



CBER Indexes for Nevada and Southern Nevada

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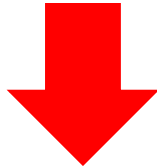
Stephen M. Miller, PhD, Director



Summary of CBER's Nevada Indexes

Coincident Index (March)

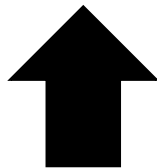
-0.7 %



Mo. to Mo.

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-2.5% ↓	-7.5% ↓	0.2% ↑

2.1 %



Yr. to Yr.

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
3.2% ↑	-3.2% ↓	2.8% ↑

Leading Index (April)

-1.3 %



Initial Claims*	Moody's Baa*	Housing Permits	Commercial Permits	Airline Passengers	S&P 500
8.4% ↑	0.3% ↑	9.4% ↑	-24.8% ↓	-0.6% ↓	2.7% ↑

1.9 %



Initial Claims*	Moody's Baa*	Housing Permits	Commercial Permits	Airline Passengers	S&P 500
19.9% ↑	1.0% ↑	41.1% ↑	5.0% ↑	3.6% ↑	-0.8% ↓

Note: The coincident index is a month behind relative to other indexes because of a two-month delayed taxable sales statistic publication.

* Inverted



CBER's Indexes of Nevada Economic Activity

Coincident Index Components

- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

Leading Index Components

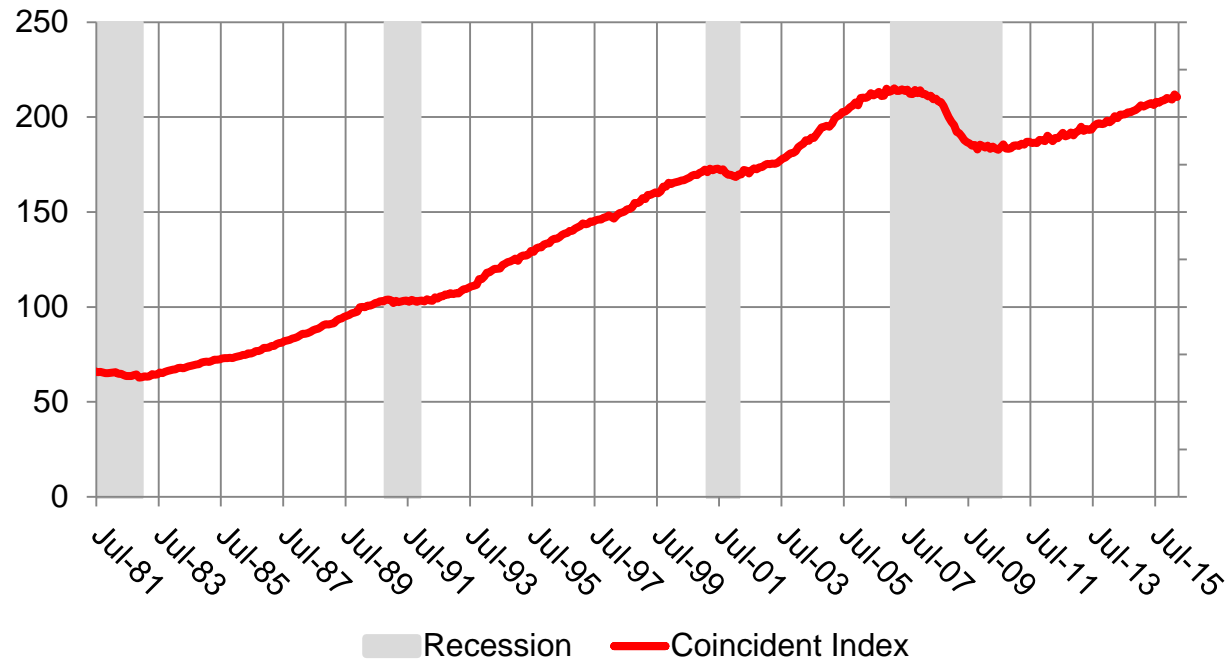
- Nevada Initial Claims for Unemployment (inverted)
- Moody's Real Baa Bond Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

The CBER Nevada coincident and leading indexes use the Department of Commerce index construction method. The CBER Nevada coincident index measures the ups and downs of the Nevada economy, while the CBER Nevada leading index provides an indication for the future direction of the coincident index. The coincident index provides the benchmark series that defines the business cycle or reference cycle in Nevada. The leading index then tracks the economy relative to that reference cycle. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Nevada coincident index, the Nevada leading index peaked in November 2005, 14 months before the Nevada coincident index peaked. Then the Nevada leading index troughed in May 2009, 13 months before the Nevada coincident index troughed. All series are seasonally adjusted (SA). A full description of the methodology used to construct the indexes can be found at: <http://cber.unlv.edu/publications/nvindices.pdf>.



Nevada Coincident Index

The CBER Nevada coincident index decreased for the month but gained in March from a year earlier.



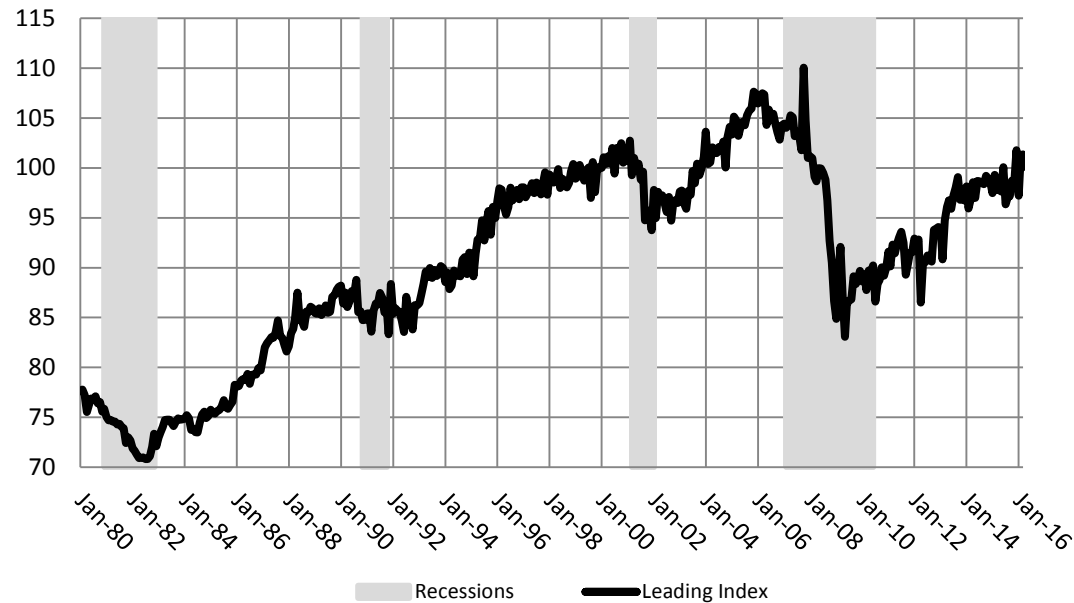
The CBER Nevada coincident index experienced a 0.7 percent decrease relative to a month ago, but it increased by 2.1 percent compared to last year. As shown in the table below, two components—seasonally adjusted taxable sales and gaming revenue—dropped by 2.5 and 7.5 percent, respectively, from February 2016. Even though nonfarm employment increased slightly by 0.2 percent for the month, it was not enough to offset the losses from the other two components. Gaming revenue was the only component which experienced a year-over-year loss, decreasing by 3.2 percent.

Series	Date	Latest Period	Month-Over-Month	Year-Over-Year
Taxable Sales (SA)	Mar-16	4,372,603,946	-2.5%	3.2%
Gaming Revenue (SA)	Mar-16	899,279,634	-7.5%	-3.2%
Nonfarm Employment (SA)	Mar-16	1,282,153	0.2%	2.8%
Overall Index Change	Mar-16	210.5	-0.7%	2.1%



Nevada Leading Index

The CBER Nevada leading index fell in April 2016 but is higher than its level from last year.



Date	Index	Month-over-Month	Year-over-Year
Apr-15	98.2	0.4%	-0.4%
May-15	97.6	-0.6%	0.7%
Jun-15	100.1	2.5%	1.4%
Jul-15	96.3	-3.7%	-2.3%
Aug-15	97.1	0.8%	-1.5%
Sep-15	97.1	0.1%	-1.3%
Oct-15	98.7	1.6%	-0.5%
Nov-15	98.5	-0.3%	-0.4%
Dec-15	101.8	3.4%	3.4%
Jan-16	97.2	-4.5%	-0.2%
Feb-16	101.1	4.0%	1.8%
Mar-16	101.3	0.3%	3.6%
Apr-16	100.1	-1.3%	1.9%

The CBER Nevada leading index fell, decreasing by 1.3 percent for the month after upward movements in the previous two months. The loss mainly came from a significant 24.8 percent month-over-month decrease in commercial permits. Total airline passengers also fell month-over-month by 0.6 percent. Even though the remaining four components—housing permits, initial claims for unemployment (inverted), the S&P 500 index, and the real Moody’s Baa corporate bond yield (inverted)—increased by 9.4, 8.4, 2.7, and 0.3 percent, respectively, from March to April, they could not totally offset the losses from commercial permits and total airline passengers. All the components except for the S&P 500 index experienced year-over-year gains. As a result, the index climbed by 1.9 percent from April 2015.

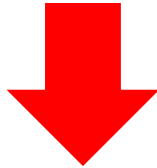


Summary of CBER's Southern Nevada Indexes

- Coincident Index and Leading Index

Coincident Index (March)

-0.8 %

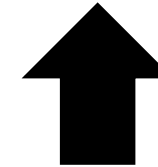


Mo. to Mo.

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
-2.2% ↓	-7.8% ↓	0.2% ↑

Leading Index (April)

0.6 %



Initial Claims*	Moody's Baa*	Housing Permits	Commercial Permits	McCarran Passengers	S&P 500
8.4% ↑	0.3% ↑	27.6% ↑	-9.8% ↓	-0.3% ↓	2.7% ↑

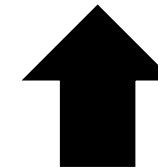
1.8 %



Yr. to Yr.

Taxable Sales	Gross Gaming Revenue	Nonfarm Employment
2.8% ↑	-3.8% ↓	2.6% ↑

1.6 %



Initial Claims*	Moody's Baa*	Housing Permits	Commercial Permits	McCarran Passengers	S&P 500
19.9% ↑	1.0% ↑	59.3% ↑	9.3% ↑	3.4% ↑	-0.8% ↓

Note: The coincident index is a month behind relative to other indexes because of a two-month delayed taxable sales statistic publication.

* Inverted



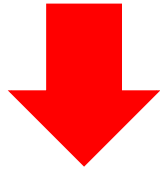
Summary of CBER's Southern Nevada Indexes

- Construction Index and Tourism Index

Construction Index

(April)

-0.1 %



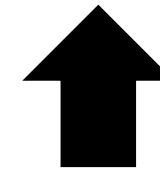
Mo. to Mo.

Construction Employment	Housing Permits	Commercial Permits
-1.0% ↓	27.6% ↑	-9.8% ↓

Tourism Index

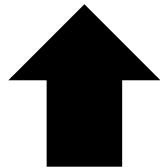
(April)

0.1 %



McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
-0.3% ↓	2.7% ↑	-0.3% ↓

3.2 %



Yr. to Yr.

Construction Employment	Housing Permits	Commercial Permits
12.5% ↑	59.3% ↑	9.3% ↑

0.5 %



McCarran Passengers	Gross Gaming Revenue	LV Hotel/Motel Occupancy Rate
3.4% ↑	-3.7% ↓	0.9% ↑



CBER's Indexes of Southern Nevada Economic Activity

Coincident Index

- CC Taxable Sales
- CC Gaming Revenue
- CC Nonfarm Employment

Leading Index

- NV Initial Claims for Unemployment (inverted)
- Moody's Real Baa Bond Rate (inverted)
- CC Housing Permits
- CC Commercial Permits
- McCarran Passengers
- S&P 500

Construction Index

- CC Construction Employment
- CC Housing Permits
- CC Commercial Permits

Tourism Index

- McCarran Passengers
- CC Gaming Revenue
- LV Hotel/Motel Occupancy Rate

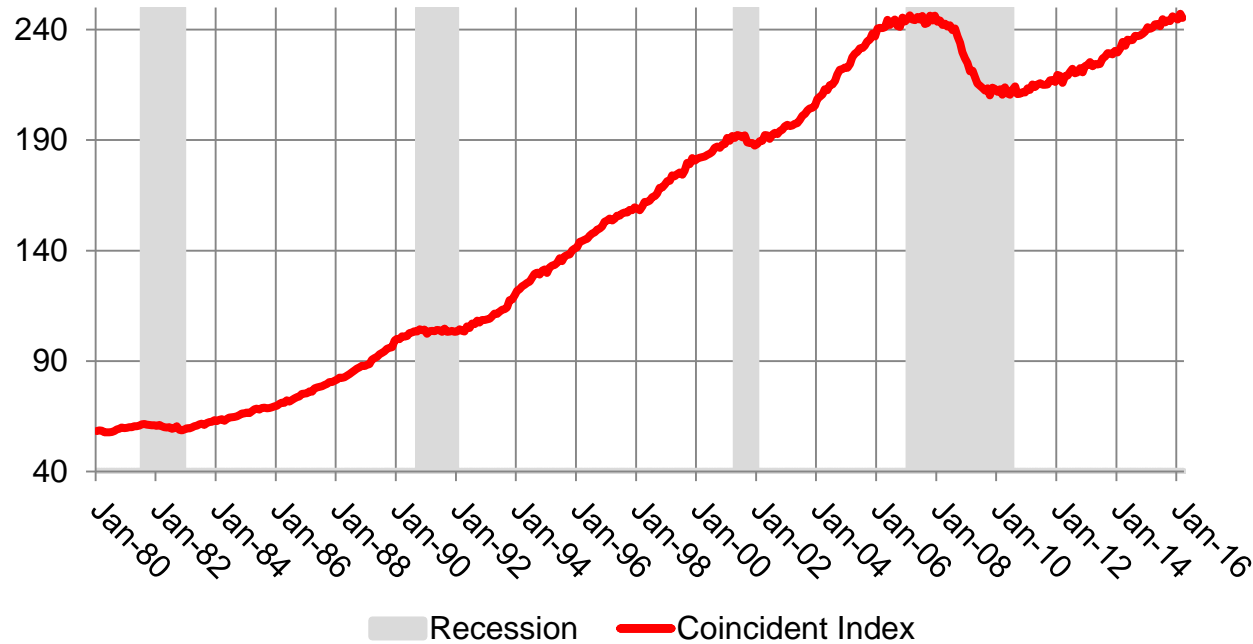
Note: CC = Clark County

The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Southern Nevada coincident index, the Southern Nevada leading index peaked in September 2005, 16 months before the Southern Nevada coincident index peaked. Then the Southern Nevada leading index troughed in May 2009, 13 months before the Southern Nevada coincident index troughed. Finally, both the CBER Southern Nevada construction and tourism indexes also use the Department of Commerce index construction method. All series are SA.



Southern Nevada Coincident Index

The CBER Southern Nevada coincident index experienced a monthly loss but a yearly gain in March.



The CBER Southern Nevada coincident index decreased by 0.8 percent month-over-month, but increased by 1.8 percent year-over-year. Seasonally adjusted gaming revenue experienced a large loss relative to last month and last year, respectively, decreasing by 7.8 and 3.8 percent. Taxable sales also decreased for the month by 2.2 percent, while nonfarm employment increased slightly by 0.2 percent compared to a month ago. Both taxable sales and nonfarm employment experienced a yearly rise, up by 2.8 and 2.6 percent, respectively.

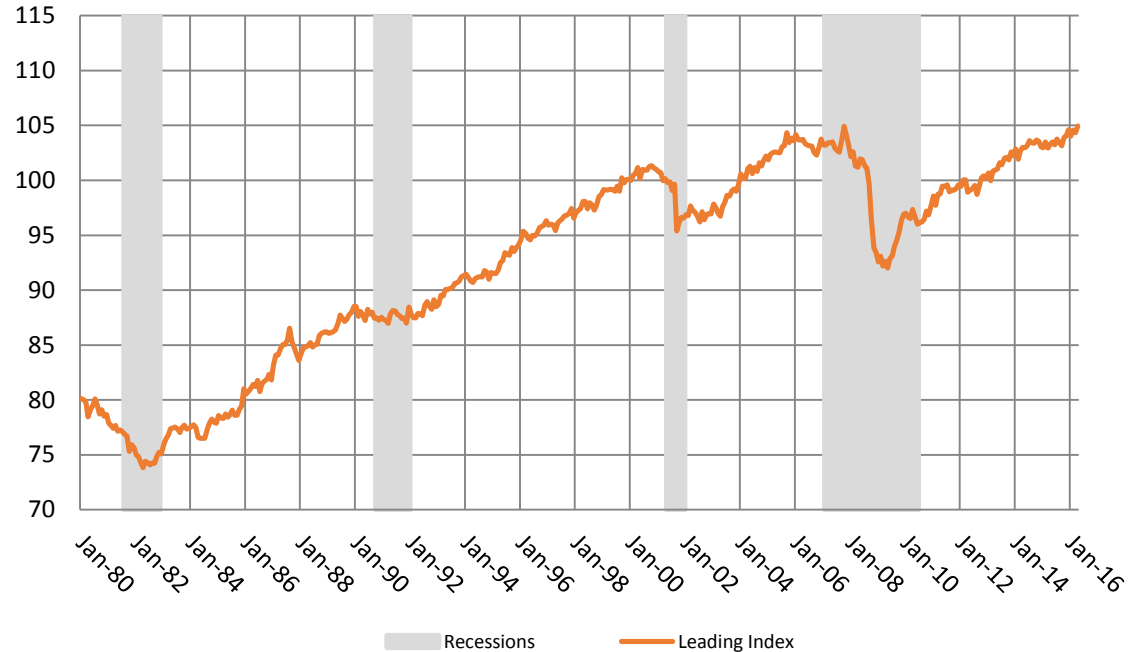
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Taxable Sales (SA)	Mar-16	3,216,548,476	-2.2%	2.8%
Gaming Revenue (SA)	Mar-16	774,191,486	-7.8%	-3.8%
Nonfarm Employment (SA)	Mar-16	933,537	0.2%	2.6%
Overall Index Change	Mar-16	245.3	-0.8%	1.8%



Southern Nevada Leading Index

The CBER Southern Nevada leading index climbed in April 2016 relative to last month and last year.

Date	Index	Month-over-Month	Year-over-Year
Apr-15	103.3	0.3%	0.3%
May-15	103.5	0.2%	0.5%
Jun-15	103.2	-0.3%	0.1%
Jul-15	103.8	0.5%	0.2%
Aug-15	103.5	-0.3%	0.1%
Sep-15	103.1	-0.3%	-0.2%
Oct-15	103.9	0.7%	0.2%
Nov-15	104.1	0.1%	0.5%
Dec-15	104.6	0.5%	1.5%
Jan-16	104.0	-0.6%	1.0%
Feb-16	104.6	0.5%	1.0%
Mar-16	104.3	-0.2%	1.3%
Apr-16	105.0	0.6%	1.6%

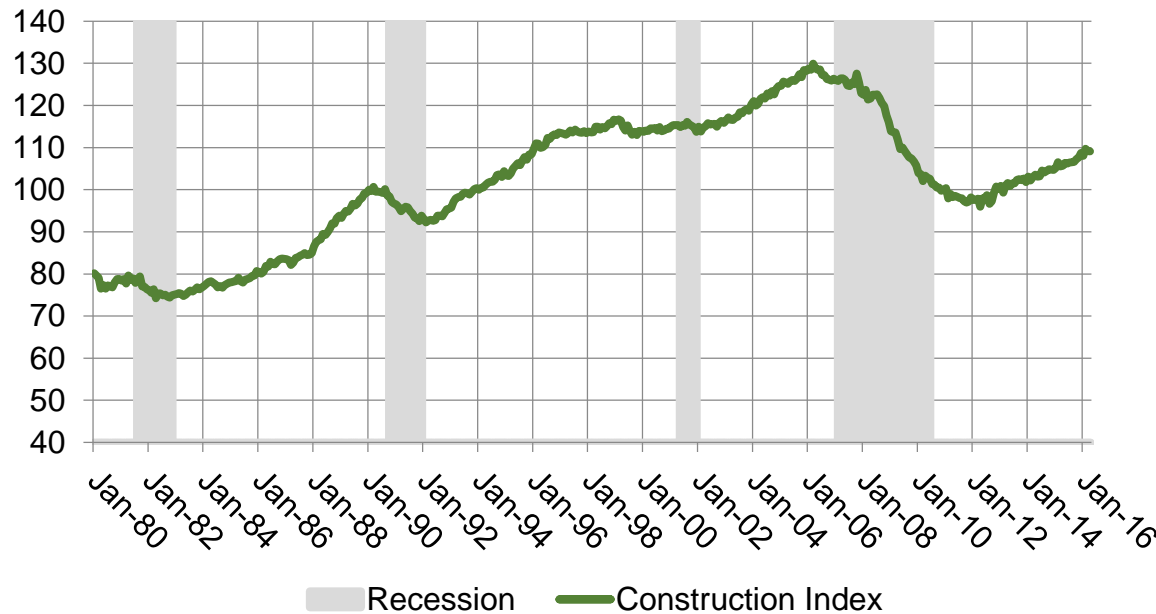


The CBER Southern Nevada leading index rose by 0.6 and 1.6 percent, respectively, compared to a month and a year ago. Like the CBER Nevada leading index, commercial permits and total airline passengers experienced monthly losses. These losses, however, were not large enough to drag down this month’s index value. Commercial permits and total McCarran passengers decreased by 9.8 and 0.3 percent, respectively, from March to April. The remaining four components—housing permits, initial claims for unemployment (inverted), the S&P 500 index, and the real Moody’s Baa grade corporate bond yield (inverted)—increased by 27.6, 8.4, 2.7, and 0.3 percent, respectively, from March to April, and these gains totally offset the losses from the other two components and contributed to the monthly rise of the index.



Southern Nevada Construction Index

The CBER Southern Nevada construction index fell for the month but rose from a year earlier.



The CBER Southern Nevada construction index continued its monthly loss, decreasing by 0.1 percent for this month, but it gained 3.2 percent on a year-over-year basis. Construction employment and commercial permits decreased by 1.0 and 9.8 percent, respectively, from March to April. Even though seasonally adjusted housing permits increased significantly by 27.6 percent compared to a month ago, it could not completely cover the losses from the other two components. All three components—housing permits, construction employment, and commercial permits—experienced strong year-over-year gains, up by 59.3, 12.5, and 9.3 percent, respectively.

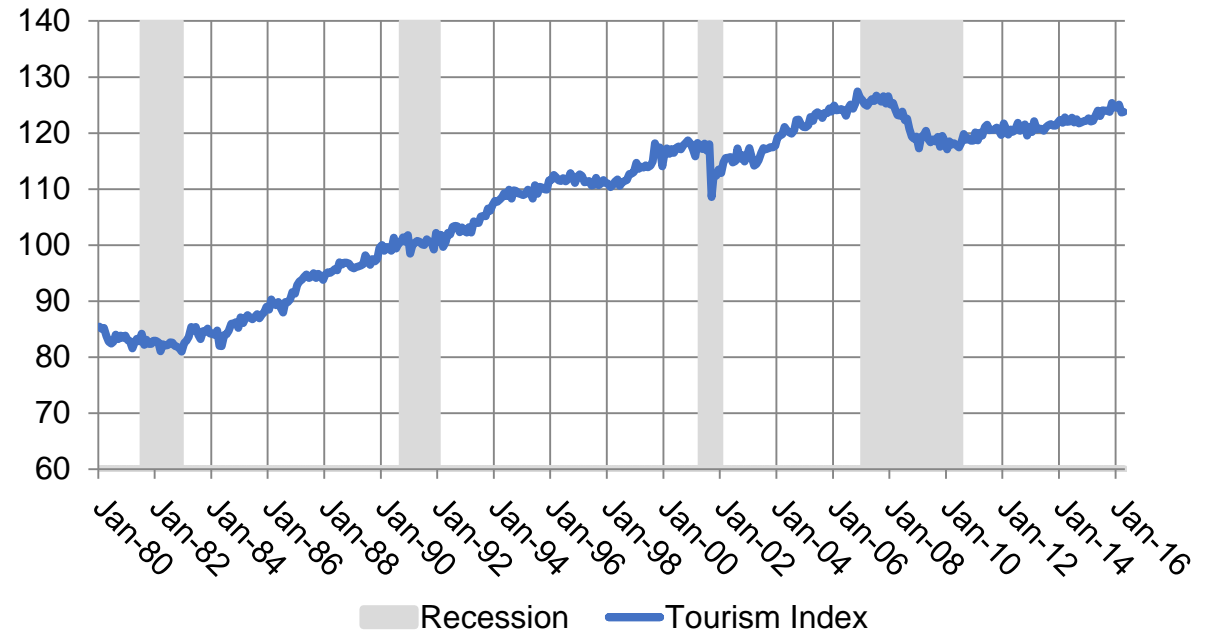
Series	Date	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	Apr-16	55,646	-1.0%	12.5%
Housing Permits (SA)	Apr-16	1,153	27.6%	59.3%
Commercial Permits (SA)	Apr-16	29	-9.8%	9.3%
Overall Index Change	Apr-16	109.1	-0.1%	3.2%



Southern Nevada Tourism Index

The CBER Southern Nevada tourism index rose in April relative to last monthly loss and last year.

The CBER Southern Nevada tourism index increased by 0.1 and 0.5 percent, respectively, month-over-month and year-over-year. McCarran passengers and Las Vegas Vegas hotel/motel occupancy both fell by 0.3 percent from March to April, but these losses were completely offset by a 2.7 percent increase in gaming revenue during the same period. Gaming revenue, however, was the only component to experience a year-over-year decrease. Gaming revenue has now remained lower than its level from last year for two consecutive months. Even though McCarran passengers exhibited year-over-year growth, the tourism index will experience weaker growth this year if the downward trend in gaming revenue continues.



Series	Date	Latest Period	Month-over-Month	Year-over-Year
McCarran Passengers (SA)	Apr-16	3,849,478	-0.3%	3.4%
Gaming Revenue (SA)	Apr-16	794,813,655	2.7%	-3.7%
LV Hotel/Motel Occupancy Rate (SA)	Apr-16	0.873	-0.3%	0.9%
Overall Index Change	Apr-16	123.8	0.1%	0.5%



Sources

Nevada Indexes:

- Nevada Department of Taxation
- Nevada Gaming Control Board
- Nevada Department of Employment, Training and Rehabilitation
- U.S. Bureau of Labor Statistics
- Various Permitting Agencies
- Yahoo Finance
- Board of Governors of the Federal Reserve System
- Reno-Tahoe International Airport
- McCarran International Airport
- CBER, UNLV

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- Las Vegas Convention and Visitors Authority
- CBER, UNLV