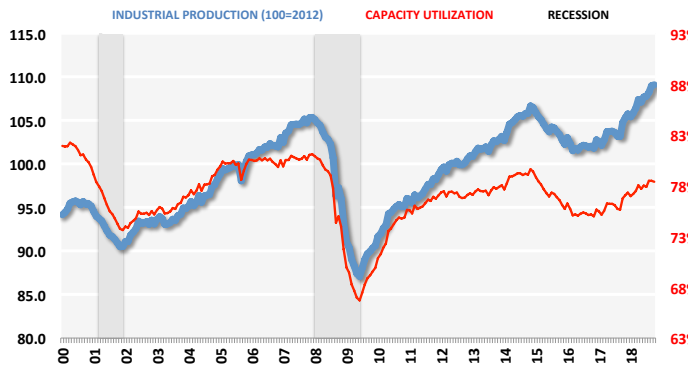


INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

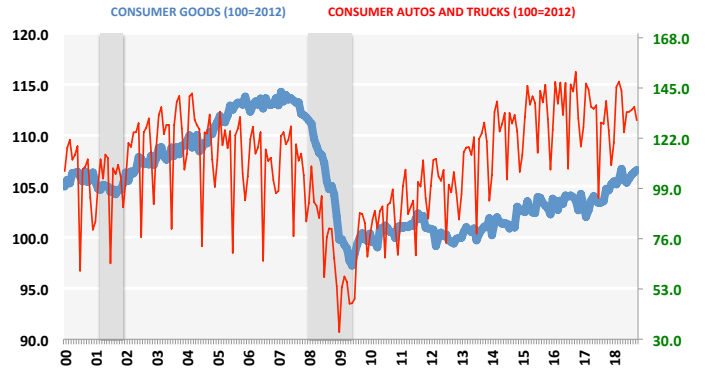
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INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION



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MAJOR INDUSTRY PRODUCTS



100=2012	Industrial Production Index & Capacity Utilization						12M YoY	Monthly Change					
	May	Jun	Jul	Aug	Sep	Oct		May	Jun	Jul	Aug	Sep	Oct
INDUSTRIAL PRODUCTION:													
Total Index	106.8	107.5	107.9	108.8	109	109.1	4.1%	-0.8%	0.6%	0.4%	0.8%	0.2%	0.1%
<i>Major Market Groups-</i>													
Final Products	101.2	102.3	102.4	103.1	103.7	104.0	2.7%	-2.3%	1.0%	0.2%	0.7%	0.5%	0.4%
- Consumer Goods	104.6	105.3	105.5	105.9	106.4	106.6	1.8%	-2.6%	0.6%	0.2%	0.4%	0.4%	0.2%
- Business Goods	97.5	99.5	99.7	101.3	102.1	102.9	4.1%	-2.2%	2.1%	0.2%	1.6%	0.8%	0.8%
<i>Major Industry Groups-</i>													
Manufacturing	103.3	104.0	104.4	104.8	105.1	105.4	2.7%	-1.0%	0.7%	0.3%	0.4%	0.3%	0.3%
Mining	120.7	122.8	123.9	126.9	126.7	126.3	13.1%	1.0%	1.8%	0.9%	2.4%	-0.1%	-0.3%
Utilities	105.7	104.1	104.2	105.4	105.2	104.7	1.7%	-2.5%	-1.6%	0.1%	1.1%	-0.1%	-0.5%
CAPACITY UTILIZATION:													
Total Industry	77.5%	77.8%	78.0	78.50	78.5%	78.4%	1.9%						
Manufacturing	75.1%	75.6%	75.7	75.90	76.1%	76.2%	1.3%						
Mining	90.9%	92.1%	92.4	94.10	93.5%	92.7%	5.4%						
Utilities	78.7%	77.3%	77.3	78.00	77.8%	77.3%	2.0%						

INDUSTRIAL REPORT & CU STRATEGY

(November 2018)... An increase in motor vehicle production helped to offset production declines in mining and utilities in October. Overall production increased at a 2.7 percent, year-over-year, as consumer goods increased 1.8 percent and business equipment at 4.1 percent. Capacity utilization fell to 78.4 percent, down from last month's 78.5 percent. Manufacturing capacity ran at 76.2 percent with utilities at 77.3 percent and mining at 92.7 percent.

Strategically... The data shows the upward pace in production is slowing with a standard capacity rate as retooling for the upcoming season has been completed. This suggests cost efficiencies remain at factories with higher production quotas. While this suggests stable demand is being perceived for the immediate horizon, it also implies that inventories have been resupplied to support pending holiday sales and economic growth.