

17.Mar.2022

Industrial Production: Slight Re-Acceleration

Bottom Line: Industrial production rose as expected in February, even as utility production slowed following strong weather-related demand in January. The increase was even more impressive given another month of contracting auto production as manufacturers idled plants due to semiconductor shortages. High tech industries led the gains, as the aerospace industry also continued to rebound. Overall, US industrial production remains robust. After hints of decelerating activity, IP has the potential to re-accelerate if automakers can get the chips they need to build cars and meet record demand.

Industrial Production Total IP



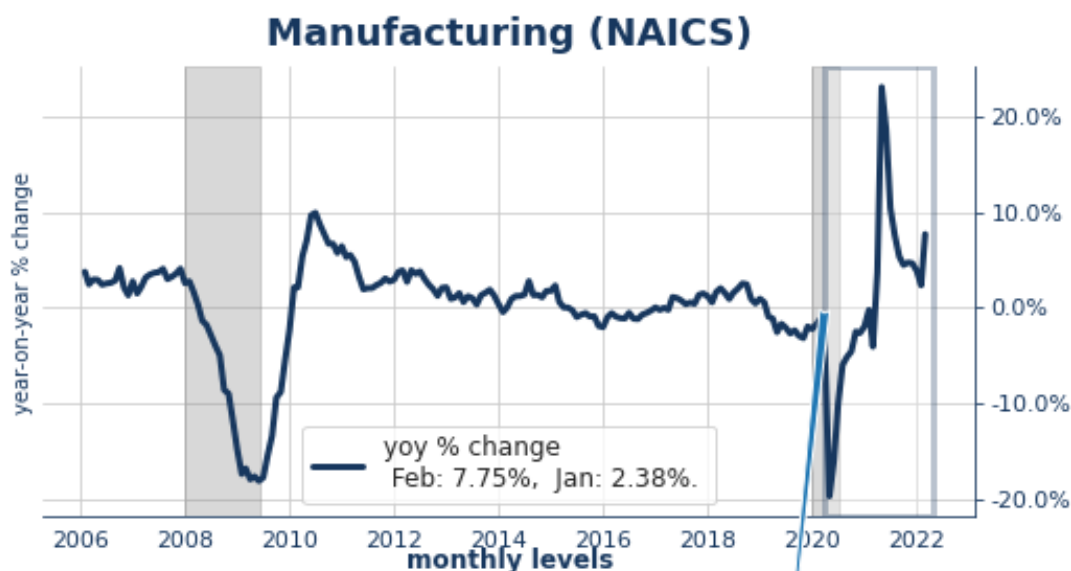
Industrial Production ROSE by 0.53% in February, compared with market expectations for an increase of 0.5%. Moreover, the prior month was revised from 1.4% down to 1.4%. Output is now 7.5% ABOVE its year-ago level.

Mining Output ROSE by 0.1%, and is now 17.3% ABOVE its year-ago level. **Utility Generation** FELL by 2.7% and is now 1.3% BELOW its year-ago level.

Manufacturing Output ROSE by 1.2% and is now 7.4% ABOVE its year-ago level. Output in high-tech industries rose by 1.7%. Meanwhile, output in the motor vehicle industry fell by 3.5%. Excluding both the high-tech and motor vehicles industries, industrial output climbed by 1.5%.

Capacity Utilization ROSE by 0.3 points to 77.6%, compared with market

expectations for a higher increase to 77.9%. Moreover, the prior month was revised from 76.8% to 77.3%.



Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



Motor vehicles and parts



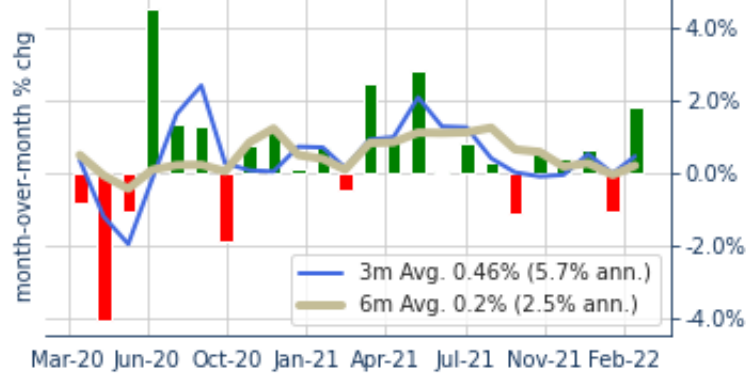
Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



Computer and electronic products



Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



Aerospace and miscellaneous transportation equipment



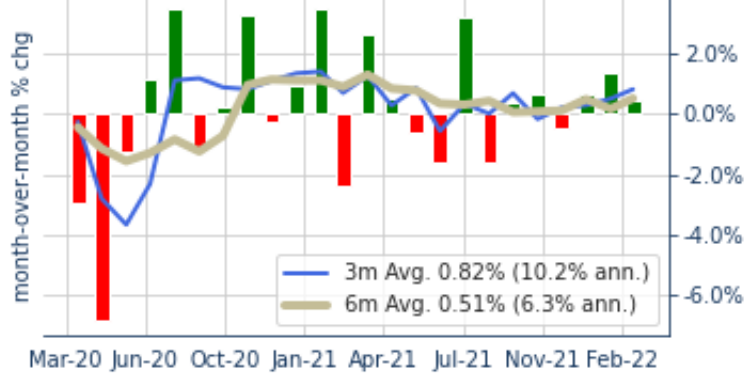
Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



Electrical equip., appliances, and component



Contingent Macro Advisors 2022 source: Federal Reserve, Consensus from Bloomberg LP



	Percent Change										
	Monthly % Changes				Annual Rates of % Change						
	Feb-22	Jan-22	Dec-21	Nov-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Industrial Production	0.53	1.4	-0.4	0.8	6.2	5.0	7.5	-3.3	-2.2	-0.1	0.5
previous estimate		1.4	-0.1	0.9							
Mining	0.1	1.3	-0.1	0.6	5.2	7.0	17.3	-15.2	-1.3	0.4	1.7
Utilities	-2.7	10.3	-2.5	2.9	19.7	1.5	-1.3	1.3	-0.9	1.6	-0.2
Manufacturing	1.2	0.1	-0.1	0.5	4.4	5.2	7.4	-2.2	-2.4	-0.5	0.2
High-Tech Industries	1.7	0.0	0.5	1.2	9.3	11.1	7.7	8.1	8.8	8.0	7.8
Ex-high tech	1.1	0.0	0.0	0.6	4.5	4.9	6.8	-1.9	-2.9	-0.7	0.0
Motor Vehicles & Parts	-3.5	-0.3	-1.0	1.2	-18.0	-0.4	0.0	2.9	-10.7	0.6	4.0
Ex-motor vehicles	1.5	0.0	0.0	0.5	6.1	5.5	7.9	-2.6	-1.6	-0.6	-0.1
Ex-high tech & motor vehic	1.5	0.0	-0.1	0.5	5.7	5.3	7.9	-2.9	-2.0	-0.9	-0.4
Aerospace & misc	3.3	0.3	-0.6	1.2	12.4	9.1	7.6	-13.2	3.5	-2.1	0.4
Addendum:											
Business Equipment	2.0	-0.5	-0.2	0.6	5.1	4.0	6.2	-8.0	-3.4	-1.0	0.2
Construction Supplies	1.6	-1.0	0.6	2.0	5.1	12.0	8.8	0.1	-2.3	0.2	1.5
Capacity Utilization Rate	77.6	77.3	76.3	76.6	77.1	76.5	76.0	74.1	76.5	76.4	76.9
		76.8	76.5	75.3							

Source: Federal Reserve Board via Bloomberg. Our calculations.

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