15.Feb. 2023

## Industrial Production: Hard Data Continues to Confirm Surveys

Bottom Line: The Federal Reserve's industrial production report for January offered more "hard data" to confirm what the "soft" (survey data) showed for much of the 2nd half of 2022. While not quite as weak as the survey data suggested, IP was flat in January, well below expectations for a rebound, and was revised to show an even more significant decline for December. Durable goods manufacturing rebounded but remained in a downtrend. Auto production was decelerating on a trend basis, while the aerospace industry was still enjoying modest to moderate gains. Overall, the manufacturing sector moved from a tailwind to a headwind for growth over 2022 and looks likely to remain a modest headwind in early '23.

## Industrial Production <br> Total IP



## Manufacturing (NAICS)



Apr-21 Jul-21 Nov-21 Feb-22 May-22Sep-22 Dec-22

## Durable manufacturing



Apr-21 Jul-21 Nov-21 Feb-22 May-22Sep-22 Dec-22

Nondurable manufacturing


Apr-21 Jul-21 Nov-21 Feb-22 May-22Sep-22 Dec-22

Motor vehicles and parts


## Aerospace and miscellaneous transportation equipment



[^0]Electrical equip., appliances, and component


Apr-21 Jul-21 Nov-21 Feb-22 May-22 Sep-22 Dec-22

Contingent Macro Advisors 2023 source: Federal Reserve, Consensus from Bloomberg LP

Food, beverage, and tobacco products


Apr-21 Jul-21 Nov-21 Feb-22 May-22 Sep-22 Dec-22

Contingent Macro Advisors 2023 source: Federal Reserve, Consensus from Bloomberg LP

| Industrial <br> Production | Jan-23 | Dec-22 | 3 m ann <br> $\%$ chg | 6 m ann <br> $\%$ chg | YoY \% <br> chg | 2022 | 2021 | $5 y$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total IP | $\mathbf{0 . 0 3 \%}$ | $\mathbf{- 1 . 0 2 \%}$ | $\mathbf{- 6 . 1 3 \%}$ | $\mathbf{- 2 . 9 1 \%}$ | $\mathbf{0 . 7 9 \%}$ | $\mathbf{1 . 1 5 \%}$ | $\mathbf{3 . 6 9 \%}$ | $\mathbf{- 0 . 1 8 \%}$ |
| Manufacturing <br> (NAICS) | $\mathbf{0 . 9 4 \%}$ | $\mathbf{- 1 . 7 7 \%}$ | $\mathbf{- 6 . 4 8 \%}$ | $\mathbf{- 2 . 5 4 \%}$ | $\mathbf{0 . 3 4 \%}$ | $\mathbf{- 0 . 9 0 \%}$ | $\mathbf{4 . 1 9 \%}$ | $\mathbf{- 0 . 1 2 \%}$ |
| Durable <br> manufacturing | $0.81 \%$ | $-1.41 \%$ | $-7.78 \%$ | $-3.12 \%$ | $1.09 \%$ | $0.25 \%$ | $4.79 \%$ | $-0.23 \%$ |
| Wood products | $-0.97 \%$ | $-1.42 \%$ | $-6.25 \%$ | $-13.26 \%$ | $-5.78 \%$ | $-5.32 \%$ | $-0.13 \%$ | $-0.07 \%$ |
| Nonmetallic <br> mineral <br> products | $2.39 \%$ | $-0.83 \%$ | $3.86 \%$ | $\mathbf{7 . 2 3 \%}$ | $\mathbf{7 . 1 6 \%}$ | $4.43 \%$ | $-0.17 \%$ | $1.23 \%$ |
| Primary metals | $0.09 \%$ | $-2.20 \%$ | $-19.48 \%$ | $-14.19 \%$ | $-3.55 \%$ | $-6.24 \%$ | $5.87 \%$ | $-2.25 \%$ |
| Fabricated <br> metal products | $0.40 \%$ | $-0.72 \%$ | $-3.60 \%$ | $-1.17 \%$ | $2.37 \%$ | $1.34 \%$ | $5.84 \%$ | $-0.99 \%$ |
| Machinery | $1.74 \%$ | $-2.55 \%$ | $-5.96 \%$ | $3.34 \%$ | $-1.83 \%$ | $-1.62 \%$ | $11.98 \%$ | $-0.36 \%$ |


| Computer and electronic products | 1.12\% | -1.86\% | -5.96\% | -3.19\% | -1.42\% | -4.06\% | 9.20\% | 1.23\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Electrical equip., appliances, and component | 1.35\% | -0.09\% | -7.42\% | -2.82\% | -0.00\% | -0.59\% | 5.35\% | 0.51\% |
| Motor vehicles and parts | 0.54\% | -1.75\% | -18.05\% | -7.16\% | 4.75\% | 4.63\% | -4.29\% | -0.82\% |
| Aerospace and miscellaneous transportation equipment | 1.06\% | 0.16\% | 5.67\% | 5.10\% | 10.22\% | 9.40\% | 5.39\% | 1.06\% |
| Furniture and related products | -0.70\% | -1.70\% | -17.13\% | -10.97\% | -5.82\% | -4.99\% | 4.11\% | -2.75\% |
| Miscellaneous | 0.72\% | -1.89\% | -11.37\% | -5.43\% | -0.21\% | 0.91\% | 6.38\% | 0.85\% |
| Nondurable manufacturing | 1.07\% | -2.16\% | -5.06\% | -1.91\% | -0.45\% | -2.10\% | 3.58\% | 0.01\% |
| Food, beverage, and tobacco products | 1.66\% | -1.61\% | -0.86\% | 0.57\% | -0.36\% | -1.22\% | -0.35\% | 0.82\% |
| Textile and product mills | 2.20\% | -0.99\% | 4.36\% | -4.78\% | -6.48\% | -10.23\% | 4.56\% | -1.70\% |
| Apparel and leather | 3.66\% | -0.70\% | 16.92\% | 4.68\% | 13.42\% | 7.09\% | 4.11\% | 0.71\% |
| Paper | 0.59\% | -5.51\% | -10.23\% | -16.40\% | -8.53\% | -9.63\% | 0.90\% | -2.75\% |
| Printing and support | -0.56\% | -3.90\% | -10.23\% | -3.93\% | 0.03\% | -1.51\% | 3.26\% | -1.71\% |
| Petroleum and coal products | -0.17\% | -3.22\% | -10.84\% | 2.84\% | 1.86\% | -0.99\% | 13.99\% | -1.51\% |
| Chemicals | 1.55\% | -1.89\% | -2.95\% | 0.02\% | 0.69\% | -1.87\% | 6.37\% | 0.85\% |
| Plastics and rubber products | -0.96\% | -1.54\% | -17.25\% | -10.28\% | -1.53\% | -1.28\% | 1.99\% | -1.01\% |
| Other manufacturing (non-NAICS) | 2.24\% | -2.39\% | -3.31\% | 2.33\% | -3.75\% | -4.55\% | -6.00\% | -3.06\% |
| Mining | 1.97\% | -1.20\% | -2.50\% | 2.73\% | 8.57\% | 5.32\% | 9.50\% | -0.33\% |
| Utilities | -9.90\% | 5.06\% | -10.52\% | -16.04\% | -8.88\% | 9.12\% | -3.95\% | -0.89\% |
| Electric | -8.89\% | 3.84\% | -4.66\% | -15.80\% | -8.08\% | 6.70\% | -2.77\% | -0.83\% |


| Natural gas | $-14.83 \%$ | $11.45 \%$ | $-34.83 \%$ | $-17.18 \%$ | $-12.99 \%$ | $23.86 \%$ | $-10.80 \%$ | $-1.29 \%$ |
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Month-over-month \% change for most recent months, followed by annualized \% changes for periods noted. 5 - and 10 -year are simple averages of annual $\%$ changes.


[^0]:    Contingent Macro Advisors 2023 source: Federal Reserve, Consensus from Bloomberg LP

