

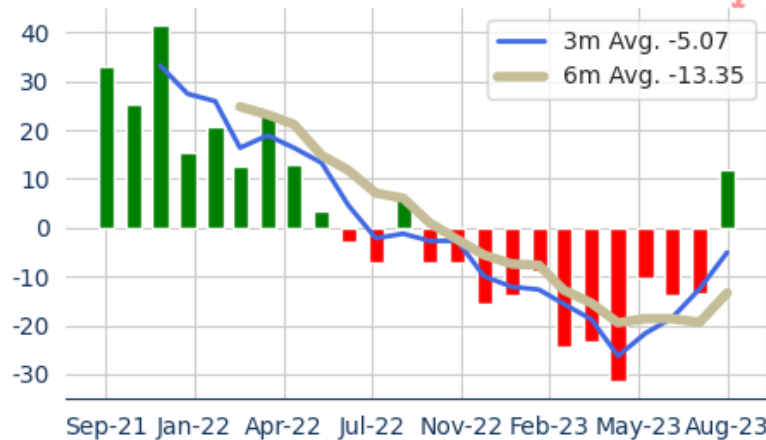
17.Aug.2023

Philly Fed: Surprise Rebound, 1st Positive in A Year

Bottom Line: The Philadelphia Fed's Manufacturing survey was sharply higher than expected, rising to levels suggesting expansion for the first time in a year. New orders led the gains as shipments rose for the second time in three months. Nearly 25% of firms surveyed said activity increased in early August, nearly double the number last month. Inventories fell sharply, suggesting further production growth ahead. Employment fell slightly, with most manufacturing indicators suggesting employment was still high relative to activity levels after businesses hoarded labor during the pandemic boom in goods demand. Overall, this was a favorable report. But the recovery in manufacturing still looks volatile, with other indicators like the New York Fed survey suggesting a contraction in early August.

Philly Fed - Current Activity Index

August: +12.0, consensus: -10.4



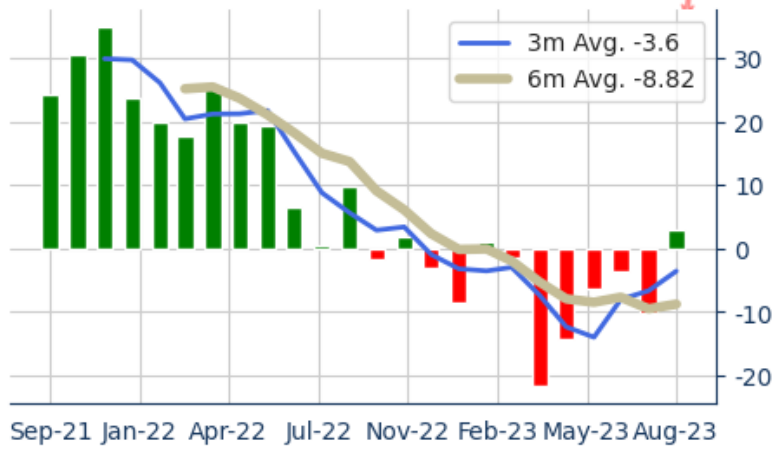
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

The Philadelphia Fed Manufacturing Index ROSE 25.5 points to 12, ABOVE the 3-Month average of -5.07, ABOVE the 6-Month average of -13.35, and 5.7 ABOVE the year-ago level. **On an ISM-weighted basis**, the index ROSE 13.1 points to 3, ABOVE the 3-Month average of -3.6, ABOVE the 6-Month average of -8.82 but -6.9 BELOW the year-ago level.

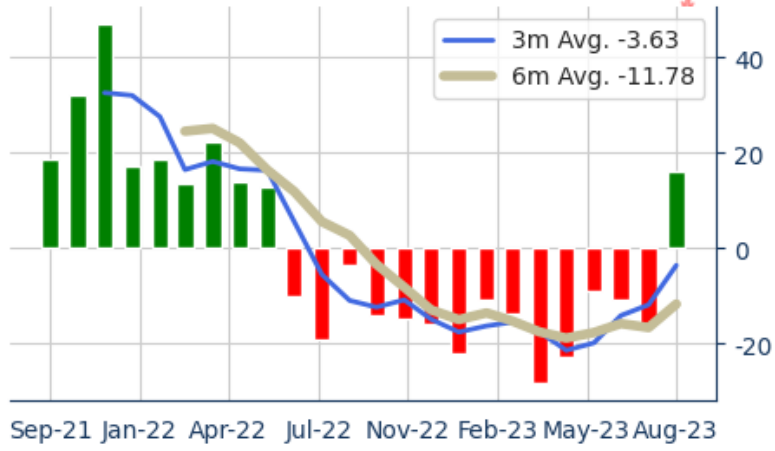
- New Orders ROSE 31.9 points to 16, ABOVE the 3-Month average of -3.63, ABOVE the 6-Month average of -11.78 but 19.7 BELOW the year-ago level.
- Shipments ROSE 18.2 points to 5.7, ABOVE the 3-Month average of 1.03, ABOVE the 6-Month average of -5.72 but -17.5 BELOW the year-ago level.
- Unfilled Orders ROSE 10.3 points to -4.8, ABOVE the 3-Month average of -12.8, ABOVE the 6-Month average of -11.67 and -3.6 ABOVE the year-ago level.

- Delivery Time ROSE 5.9 points to -7, ABOVE the 3-Month average of -12, ABOVE the 6-Month average of -15.77 but -10.5 BELOW the year-ago level.
- Inventories FELL -9.2 points to -10.2, BELOW the 3-Month average of -4.9, BELOW the 6-Month average of -6.23, and -11.2 BELOW the year-ago level.
- Prices Paid ROSE 11.3 points to 20.8, ABOVE the 3-Month average of 13.6, ABOVE the 6-Month average of 13.9 but -26.3 BELOW the year-ago level.
- Employment FELL -5 points to -6, BELOW the 3-Month average of -2.47, BELOW the 6-Month average of -4.42, and -29.1 BELOW the year-ago level.
- Future Activity Index FELL -25.2 points to 3.9, BELOW the 3-Month average of 15.23, BELOW the 6-Month average of 4.32, and 11.5 BELOW the year-ago level.
- Future Capital Expenditures FELL -13.1 points to -4.5, BELOW the 3-Month average of 4.67, BELOW the 6-Month average of 1.22, and -22.7 BELOW the year-ago level.

Philly Fed recalculated by ISM Weightings

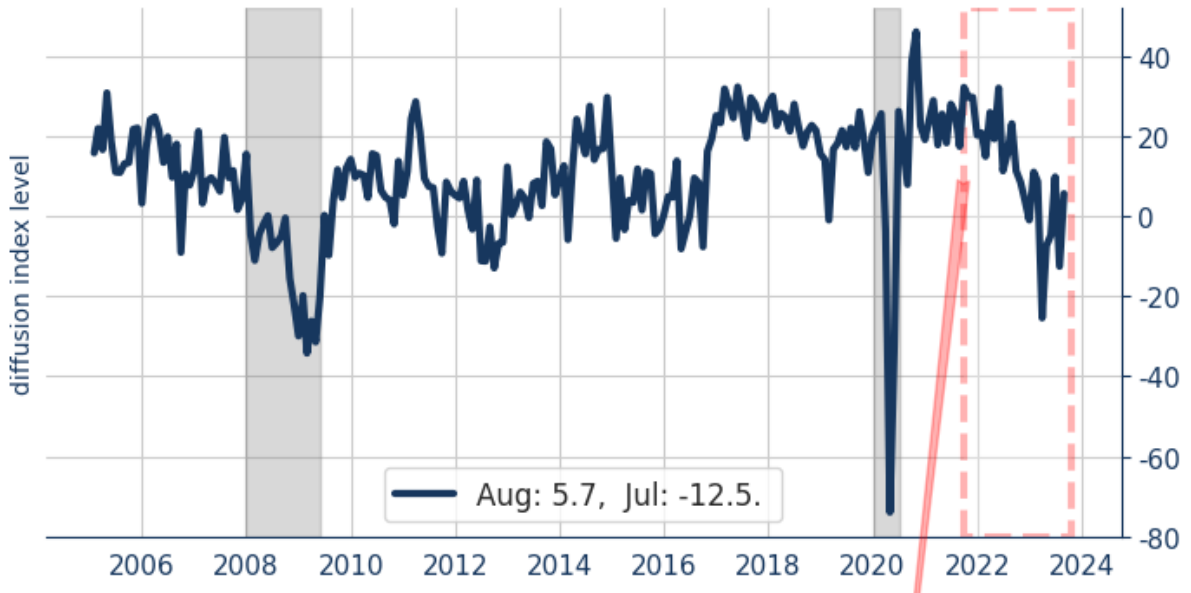


Current New Orders

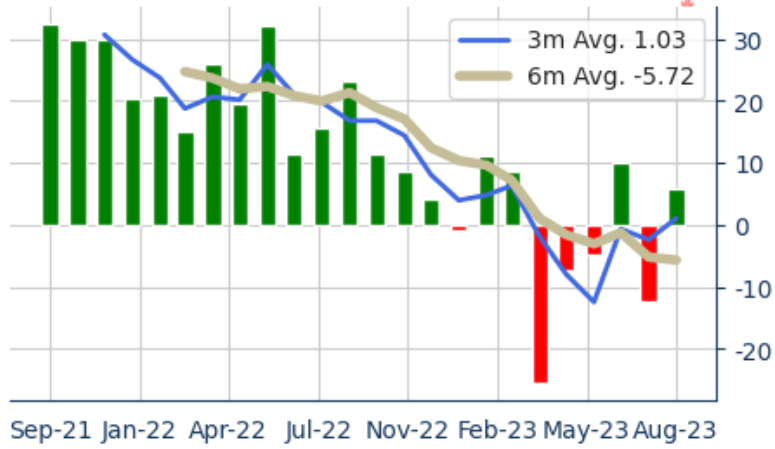


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Shipments

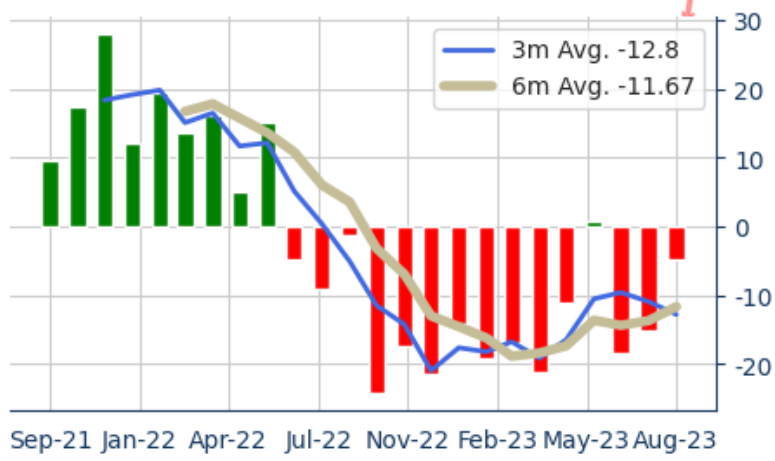


monthly levels



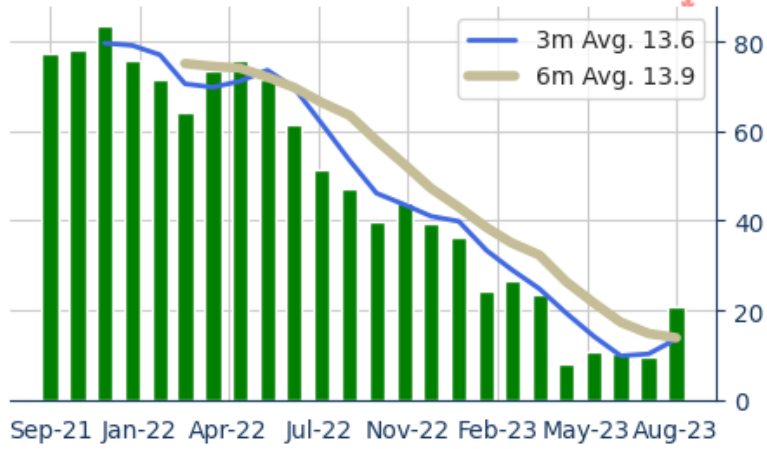
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Unfilled Orders



Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Prices Paid

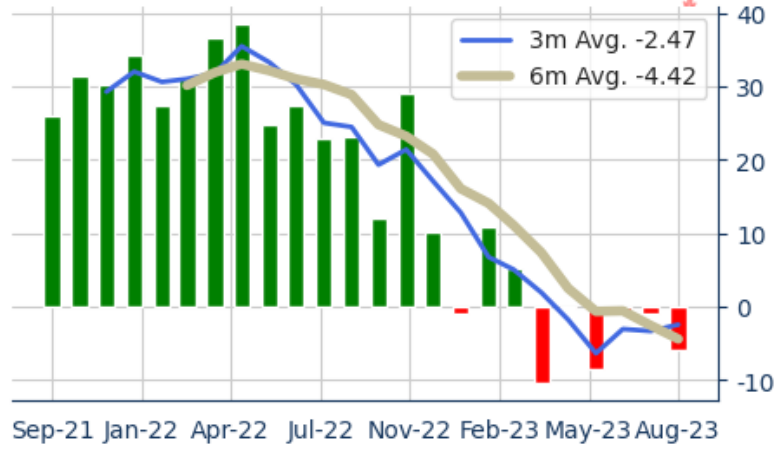


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Employment

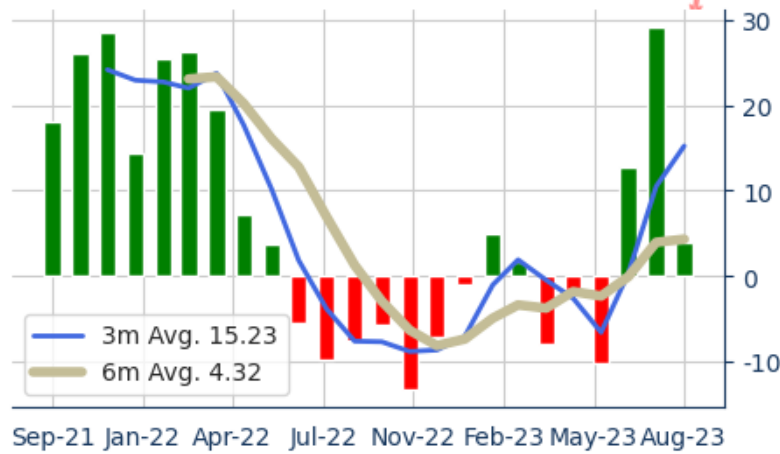


monthly levels



Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Future Activity Index



Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Philly Fed Manufacturing Current Indicators	Aug-23	Jul-23	Jun-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Current Activity Index	12.00	-13.50	-13.70	-5.10	-13.40	-13.10	2.17	9.30
Current ISM-Weighted	3.00	-10.10	-3.70	-3.60	-8.80	-5.40	9.03	11.20
Current New Orders	16.00	-15.90	-11.00	-3.60	-11.80	-13.50	-1.58	9.30
Current Shipments	5.70	-12.50	9.90	1.00	-5.70	0.70	15.58	14.50
Current Unfilled Orders	-4.80	-15.10	-18.50	-12.80	-11.70	-15.30	-1.88	3.60

Current Delivery Time	-7.00	-12.90	-16.10	-12.00	-15.80	-12.50	6.30	8.90
Current Inventories	-10.20	-1.00	-3.50	-4.90	-6.20	-3.10	-0.25	3.20
Current Prices Paid	20.80	9.50	10.50	13.60	13.90	24.50	56.35	37.60
Current Prices Received	14.10	23.00	0.10	12.40	5.80	17.90	40.02	25.70
Current Employment	-6.00	-1.00	-0.40	-2.50	-4.40	3.30	23.50	15.80
Current Average Workweek	6.30	-3.00	-8.20	-1.60	-7.20	-3.40	8.61	10.20

Source: Federal Reserve Bank of Philadelphia - Manufacturing Business Outlook Survey

Philly Fed Manufacturing Future Indicators	Aug-23	Jul-23	Jun-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Future Activity Index	3.90	29.10	12.70	15.20	4.30	0.50	2.70	26.60
Future New Orders	18.20	38.20	14.10	23.50	13.80	7.40	5.47	30.10
Future Shipments	14.90	37.30	28.30	26.80	17.70	14.80	22.43	35.40
Future Unfilled Orders	3.80	9.20	-9.80	1.10	-6.00	-11.00	-20.71	1.00
Future Delivery Time	-11.30	-2.90	-10.60	-8.30	-18.00	-18.20	-20.12	-4.00
Future Inventories	-7.30	-5.50	-19.50	-10.80	-8.80	-7.20	2.92	5.60
Future Prices Paid	53.00	33.80	23.50	36.80	30.90	31.50	51.59	45.70
Future Prices Received	40.60	20.80	17.40	26.30	20.30	24.20	45.40	39.30
Future Employment	12.00	21.30	13.10	15.50	11.60	12.30	25.08	29.30
Future Average Workweek	8.30	16.50	0.60	8.50	5.50	1.70	3.68	11.90
Future Capital Expenditures	-4.50	8.60	9.90	4.70	1.20	5.20	14.14	22.40

Source: Federal Reserve Bank of Philadelphia - Manufacturing Business Outlook Survey