

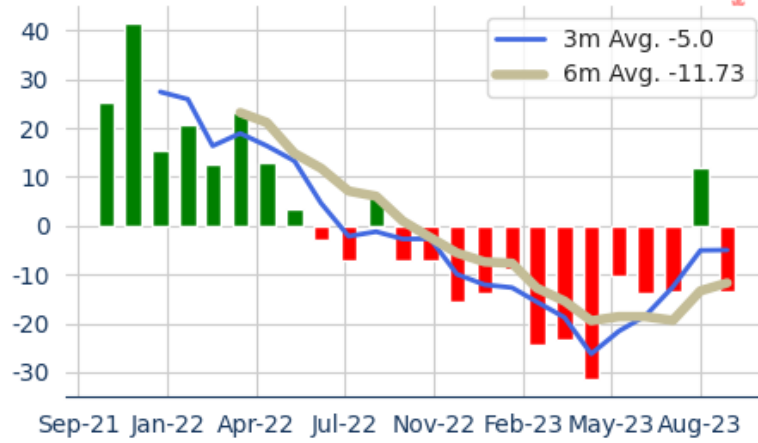
21.Sep.2023

Philly Fed: Volatile Bottoming Still Base Case

Bottom Line: The Philadelphia Fed's Manufacturing survey fell again, disappointing expectations after a surprise rebound last month. The bottoming process in the goods economy remains volatile. Nonetheless, there are signs of a slow turn in manufacturing after several quarters of contraction. Moreover, the tailwind of capital investment in manufacturing as companies "re-shore" production has blunted the impact of this cyclical downturn. Overall, this survey suggested the bottoming process in cyclical manufacturing remained volatile in early September.

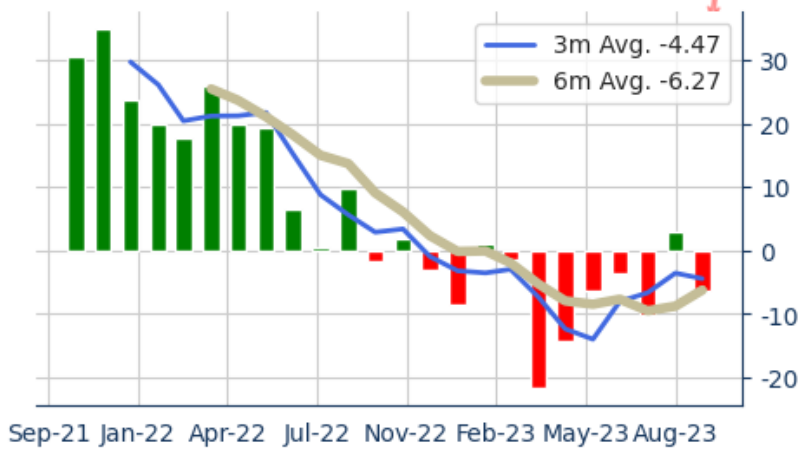
Philly Fed - Current Activity Index

September: -13.5, consensus: -1

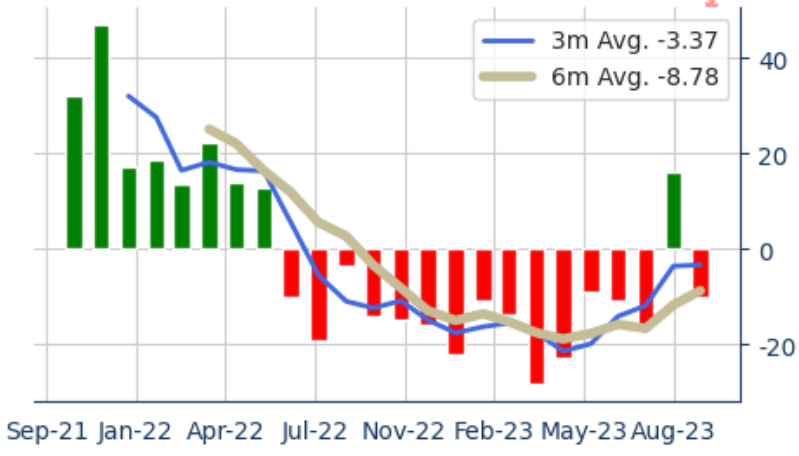
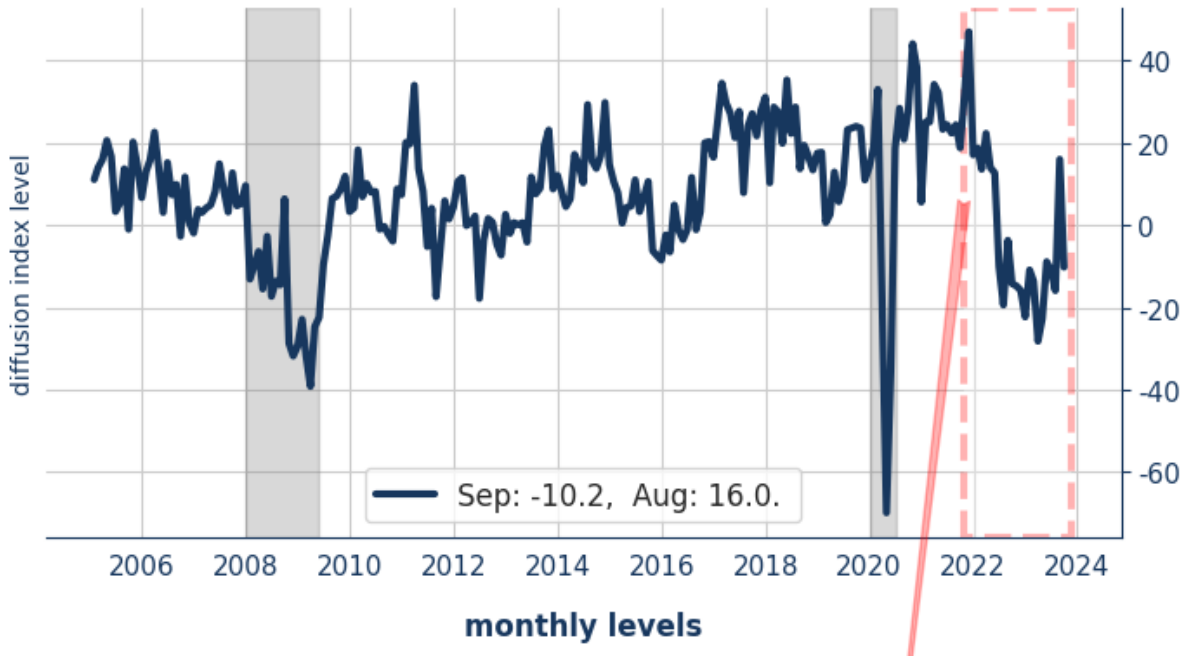


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Philly Fed recalculated by ISM Weightings

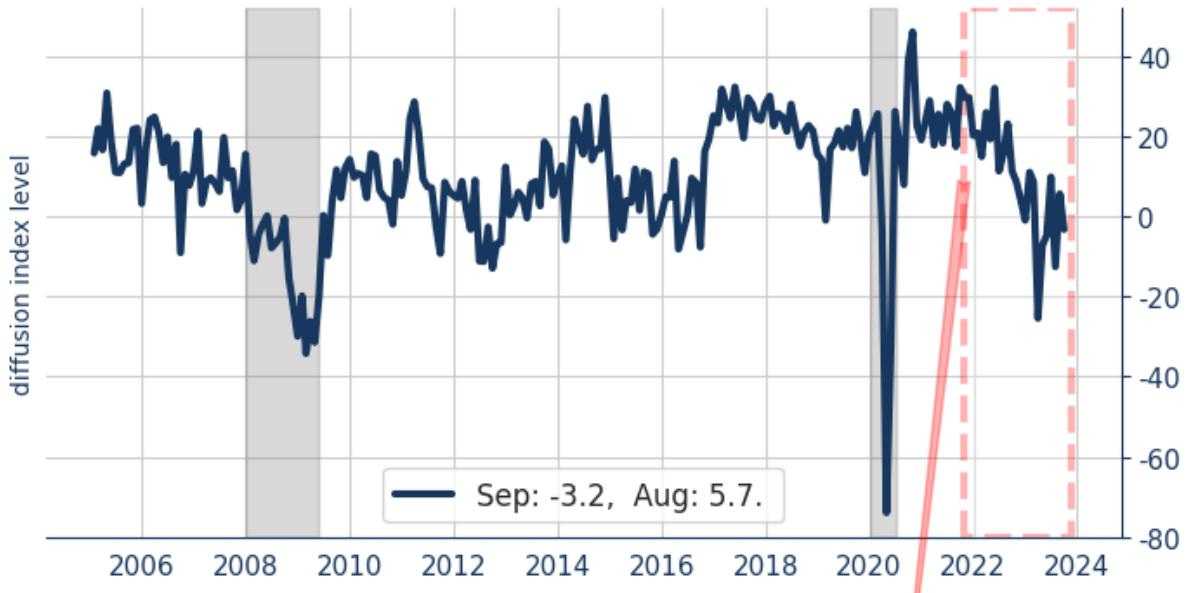


Current New Orders

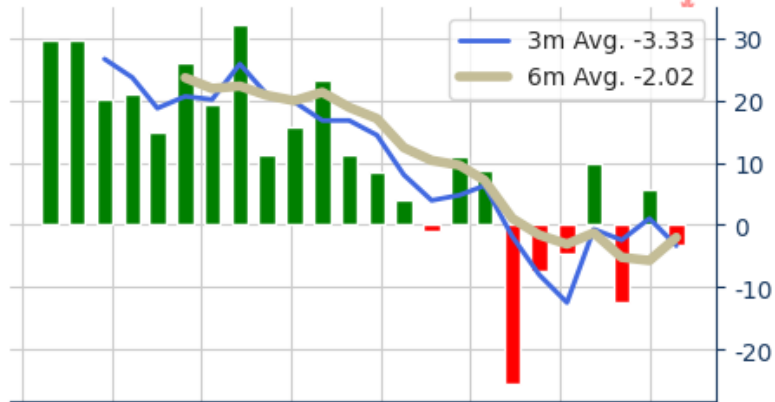


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Shipments

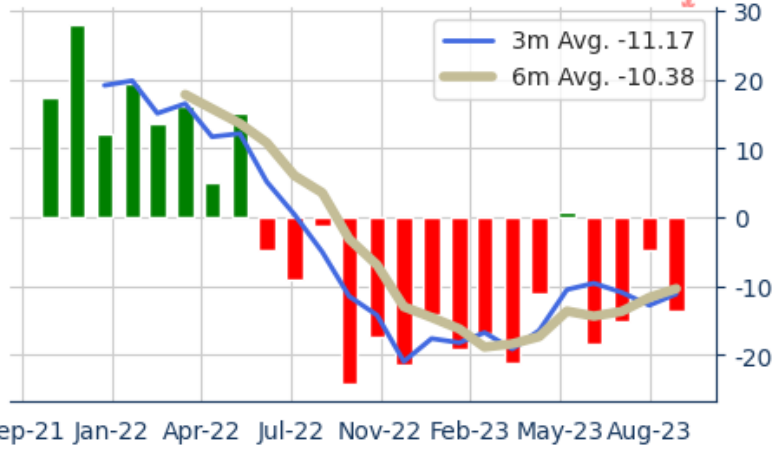


monthly levels



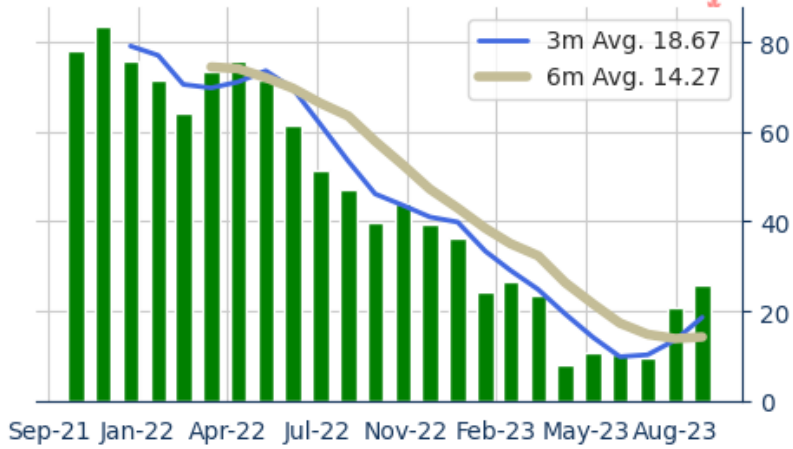
Sep-21 Jan-22 Apr-22 Jul-22 Nov-22 Feb-23 May-23 Aug-23

Current Unfilled Orders



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

Current Prices Paid

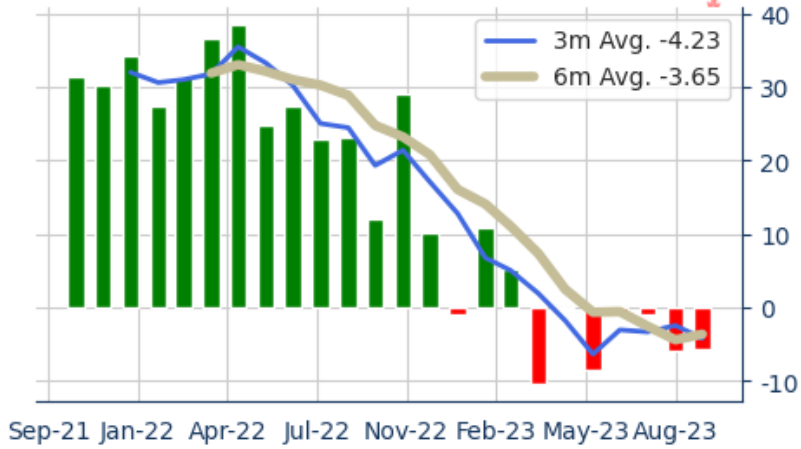


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Employment

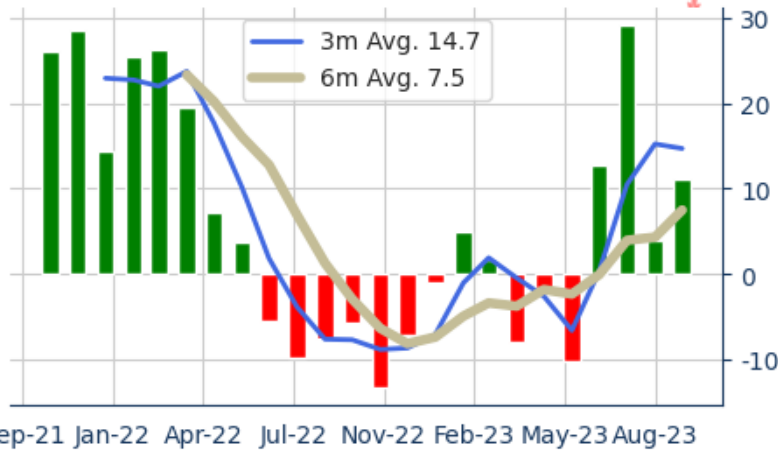
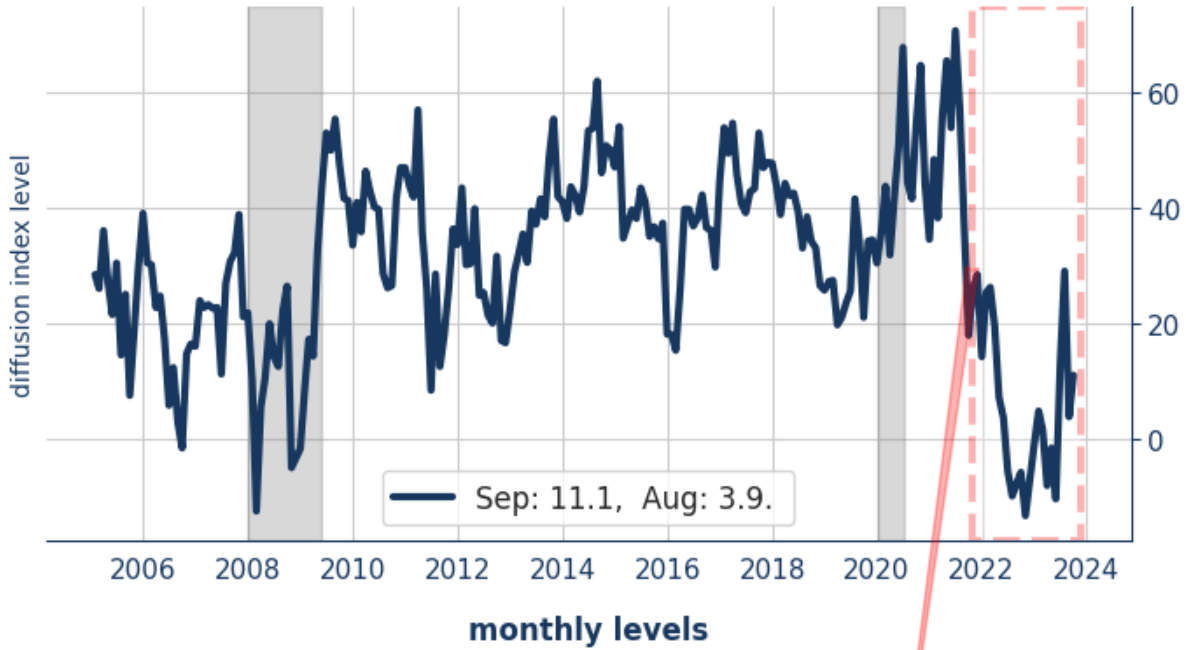


monthly levels



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	Sep-23	Aug-23	Jul-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Current Activity Index	-13.50	12.00	-13.50	-5.00	-11.70	-13.60	2.17	8.70
Current ISM-Weighted	-6.30	3.00	-10.10	-4.50	-6.30	-5.80	9.03	10.90
Current New Orders	-10.20	16.00	-15.90	-3.40	-8.80	-13.20	-1.58	8.80
Current Shipments	-3.20	5.70	-12.50	-3.30	-2.00	-0.50	15.58	14.10
Current Unfilled Orders	-13.60	-4.80	-15.10	-11.20	-10.40	-14.40	-1.88	3.20

Current Delivery Time	-14.90	-7.00	-12.90	-11.60	-14.20	-12.50	6.30	8.40
Current Inventories	8.90	-10.20	-1.00	-0.80	-2.90	-2.00	-0.25	3.40
Current Prices Paid	25.70	20.80	9.50	18.70	14.30	23.30	56.35	37.30
Current Prices Received	14.80	14.10	23.00	17.30	7.00	16.20	40.02	25.50
Current Employment	-5.70	-6.00	-1.00	-4.20	-3.60	1.80	23.50	15.40
Current Average Workweek	4.70	6.30	-3.00	2.70	-2.70	-2.80	8.61	10.10

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

Philly Fed Manufacturing Future Indicators	Sep-23	Aug-23	Jul-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Future Activity Index	11.10	3.90	29.10	14.70	7.50	1.90	2.70	26.20
Future New Orders	25.60	18.20	38.20	27.30	17.30	9.20	5.47	30.00
Future Shipments	30.50	14.90	37.30	27.60	21.50	15.70	22.43	35.30
Future Unfilled Orders	-5.60	3.80	9.20	2.50	-4.80	-9.70	-20.71	0.70
Future Delivery Time	-9.50	-11.30	-2.90	-7.90	-15.60	-17.00	-20.12	-4.20
Future Inventories	-3.40	-7.30	-5.50	-5.40	-7.30	-7.70	2.92	5.60
Future Prices Paid	48.00	53.00	33.80	44.90	34.40	31.60	51.59	45.70
Future Prices Received	36.50	40.60	20.80	32.60	25.10	23.90	45.40	39.20
Future Employment	6.50	12.00	21.30	13.30	11.50	11.00	25.08	28.90
Future Average Workweek	-1.30	8.30	16.50	7.80	4.00	0.80	3.68	11.70
Future Capital Expenditures	7.50	-4.50	8.60	3.90	3.10	5.30	14.14	22.00

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