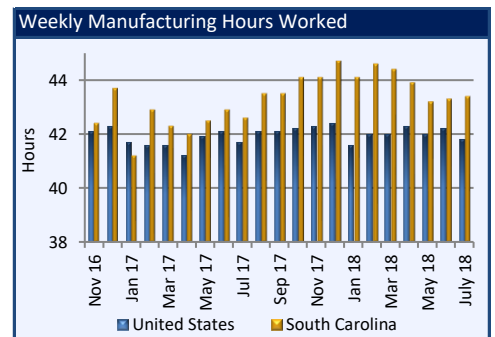


Source: South Carolina Department of Revenue



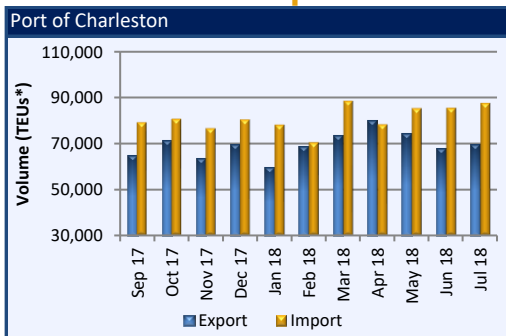
*Represents publicly-traded companies headquartered in SC.

Source: Bloomberg

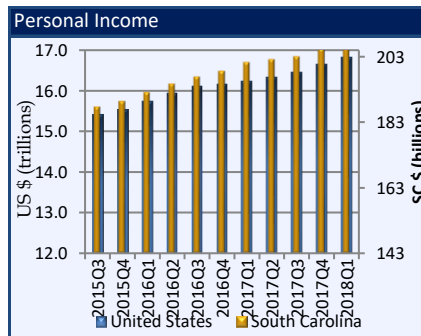


Source: U.S. Department of Labor

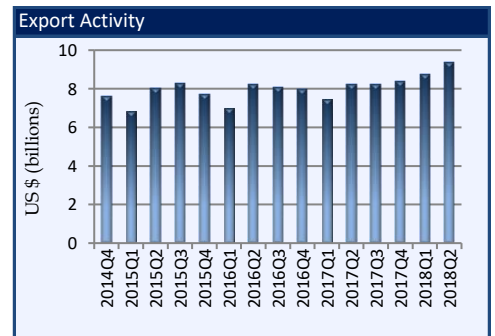
Income and Output



*Twenty-Foot Equivalent Units. Source: SC Ports Authority



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census

Regional Updates

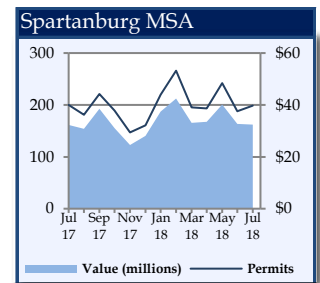
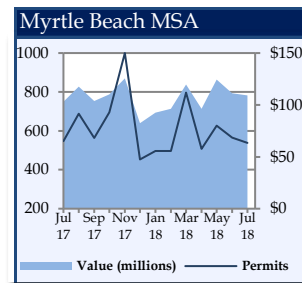
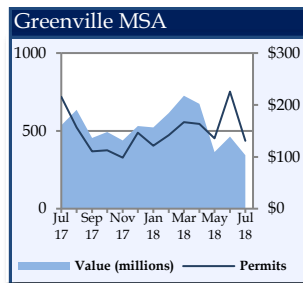
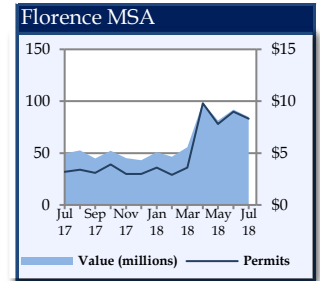
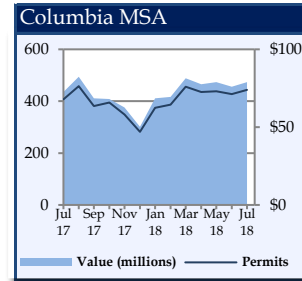
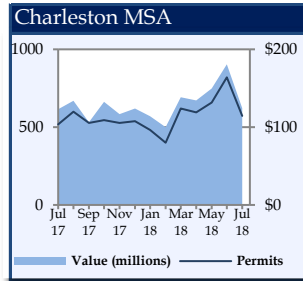
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

| MSA | Indicator | Jul 17 | Jul 18 |
|----------------|----------------------|---------|---------|
| Charleston | Sales Volume | 1,831 | 1,796 |
| | Median Price (000's) | \$250 | \$258 |
| Columbia | Sales Volume | 1,238 | 1,322 |
| | Median Price (000's) | \$163 | \$171 |
| Florence | Sales Volume | 212 | 192 |
| | Median Price (000's) | \$125 | \$155 |
| Greenville | Sales Volume | 1,232 | 1,278 |
| | Median Price (000's) | \$195 | \$217 |
| Myrtle Beach | Sales Volume | 1,193 | 1,294 |
| | Median Price (000's) | \$175 | \$180 |
| Spartanburg | Sales Volume | 491 | 492 |
| | Median Price (000's) | \$160 | \$168 |
| South Carolina | Sales Volume | 7,248 | 7,534 |
| | Median Price (000's) | \$194.8 | \$205.0 |

Source: S.C. Association of Realtors.

Building Permits



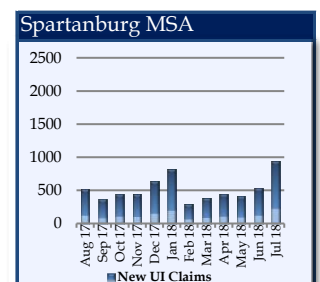
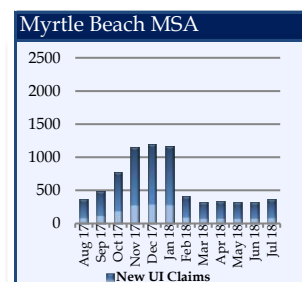
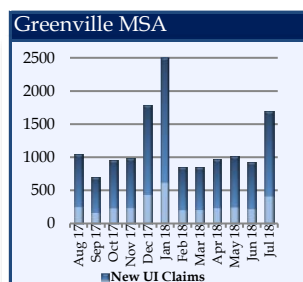
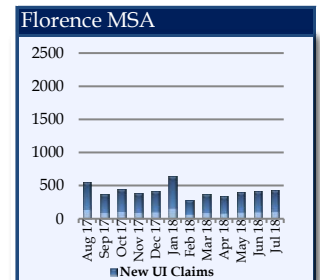
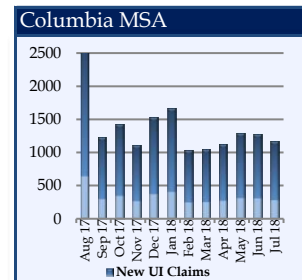
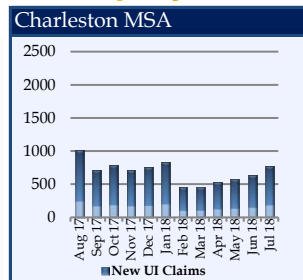
Source: U.S. Census

Employment

| MSA | Indicator | Jun 18 | Jul 18 |
|----------------|--------------------|---------|---------|
| Charleston | Employment (000's) | 370.1 | 371.4 |
| | Unemployment Rate | 3.1 | 3.0 |
| Columbia | Employment (000's) | 386.0 | 390.3 |
| | Unemployment Rate | 3.5 | 3.4 |
| Florence | Employment (000's) | 91.4 | 91.6 |
| | Unemployment Rate | 4.0 | 4.0 |
| Greenville | Employment (000's) | 413.1 | 410.4 |
| | Unemployment Rate | 3.3 | 3.3 |
| Myrtle Beach | Employment (000's) | 199.7 | 200.9 |
| | Unemployment Rate | 4.1 | 4.0 |
| Spartanburg | Employment (000's) | 153.1 | 153.0 |
| | Unemployment Rate | 3.5 | 3.4 |
| South Carolina | Employment (000's) | 2,226.0 | 2,227.6 |
| | Unemployment Rate | 3.8 | 3.6 |

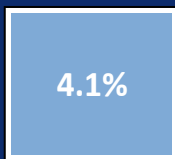
Source: U.S. Bureau of Labor Statistics (unadjusted figures)

Unemployment Insurance Claims

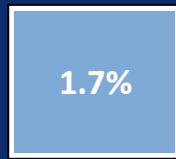


Source: SCDOC analysis of SCDEW data

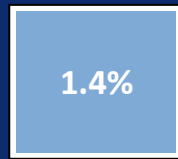
Manufacturing Employment Growth, July 2017 to July 2018



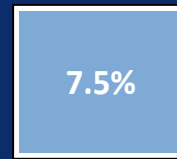
Charleston



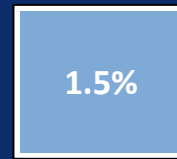
Columbia



Greenville



Spartanburg



Sumter

Source: US Bureau of Labor Statistics, August 2018