

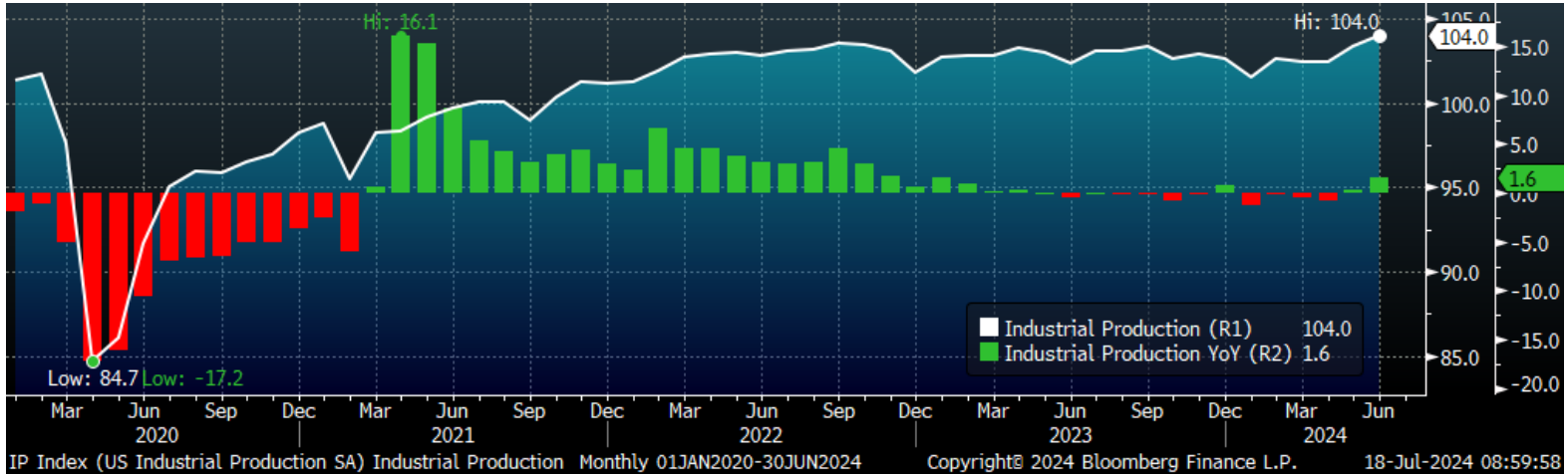
Industrial & Manufacturing Production

July 18, 2024

Takeaway:

Another strong print for Industrial Production in June is only undermined by the fact that capacity utilization remains low. **The industrial side of the economy continues to face headwinds, but strong overall output is encouraging for manufacturing demand once the current surplus is worked through.**

Industrial Production (YoY% red/green)



In June, **Industrial Production** rose by 0.6%, surpassing the market expected 0.3% print to 104.0 (the second highest reading on record).

- Year-over-year, production increased by 1.6% - the strongest level of expansion in 18 months. This print built upon last month's modest increase after 5 months of YoY declines.

Capacity Utilization also improved, ticking up to 78.8% from 78.3%, and above the forecasted 78.4% and reaching a nine-month high. Given the context of Capacity Utilization near the (ex. COVID) bottom of the range, the topline print is even more impressive. This clearly shows the impact of the significant investment in the manufacturing sector and is encouraging for long-term industrial growth.

Manufacturing (SIC) Production, which accounts for over 75% of industrial production, similarly surprised to the upside, increasing by 0.4% versus the anticipated 0.1%. May was also revised slightly higher, to 1.0% from 0.9%.

Capacity Utilization



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