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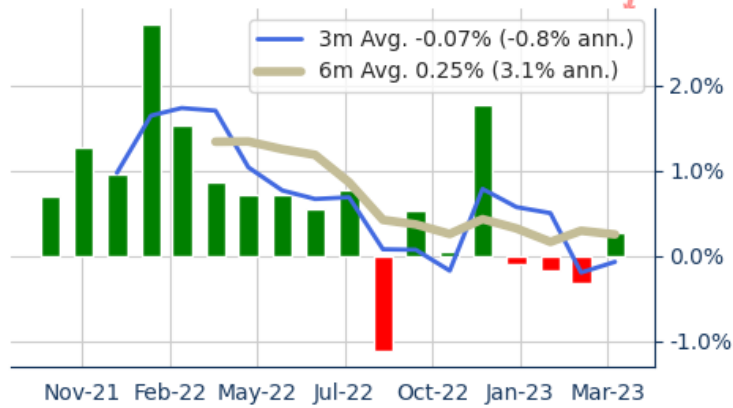
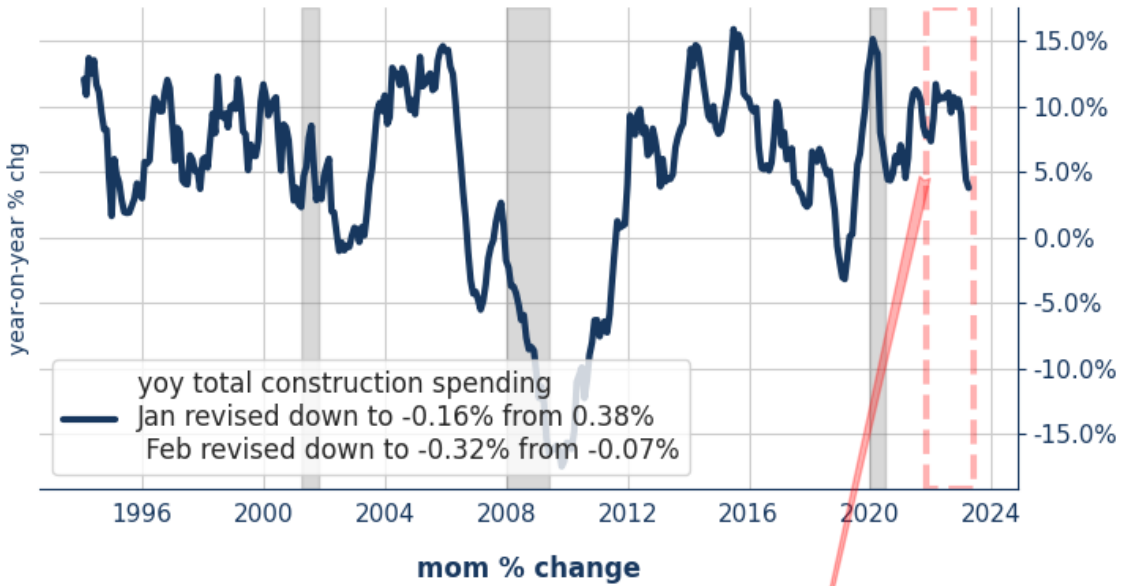
01. May.2023.

Construction Spending: Anemic Trends

Bottom Line: Construction spending rose more than expected in March, but there were negative revisions to prior data, and trends remained firmly lower. While these data are lagged and prone to revision, the trends remain clear. Residential spending showed no signs of bottoming in the 1st Quarter, continuing to contract. Nonresidential, which had rebounded early in the year, was still adding to economic activity but was notably slower in the quarter's final month. Spending on office-related construction slowed after a brief period of strength related to renovations after the pandemic. Manufacturing-related projects remained strong, as did public construction. **Overall the mix of continued contraction in residential and positive but modestly lower nonresidential left overall construction spending flat to slightly lower in the 1st Quarter. The outlook remains murky, with the potential for some bottoming in housing in the 2nd Quarter but continued deceleration likely in nonresidential.**

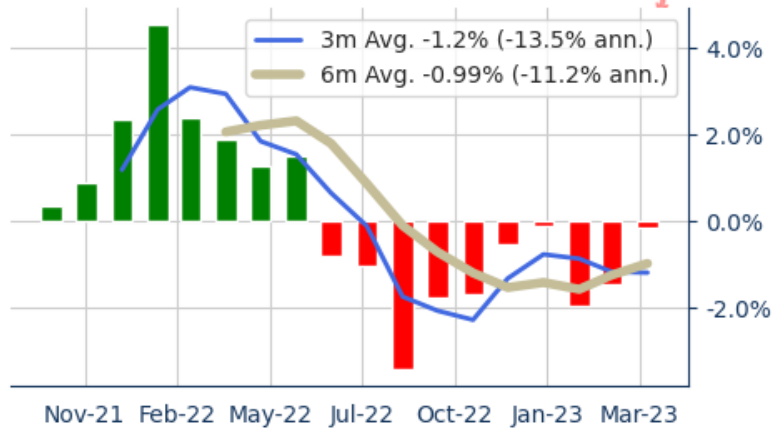
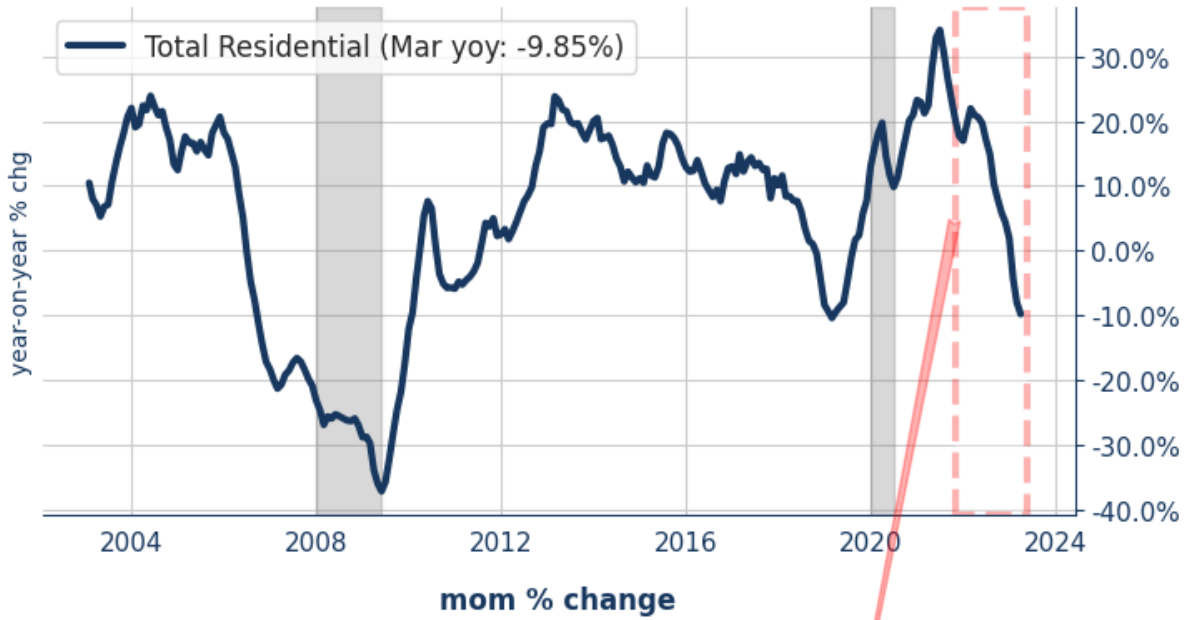
US Construction Spending

March: +0.28%, consensus: +0.1%



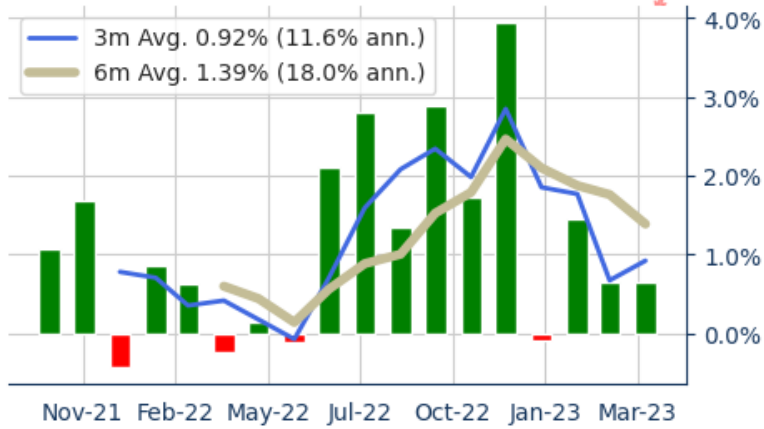
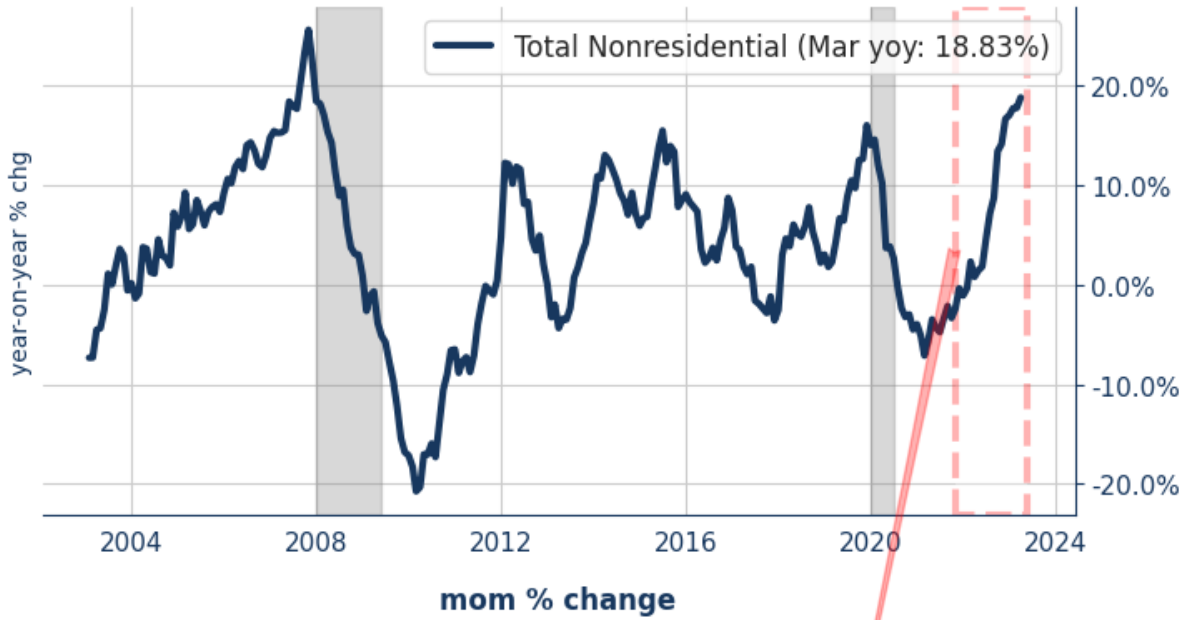
Contingent Macro Advisors 2023 source: US Census Bureau

Residential Construction



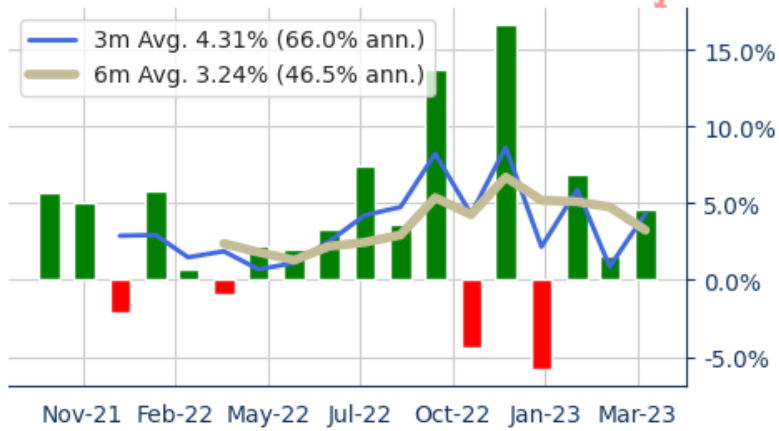
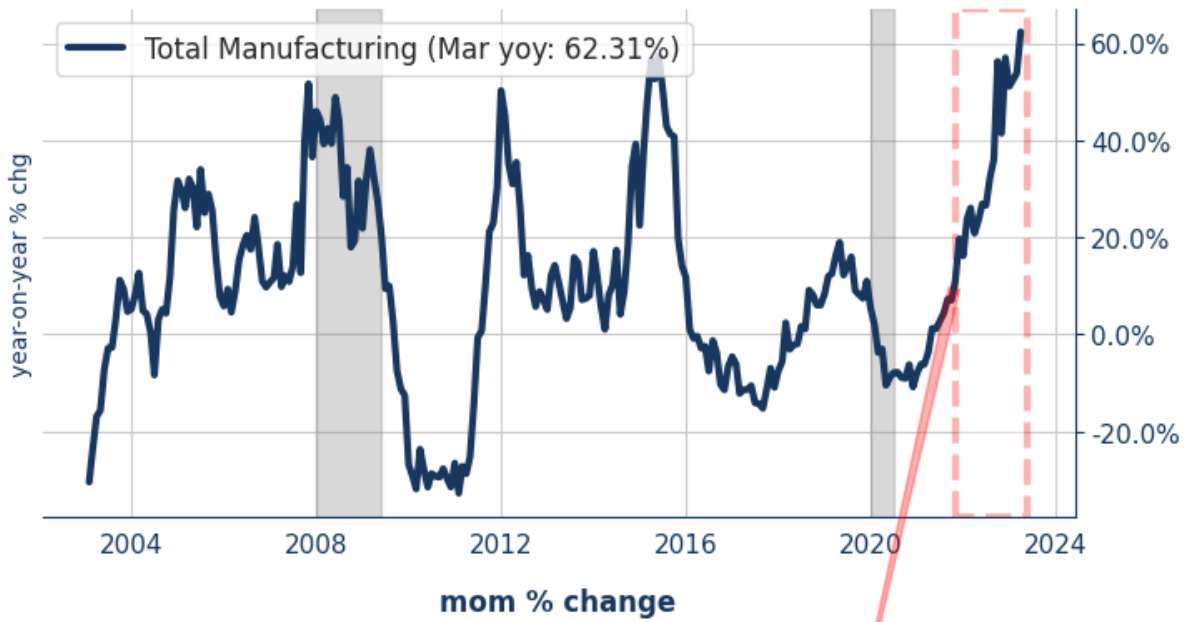
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Nonresidential Construction



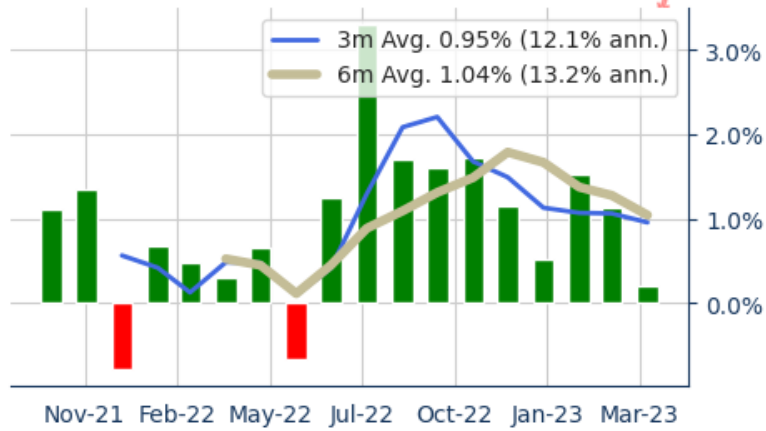
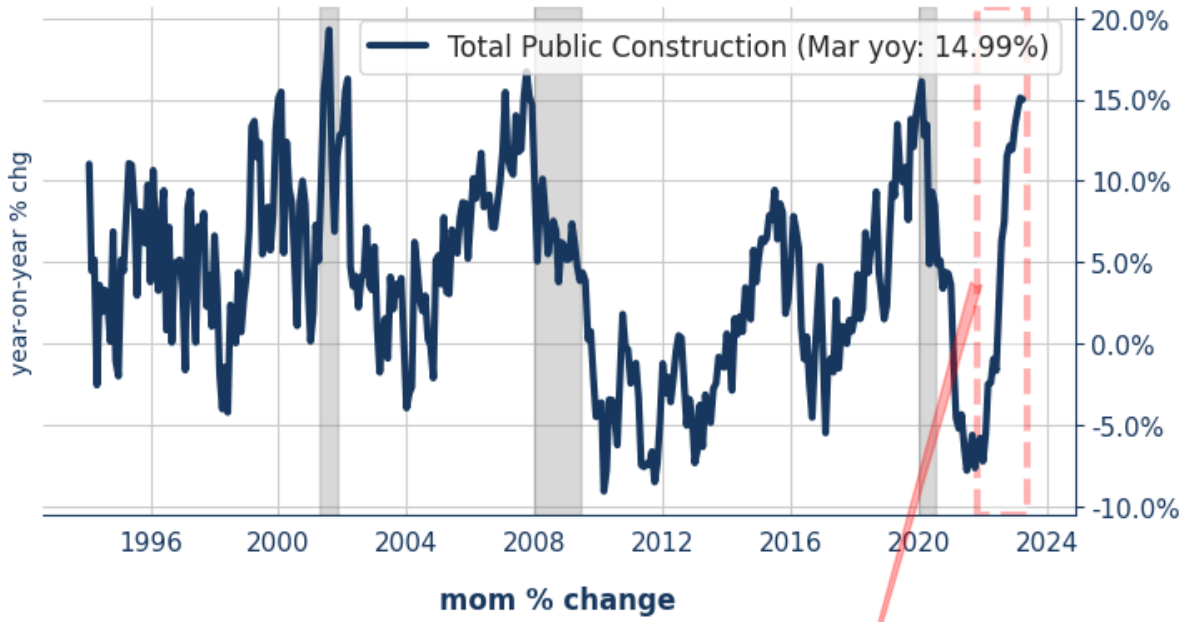
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Manufacturing Construction



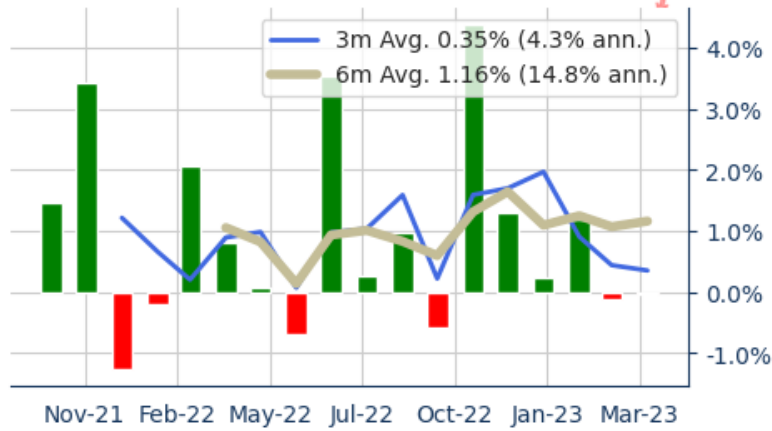
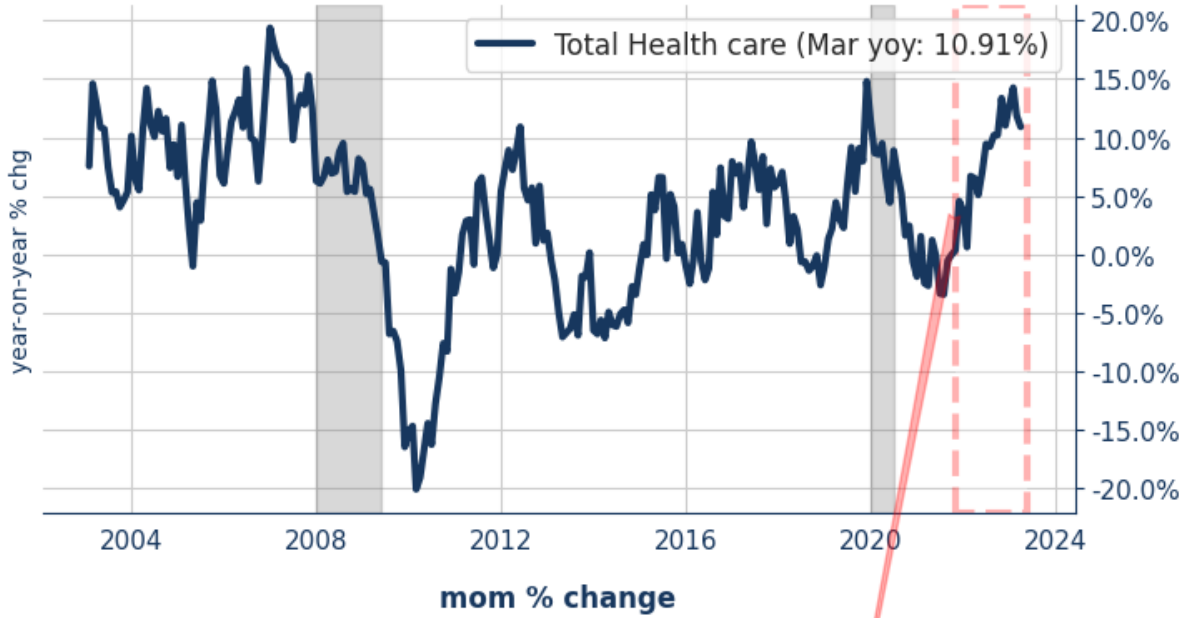
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Public Construction



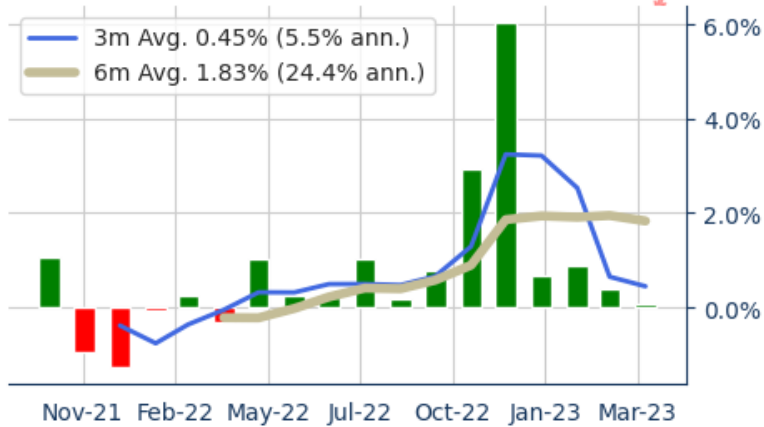
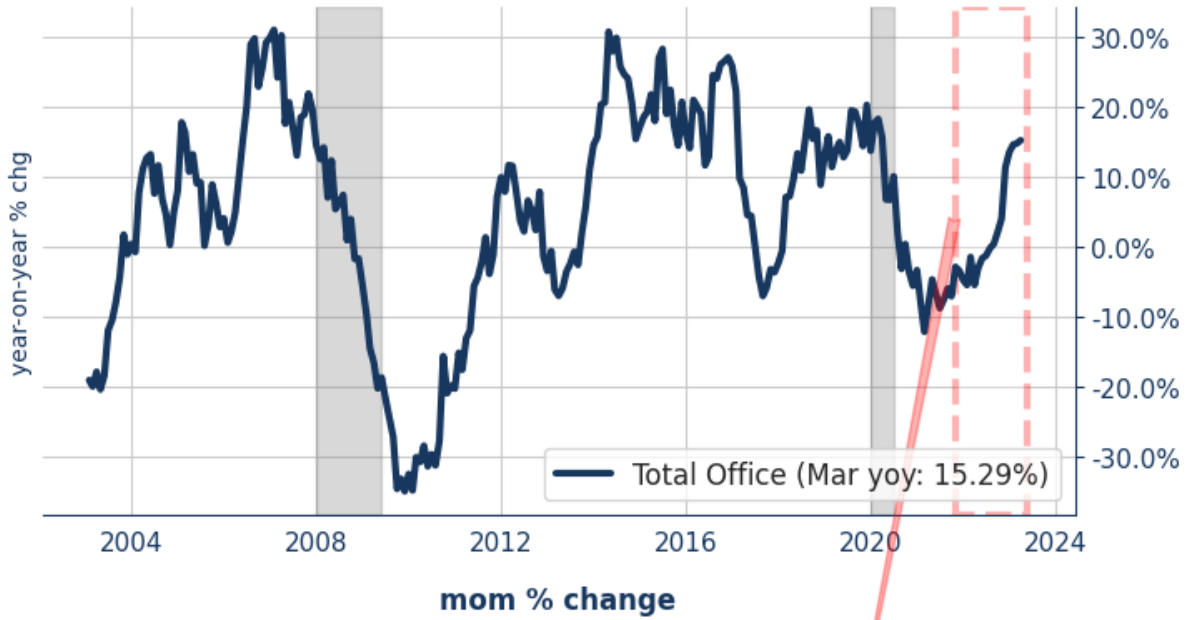
Contingent Macro Advisors 2023 source: US Census Bureau

Health care Construction



Contingent Macro Advisors 2023 source: US Census Bureau

Office Construction



Contingent Macro Advisors 2023 source: US Census Bureau

US Construction Spending	Mar-23	Feb-23	Jan-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Total Construction	0.28%	-0.32%	-0.16%	-0.83%	3.03%	3.76%	9.37%	7.32%	8.49%
Total Residential	-0.16%	-1.45%	-1.98%	-13.49%	-11.24%	-9.85%	1.89%	16.97%	12.02%
Total Nonresidential	0.65%	0.65%	1.46%	11.64%	17.86%	18.83%	17.05%	-1.07%	6.08%
Total Lodging	0.40%	-0.89%	1.99%	6.07%	23.32%	38.06%	39.44%	-32.20%	-6.08%
Total Office	0.08%	0.39%	0.88%	5.51%	24.05%	15.29%	13.59%	-4.65%	4.17%
Total Commercial	-0.79%	-1.20%	-2.90%	-17.95%	9.03%	20.28%	27.62%	17.45%	12.12%
Total Health care	-0.02%	-0.10%	1.18%	4.28%	14.67%	10.91%	12.70%	3.78%	5.83%

Total Manufacturing	4.58%	1.53%	6.83%	65.53%	42.09%	62.31%	51.07%	16.17%	18.57%
Total Public Construction	0.20%	1.13%	1.53%	12.05%	13.22%	14.99%	13.39%	-7.24%	5.81%

Source: US Census Bureau via FRED

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