

17.May.2022

## **Industrial Production: Continued Re-Acceleration**

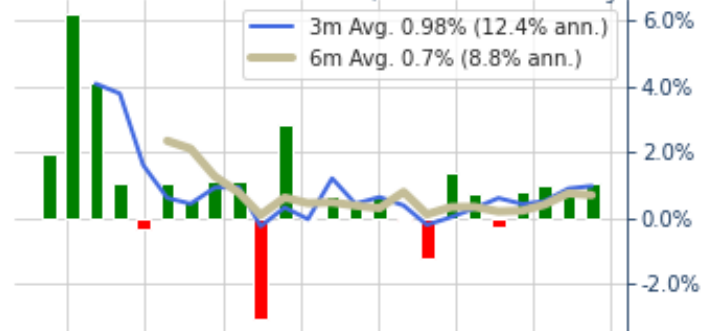
**Bottom Line:** Industrial production rose even more than expected in April as the auto industry led a volatile but robust reacceleration continued to take shape. Motor vehicle and part production were up 36+% over the three months ended in April, a notable acceleration from the already robust three- and six-month pace of 17.9% and 16.9%, respectively. The aerospace industry also saw an acceleration in production. Overall, US industrial production remains robust. After hints of decelerating activity, IP has the potential to re-accelerate if automakers and aerospace companies can get the chips they need to build cars and planes and meet record demand.

## Industrial Production Total IP



**April: +1.08%, consensus: +0.5%**

Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



Jun-20 Oct-20 Jan-21 Apr-21 Jul-21 Nov-21 Feb-22 May-22

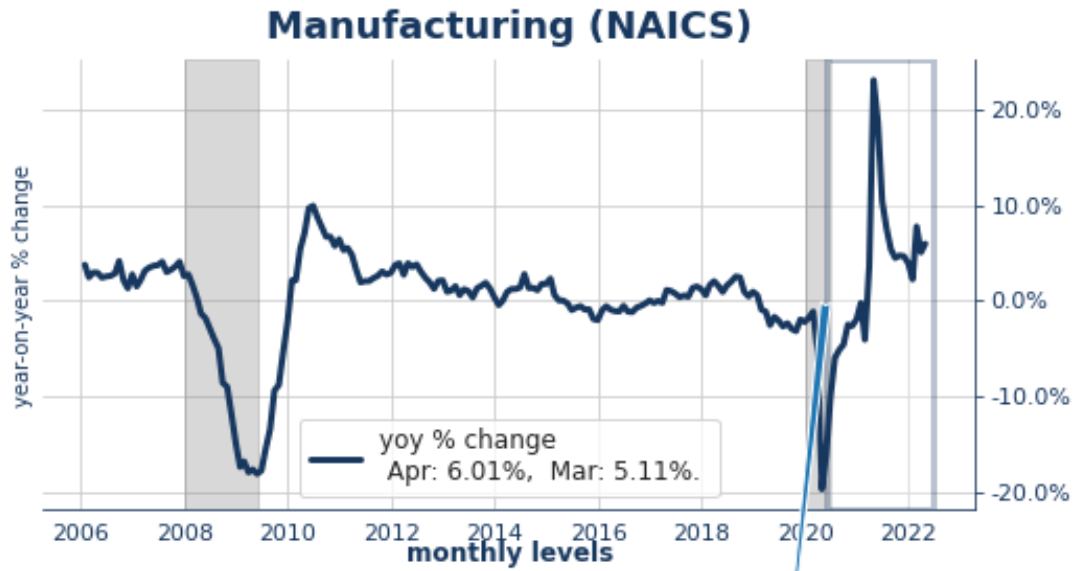
**Industrial Production** ROSE by 1.08% in April, compared with market expectations for an increase of 0.5%. Output is now 6.4% ABOVE its year-ago level.

In April, **Mining Output** ROSE by 1.6%, and is now 8.7% ABOVE its year-ago level. Utility Generation ROSE by 2.4% and is now 7.5% ABOVE its year-ago level.

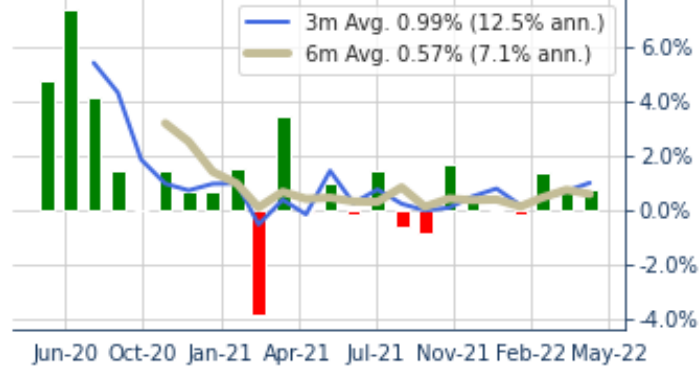
**Manufacturing Output** ROSE by 0.8% and is now 5.8% ABOVE its year-ago level. Output in high-tech industries fell by 0.3%. Meanwhile, output in the motor vehicle industry rose by 3.9%. Excluding both the high-tech and motor vehicles industries, industrial output climbed by 0.6%.

**Capacity Utilization** ROSE by 0.8 points to 79.0%, compared with market expectations for a smaller increase to 78.6%. Moreover, the prior month was revised from 76.8% to 78.2%. The capacity utilization rate is now 4.2 percentage points

above its year-ago level and 1.0 percentage points below its long-run (1972–2015) average.



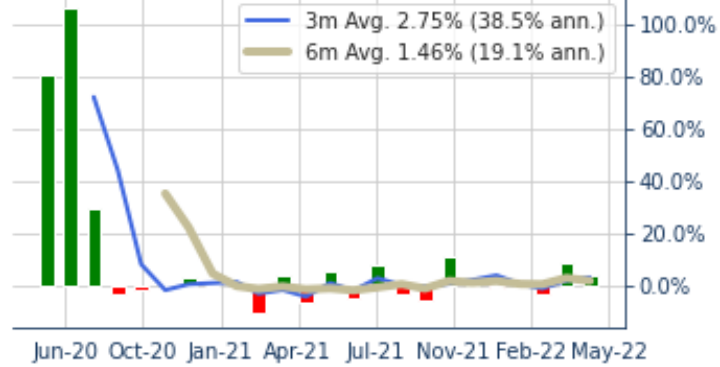
Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



# Motor vehicles and parts



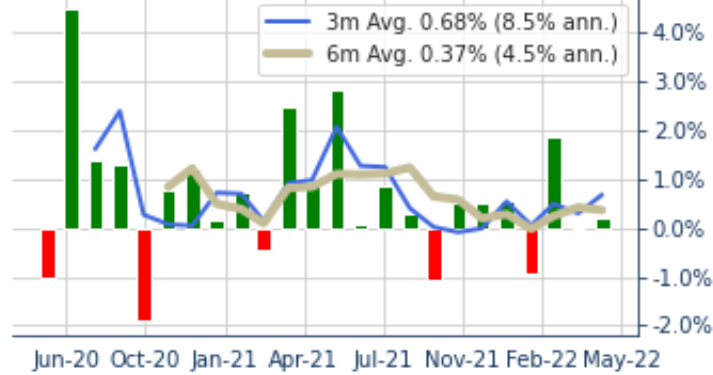
Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



## Computer and electronic products



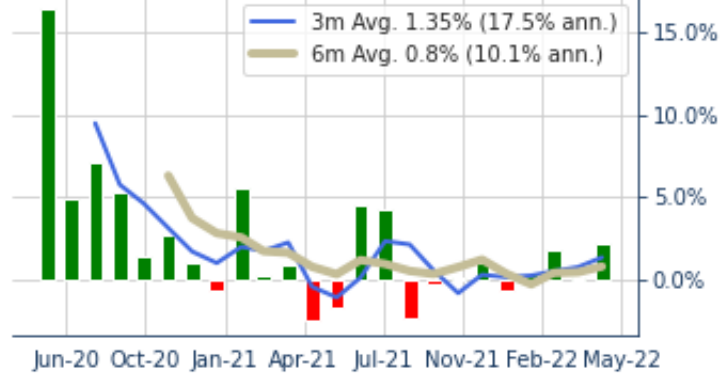
Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



# Aerospace and miscellaneous transportation equipment



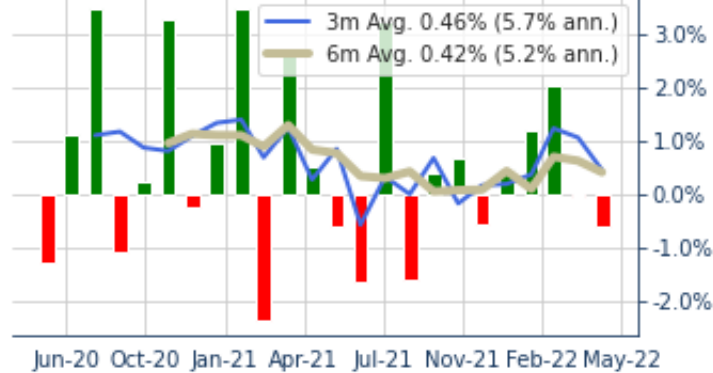
Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



## Electrical equip., appliances, and component



Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



|                                  | Percent Change    |             |             |             |                          |             |              |             |             |             |             |
|----------------------------------|-------------------|-------------|-------------|-------------|--------------------------|-------------|--------------|-------------|-------------|-------------|-------------|
|                                  | Monthly % Changes |             |             |             | Annual Rates of % Change |             |              |             |             |             |             |
|                                  | Apr-22            | Mar-22      | Feb-22      | Jan-22      | Three Month              | Six Month   | Twelve Month | 2020        | 2019        | Five Year   | Ten Year    |
| <b>Industrial Production</b>     | <b>1.08</b>       | <b>0.9</b>  | <b>1.0</b>  | <b>0.8</b>  | <b>12.4</b>              | <b>8.8</b>  | <b>6.4</b>   | <b>-3.3</b> | <b>-2.2</b> | <b>-0.1</b> | <b>0.5</b>  |
| previous estimate                |                   | 0.9         | 1.0         | 0.8         |                          |             |              |             |             |             |             |
| Mining                           | 1.6               | 1.9         | 0.3         | 0.5         | 16.2                     | 9.8         | 8.7          | -15.2       | -1.3        | 0.4         | 1.7         |
| Utilities                        | 2.4               | -0.3        | 0.0         | 7.4         | 8.9                      | 21.2        | 7.5          | 1.3         | -0.9        | 1.6         | -0.2        |
| Manufacturing                    | 0.8               | 0.8         | 1.3         | -0.1        | 12.3                     | 6.8         | 5.8          | -2.2        | -2.4        | -0.5        | 0.2         |
| High-Tech Industries             | -0.3              | 1.5         | 2.8         | 0.5         | 16.6                     | 14.7        | 8.3          | 8.1         | 8.8         | 8.0         | 7.8         |
| Ex-high tech                     | 0.8               | 0.8         | 1.4         | -0.1        | 12.6                     | 7.0         | 5.9          | -1.9        | -2.9        | -0.7        | 0.0         |
| Motor Vehicles & Parts           | 3.9               | 8.4         | -4.0        | 0.5         | 36.2                     | 17.9        | 16.9         | 2.9         | -10.7       | 0.6         | 4.0         |
| Ex-motor vehicles                | 0.5               | 0.4         | 1.7         | -0.1        | 10.7                     | 6.1         | 5.1          | -2.6        | -1.6        | -0.6        | -0.1        |
| Ex-high tech & motor vehic       | 0.6               | 0.3         | 1.6         | -0.1        | 10.4                     | 5.7         | 5.0          | -2.9        | -2.0        | -0.9        | -0.4        |
| Aerospace & misc                 | 2.1               | 0.1         | 1.9         | 0.3         | 17.6                     | 10.0        | 9.6          | -13.2       | 3.5         | -2.1        | 0.4         |
| <b>Addendum:</b>                 |                   |             |             |             |                          |             |              |             |             |             |             |
| Business Equipment               | 1.1               | 1.4         | 1.8         | -0.4        | 18.8                     | 9.7         | 8.1          | -8.0        | -3.4        | -1.0        | 0.2         |
| Construction Supplies            | 0.3               | -0.2        | 2.3         | -1.0        | 10.0                     | 7.8         | 6.3          | 0.1         | -2.3        | 0.2         | 1.5         |
| <b>Capacity Utilization Rate</b> | <b>79.0</b>       | <b>78.2</b> | <b>77.6</b> | <b>76.9</b> | <b>78.3</b>              | <b>77.5</b> | <b>76.6</b>  | <b>74.1</b> | <b>76.5</b> | <b>76.4</b> | <b>76.9</b> |
|                                  |                   | 76.8        | 76.5        | 75.3        |                          |             |              |             |             |             |             |

Source: Federal Reserve Board via Bloomberg. Our calculations.

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