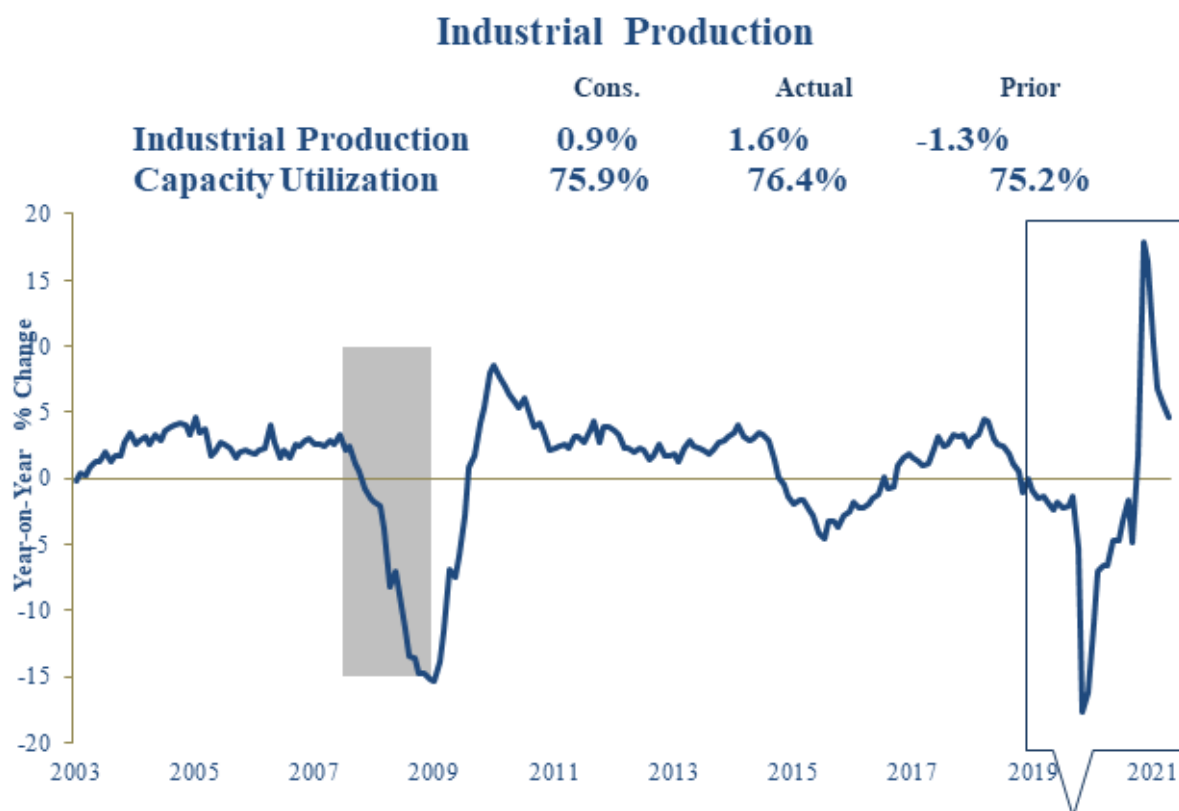
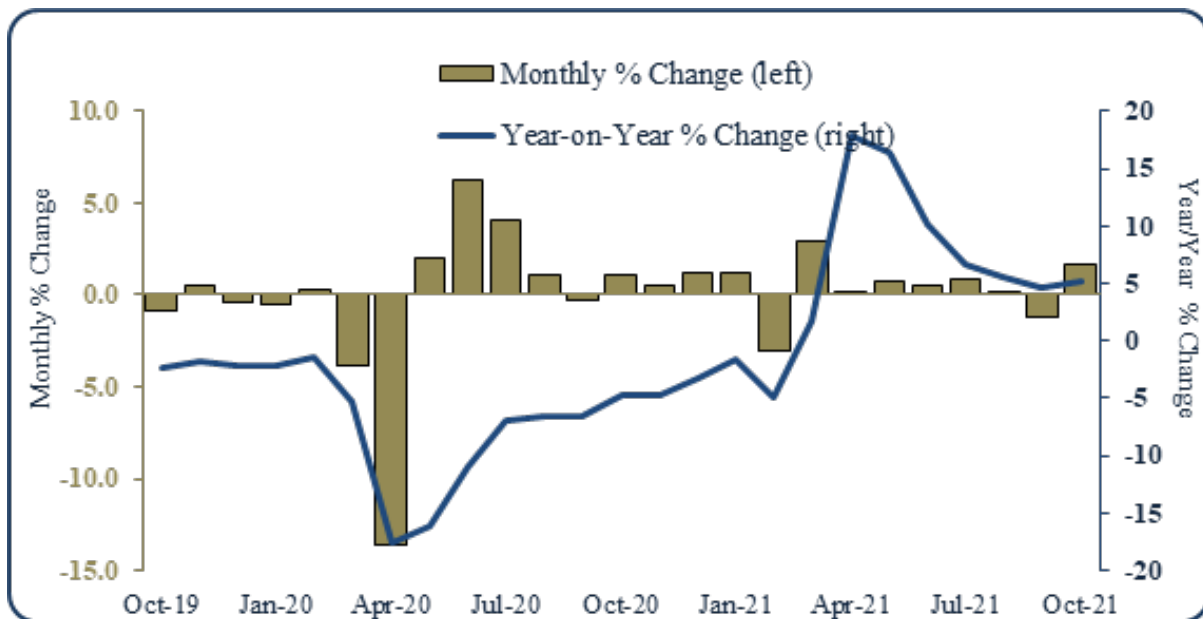


16.Nov.2021

## Industrial Production: Autos Drive Rebound

**Bottom Line:** Industrial production rebounded sharply in October as motor vehicle production rose after two months of contraction due to supply chain shortages. Mining and utilities, typically the most volatile categories, rose sharply as utility demand increased. Auto manufacturers boosted production after several slow months, which included plant shutdowns due to a shortage of semiconductors. On a trend basis, the core production metrics showed a deceleration in the three months ended in October. However, the externalities of the auto sector can't be understated, and many sectors will likely continue to rebound into year-end, assuming auto production continues to recover.



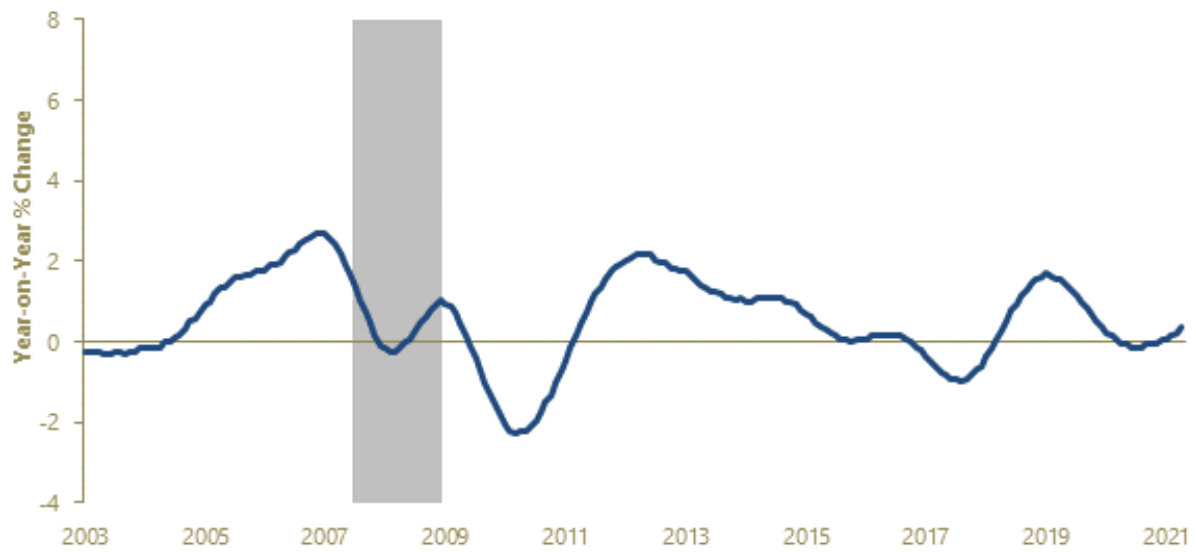


**Industrial Production** ROSE by 1.63% in October, compared with market expectations for an increase of 0.9%. Moreover, the prior month was revised from -1.3% up to -1.3%. Output is now 5.1% ABOVE its year-ago level.

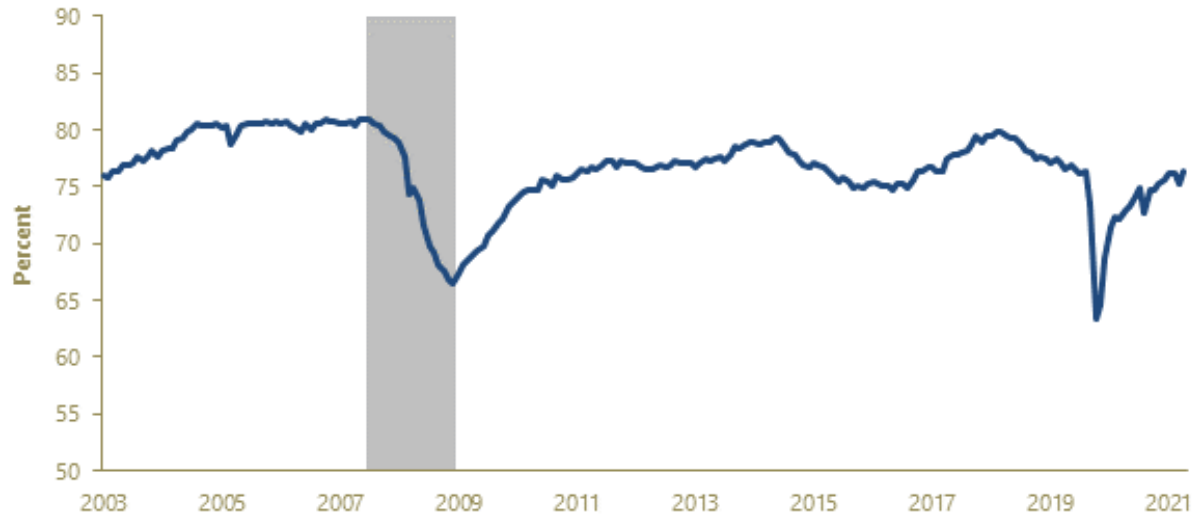
In October, **Mining Output** ROSE by 4.1%, and is now 11.9% ABOVE its year-ago level. **Utility Generation** ROSE by 1.2% and is now 3.0% ABOVE its year-ago level. **Manufacturing Output** ROSE by 1.2% and is now 4.5% ABOVE its year-ago level. **Output in high-tech industries** rose by 1.3%. Meanwhile, output in the motor vehicle industry rose by 11.0%. **Excluding both the high-tech and motor vehicles industries**, industrial output climbed by 0.6%.

**Capacity Utilization** ROSE by 1.2 points to 76.4%, compared with market expectations for a smaller increase to 75.9%. Moreover, the prior month was revised from 75.2% to 75.2%. The capacity utilization rate is now 3.5 percentage points above its year-ago level and 3.6 percentage points below its long-run (1972–2015) average.

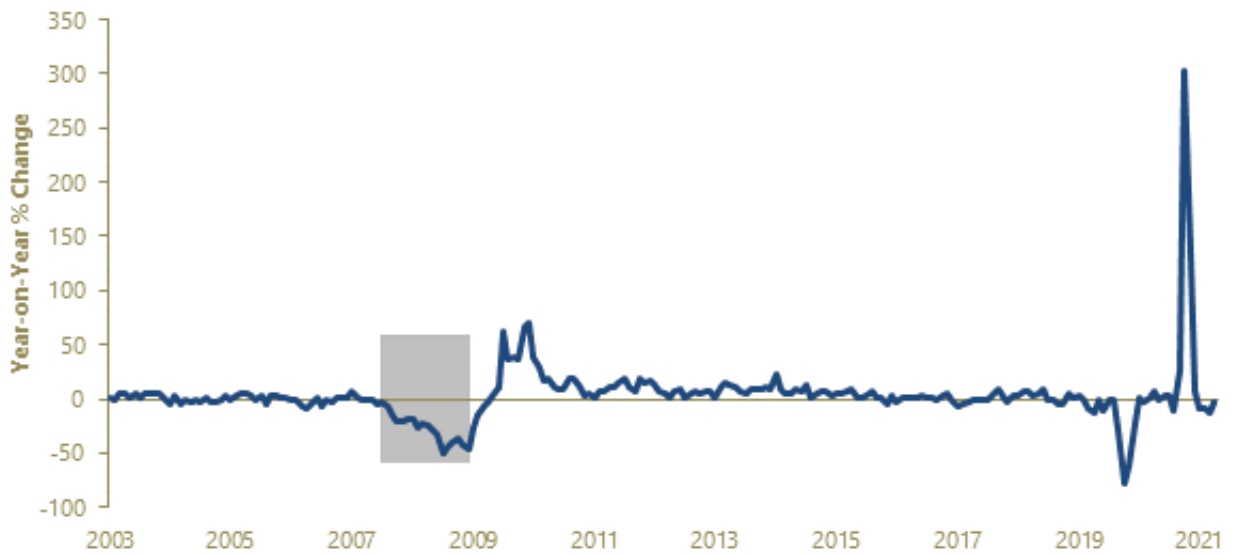
### Industrial Capacity



### Capacity Utilization



### Motor Vehicles & Parts



### Excluding High-Tech & Motor Vehicles



### High-Technology Industries



	Percent Change										
	Monthly % Changes				Annual Rates of % Change						
	Oct-21	Sep-21	Aug-21	Jul-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
<b>Industrial Production</b>	<b>1.63</b>	<b>-1.3</b>	<b>0.0</b>	<b>0.8</b>	<b>1.4</b>	<b>4.8</b>	<b>5.1</b>	<b>-3.3</b>	<b>-2.2</b>	<b>-0.1</b>	<b>0.5</b>
previous estimate		-1.3	-0.1	1.0							
Mining	<b>4.1</b>	<b>-2.3</b>	<b>-0.6</b>	<b>0.4</b>	<b>4.6</b>	<b>6.8</b>	<b>11.9</b>	<b>-15.2</b>	<b>-1.3</b>	<b>0.4</b>	<b>1.7</b>
Utilities	<b>1.2</b>	<b>-3.7</b>	<b>2.9</b>	<b>-3.1</b>	<b>1.2</b>	<b>3.4</b>	<b>3.0</b>	<b>1.3</b>	<b>-0.9</b>	<b>1.6</b>	<b>-0.2</b>
Manufacturing	<b>1.2</b>	<b>-0.7</b>	<b>-0.3</b>	<b>1.5</b>	<b>0.9</b>	<b>4.7</b>	<b>4.5</b>	<b>-2.2</b>	<b>-2.4</b>	<b>-0.5</b>	<b>0.2</b>
High-Tech Industries	<b>1.3</b>	<b>1.0</b>	<b>0.6</b>	<b>0.2</b>	<b>12.0</b>	<b>7.7</b>	<b>11.0</b>	<b>8.1</b>	<b>8.8</b>	<b>8.0</b>	<b>7.8</b>
Ex-high tech	<b>1.0</b>	<b>-0.6</b>	<b>-0.2</b>	<b>1.5</b>	<b>0.8</b>	<b>4.4</b>	<b>3.8</b>	<b>-1.9</b>	<b>-2.9</b>	<b>-0.7</b>	<b>0.0</b>
Motor Vehicles & Parts	<b>11.0</b>	<b>-7.2</b>	<b>-3.0</b>	<b>8.6</b>	<b>0.0</b>	<b>17.6</b>	<b>-3.7</b>	<b>2.9</b>	<b>-10.7</b>	<b>0.6</b>	<b>4.0</b>
Ex-motor vehicles	<b>0.6</b>	<b>-0.2</b>	<b>-0.2</b>	<b>1.1</b>	<b>0.8</b>	<b>3.9</b>	<b>5.0</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-0.6</b>	<b>-0.1</b>
Ex-high tech & motor vehic	<b>0.6</b>	<b>-0.2</b>	<b>-0.2</b>	<b>1.1</b>	<b>0.8</b>	<b>3.9</b>	<b>5.0</b>	<b>-2.9</b>	<b>-2.0</b>	<b>-0.9</b>	<b>-0.4</b>
Aerospace & misc	<b>1.3</b>	<b>-0.3</b>	<b>-1.6</b>	<b>4.8</b>	<b>-2.4</b>	<b>14.6</b>	<b>11.9</b>	<b>-13.2</b>	<b>3.5</b>	<b>-2.1</b>	<b>0.4</b>
<b>Addendum:</b>											
Business Equipment	<b>0.1</b>	<b>-0.3</b>	<b>-0.6</b>	<b>3.2</b>	<b>-3.3</b>	<b>7.1</b>	<b>5.9</b>	<b>-8.0</b>	<b>-3.4</b>	<b>-1.0</b>	<b>0.2</b>
Construction Supplies	<b>0.1</b>	<b>1.6</b>	<b>0.3</b>	<b>1.3</b>	<b>8.3</b>	<b>2.6</b>	<b>3.3</b>	<b>0.1</b>	<b>-2.3</b>	<b>0.2</b>	<b>1.5</b>
<b>Capacity Utilization Rate</b>	<b>76.4</b>	<b>75.2</b>	<b>76.2</b>	<b>76.2</b>	<b>75.9</b>	<b>75.8</b>	<b>75.0</b>	<b>74.1</b>	<b>76.5</b>	<b>76.4</b>	<b>76.9</b>
		<b>75.2</b>	<b>76.2</b>	<b>76.3</b>							

Source: Federal Reserve Board via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

November 16, 2021

Steven A. Wood, Senior Economic Adviser