

Manufacturing Weakness Continues: A Review of US Economic Data

April 17, 2019

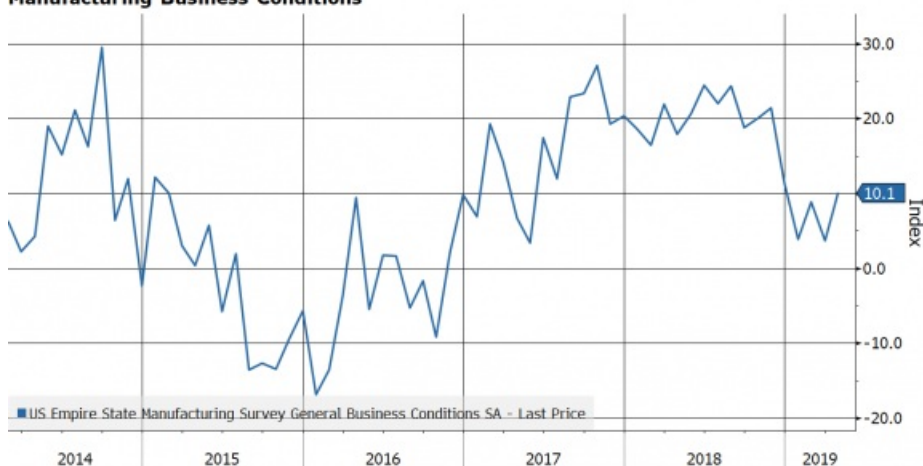
by Steven Vannelli
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So far this week, we've received a few data points that reinforce the manufacturing slowdown taking place in the US. Below is a calendar of events for the last couple days.

Date Time	Country	Event	Period	Surv(M)	Actual	Prior	Revised
04/15/19 06:30	US	Empire Manufacturing	Apr	8	10.1	3.7	--
04/16/19 07:15	US	Industrial Production MoM	Mar	0.20%	-0.10%	0.10%	0.10%
04/16/19 07:15	US	Manufacturing (SIC) Production	Mar	0.10%	0.00%	-0.40%	-0.30%
04/16/19 07:15	US	Capacity Utilization	Mar	79.20%	78.80%	78.20%	79.00%

On Monday, we got the Empire State Survey, a survey of manufacturing in New York. Importantly, this is one of the few "soft" data points we have for April, so its message is important. It turned up slightly from last month, showing some stabilization and beating estimates, but it is still well down from 2018 levels.

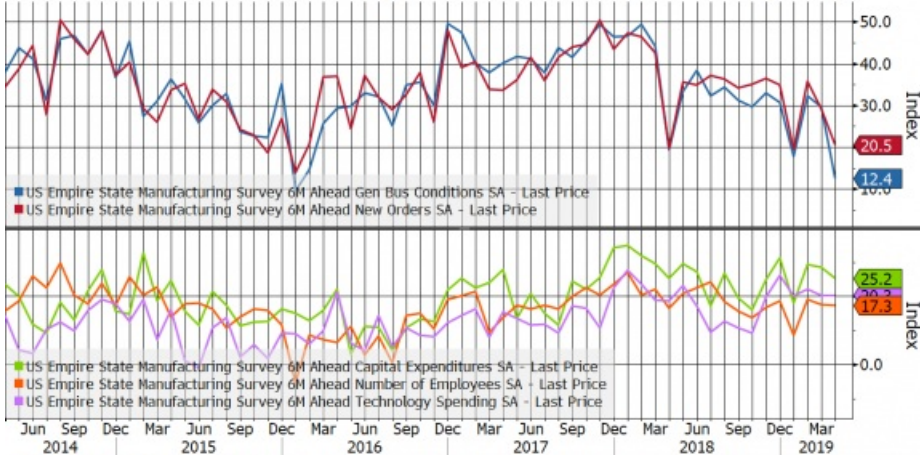
US Empire State Survey Manufacturing Business Conditions



Source: Knowledge Leaders Capital
EMPRGBCI Index (US Empire State Manufacturing Survey General Business Conditions)
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16-Apr-2019 15:15:14

Underneath the surface, the data was a bit less encouraging. In the 6-month outlook, expectations for general business conditions and new orders plunged.

US Empire State Survey
6-Month Outlook Business Conditions, Orders, CapEx, Employees & Tech Spending



Source: Knowledge Leaders Capital
 EPR6G6BC Index (US Empire State Manufacturing Survey 6M Ahead Gen Bus Conditions) Copyright© 2019 Bloomberg Finance L.P. 16-Apr-2019 15:17:04

Industrial production undershot monthly estimates, falling .10% when it was expected to rise .2%. This brought the 1-year percent change down to 2.8% from a rate about twice that of last September.

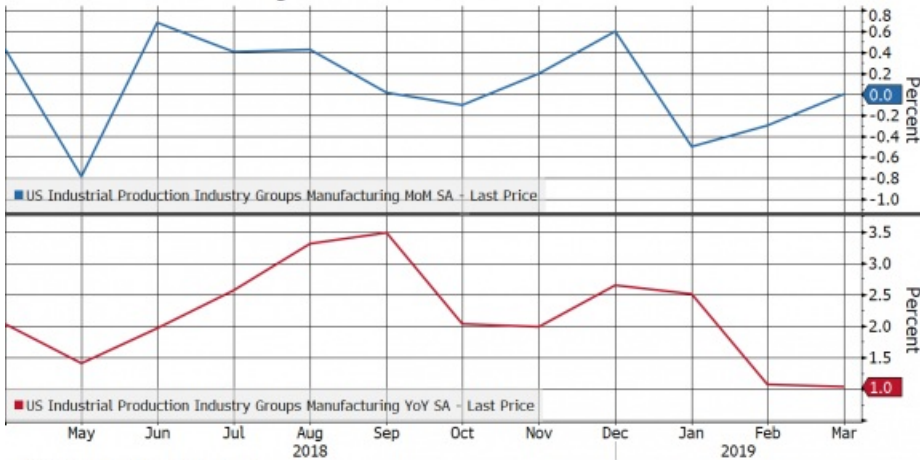
Industrial Production
1-Month & 1-Year % Change



Source: Knowledge Leaders Capital
 SP CHNG Index (US Industrial Production MOM SA) Industrial Production Monthly 3 Copyright© 2019 Bloomberg Finance L.P. 16-Apr-2019 15:20:32

The manufacturing component of industrial production came in .10% under expectations also, slowing to a 1% 1-year rate of change.

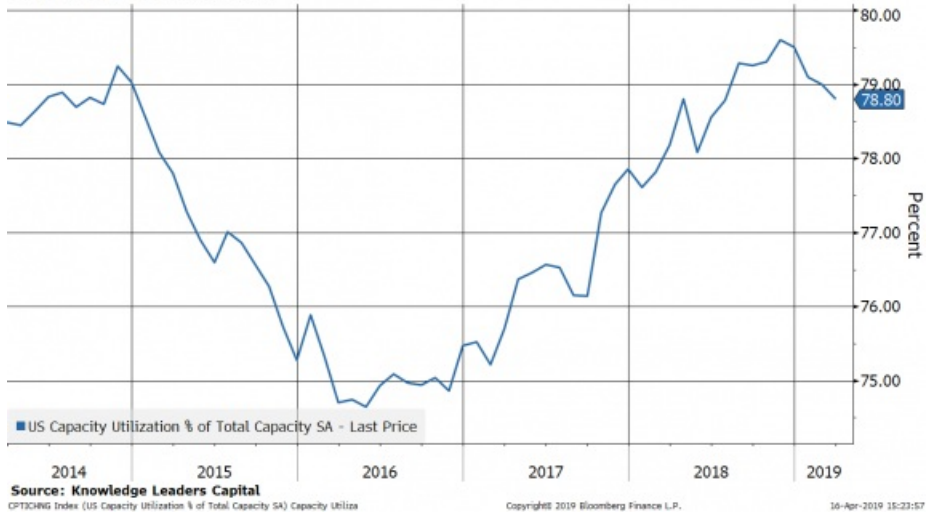
Manufacturing Production
1-Month & 1-Year % Change



Source: Knowledge Leaders Capital
 SPWGCHG Index (US Industrial Production Industry Groups Manufacturing MoM SA) 1 Copyright© 2019 Bloomberg Finance L.P. 16-Apr-2019 15:22:36

Lastly, capacity utilization was reported at 78.8%, coming in .3% lower than the 79.1% estimate.

Capacity Utilization



All of this explains why the Bloomberg Industrial Surprise Index—a sub-index of the Bloomberg Economic Surprise Index—has notched down recently.

Bloomberg Industrial Surprise Index United States



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