The Virginia Tech–USDA Forest Service Housing Commentary: Section II September 2024

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2024 Virginia Polytechnic Institute and State University VCE-ANR

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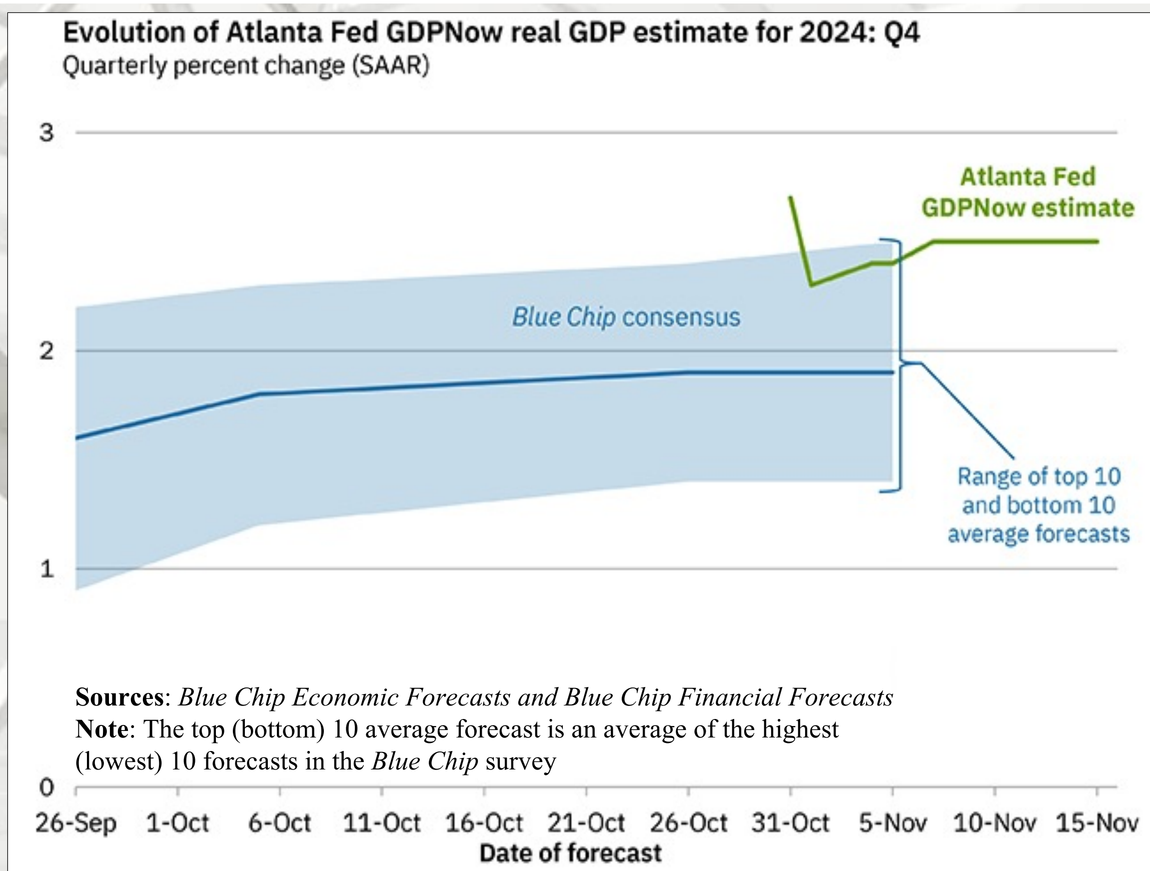

Atlanta Fed GDPNow™

Latest estimate: 3.4 percent — November 15, 2024

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2024 is **2.5 percent** on November 15, unchanged from November 7 after rounding. After recent releases from the US Census Bureau, the US Bureau of Labor Statistics, and the Federal Reserve Board of Governors, an increase in the nowcast of fourth-quarter real personal consumption expenditures growth was offset by a decrease in the nowcast of fourth-quarter real gross private domestic investment growth."
– Pat Higgins, Economist, Federal Reserve Bank of Atlanta

Source: https://www.frbatlanta.org/cqer/research/gdpnow.aspx; 11/15/24

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The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)

Survey Suggests Little Change in Growth in October

"The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index was unchanged at –19 in October, suggesting that economic growth was below trend. The CFSEC Manufacturing Activity Index increased to –3 in October from –20 in September, but the CFSEC Nonmanufacturing Activity Index decreased to –27 in October from –18 in the previous month.

- Respondents' outlooks for the U.S. economy for the next 12 months improved, and remained optimistic on balance. Thirty-seven percent of respondents expected an increase in economic activity over the next 12 months.
- The pace of current hiring decreased, but respondents' expectations for the pace of hiring over the next 12 months increased. Both hiring indexes remained negative.
- Respondents' expectations for the pace of capital spending over the next 12 months decreased, and the capital spending expectations
- index remained negative.
- The labor cost pressures index decreased, as did the nonlabor cost pressures index. Both cost pressures indexes remained negative." – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfsec/current-data; 10/22/24

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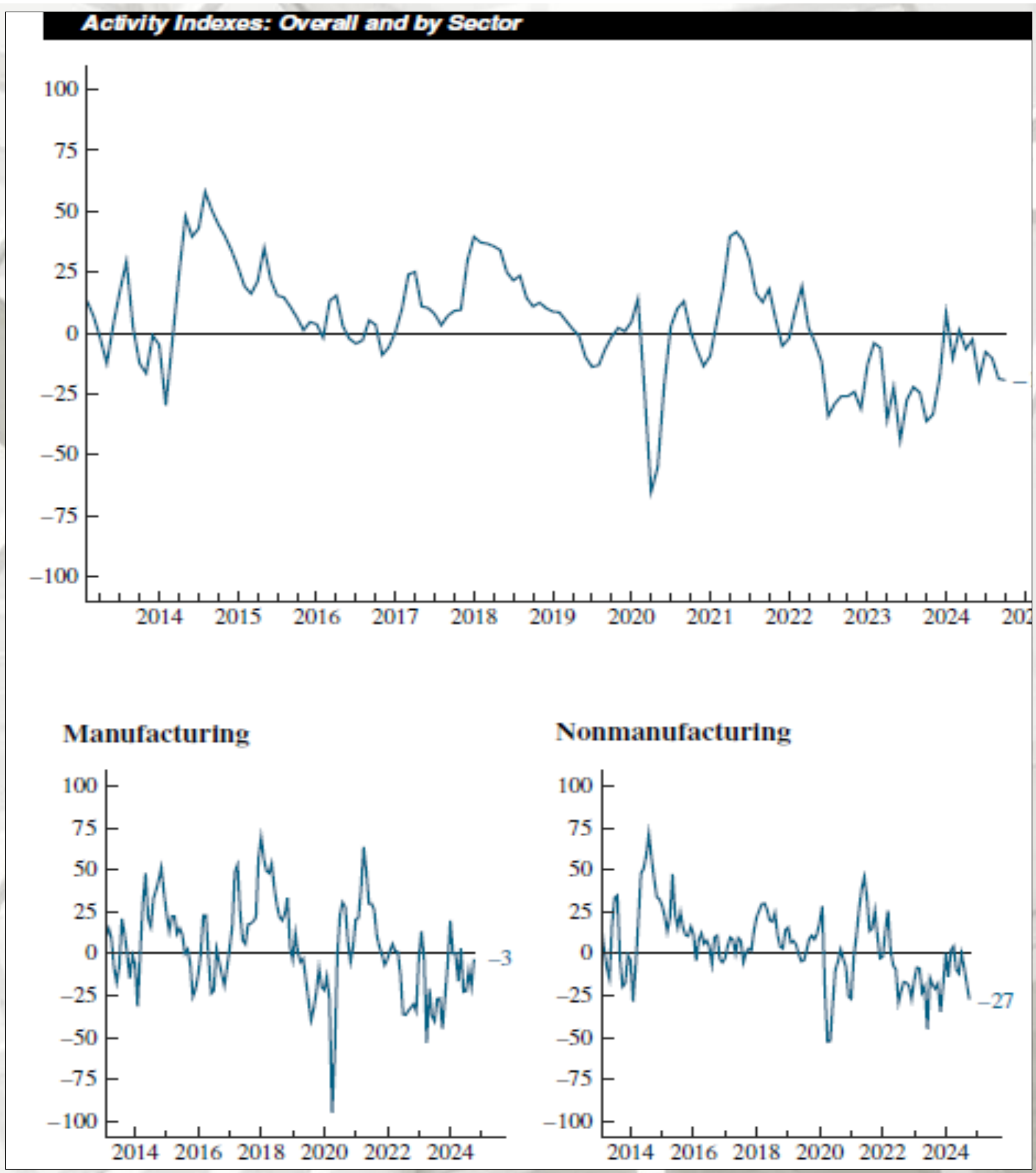
The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)



Source: https://www.chicagofed.org/research/data/cfsec/current-data; 10/22/24

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The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

Index Suggests Economic Growth Decreased in September

“The Chicago Fed National Activity Index (CFNAI) decreased to –0.28 in September from –0.01 in August. Two of the four broad categories of indicators used to construct the index decreased from August, and all four categories made negative contributions in September. The index's three-month moving average, CFNAI-MA3, decreased to –0.19 in September from –0.14 in August.

The CFNAI Diffusion Index, which is also a three-month moving average, increased to –0.16 in September from –0.21 in August. Thirty-eight of the 85 individual indicators made positive contributions to the CFNAI in September, while 47 made negative contributions. Thirty-nine indicators improved from August to September, while 43 indicators deteriorated and three were unchanged. Of the indicators that improved, 14 made negative contributions.

- Production-related indicators contributed –0.21 to the CFNAI in September, down from +0.04 in August.
- The sales, orders, and inventories category's contribution to the CFNAI was –0.03 in September, unchanged from August.
- Employment-related indicators contributed –0.03 to the CFNAI in September, down from a neutral value in August.
- The personal consumption and housing category's contribution to the CFNAI was –0.01 in September, up from –0.03 in August.” – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 10/24/24

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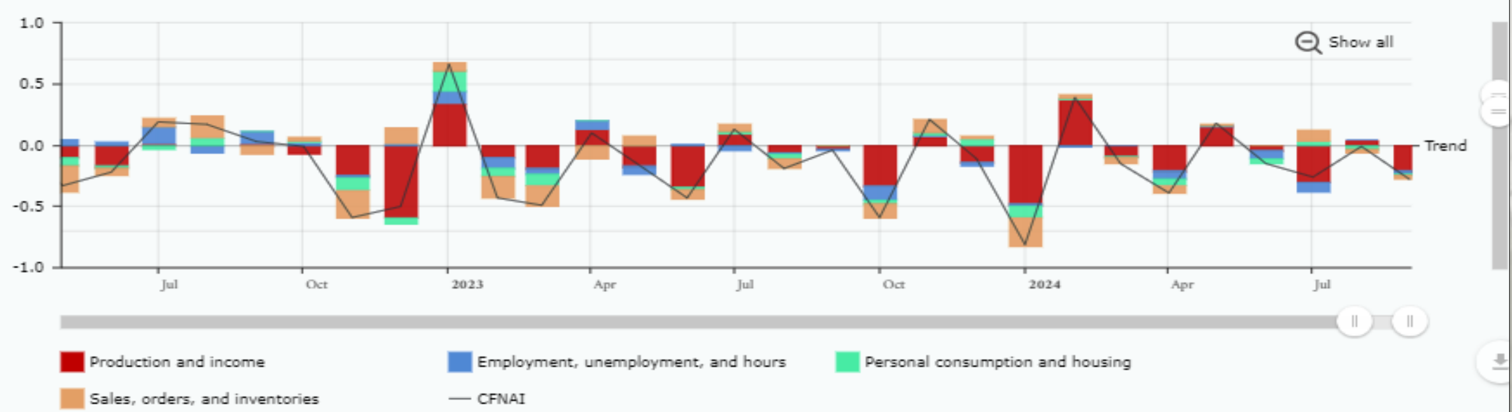
The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

CFNAI, CFNAI-MA3, and CFNAI Diffusion for the Latest Six Months and Year-Ago Month

	Sep '24	Aug '24	Jul '24	Jun '24	May '24	Apr '24	Sep '23
CFNAI							
Current	−0.28	−0.01	−0.26	−0.15	0.18	−0.39	−0.04
Previous	N/A	0.12	−0.42	−0.20	−0.23	−0.35	−0.01
CFNAI-MA3							
Current	−0.19	−0.14	−0.08	−0.12	−0.12	−0.05	−0.03
Previous	N/A	−0.17	−0.13	−0.11	−0.10	−0.06	−0.03
CFNAI Diffusion							
Current	−0.16	−0.21	−0.07	−0.16	−0.08	−0.06	−0.01
Previous	N/A	−0.23	−0.11	−0.15	−0.08	−0.09	0.01

Note: Current and Previous values reflect index values as of the October 24, 2024, release and September 23, 2024, release, respectively. NA indicates not applicable.

Chicago Fed National Activity Index (CFNAI)



Note: A zero value for the CFNAI has been associated with the national economy expanding at its historical trend (average) rate of growth; negative values with below-average growth (in standard deviation units); and positive values with above-average growth.

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 10/24/24

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The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey

Texas manufacturing activity rebounds in October

“Texas factory activity rose notably in October, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, shot up 18 points to 14.6, its highest reading in more than two years.

Other measures of manufacturing activity were mixed. The new orders index remained negative at -3.7, indicating slight declines in demand. Meanwhile, the capacity utilization and shipments indexes posted large gains and moved into positive territory, coming in at 4.3 and 1.5, respectively.

Perceptions of broader business conditions remained negative in October, though pessimism waned a bit. The general business activity index moved up six points to -3.0, and the company outlook index edged up three points to -3.3. The outlook uncertainty index held steady at 16.4.

Labor market measures suggested employment declines and shorter workweeks this month. The employment index fell eight points to -5.1. Fourteen percent of firms noted net hiring, while 19 percent noted net layoffs. The hours worked index ticked down to -5.5.

Moderate upward pressure on prices and wages continued in October. The wages and benefits index rose five points to 23.5, a reading roughly in line with the historical average. The raw materials prices index inched down to 16.3, while the finished goods prices index was unchanged at 7.4.” – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 10/28/24

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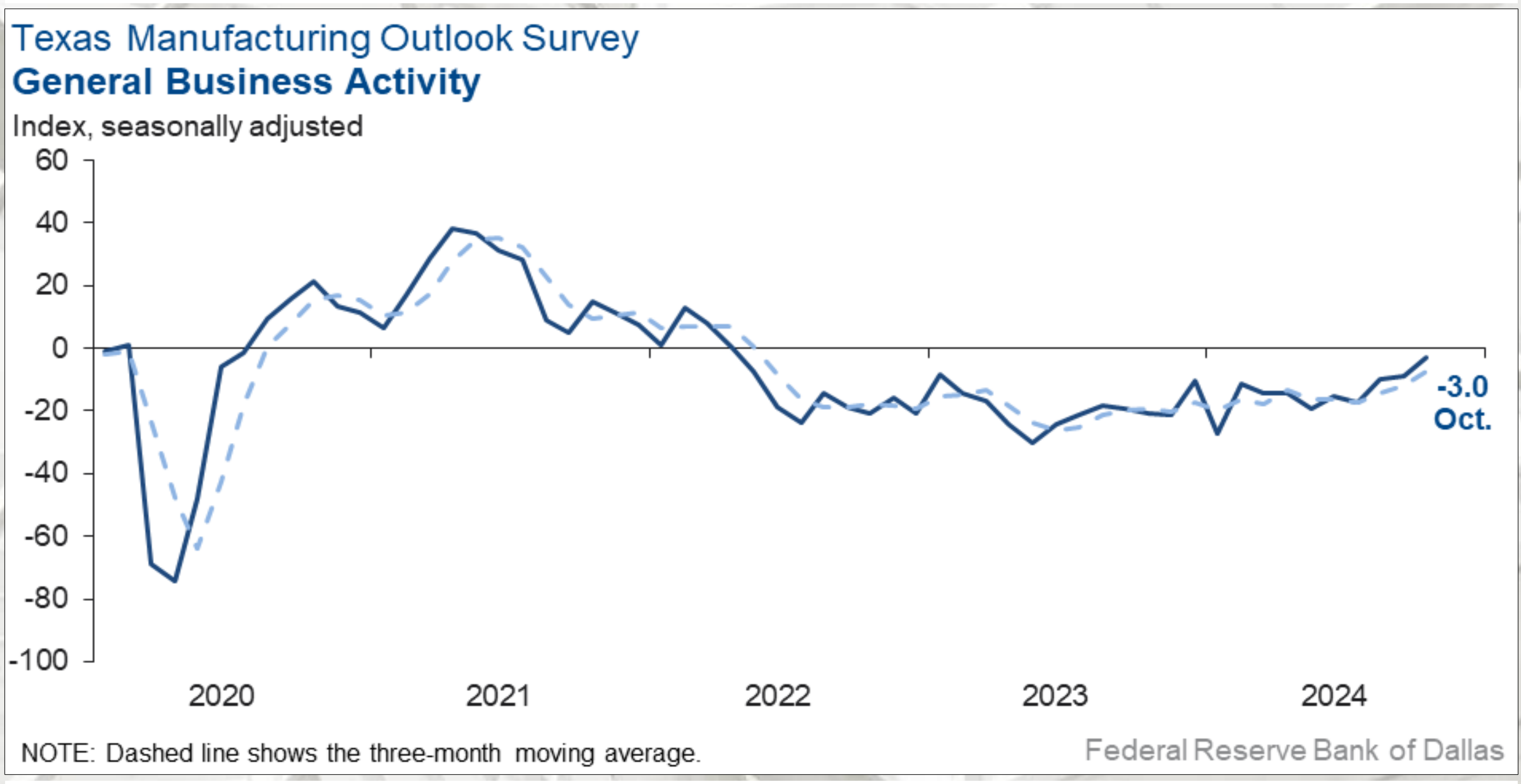
The Federal Reserve Bank of Dallas



"Expectations are for increased manufacturing activity six months from now. The future production index moved up to 42.4, its highest reading in nearly three years. The future general business activity index shot up 18 points to 29.6, also a three-year high." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 10/28/24

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The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

Texas service sector activity growth continues, outlook improves

"Texas service sector activity expanded at about the same pace in October as the prior month, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, was little changed at 9.2.

Labor market measures suggested no growth in employment in October but slight improvement in hours worked. The employment index came in at -0.2, with the near-zero reading signaling flat employment in October. The part-time employment index fell to -2.0. The hours-worked index increased to 2.5.

Perceptions of broader business conditions improved in October. The general business activity index increased five points to 2.0, its first positive reading in more than two years. The company outlook index increased three points to 3.8. Nevertheless, the outlook uncertainty index increased nine points to 17.9.

Wage and input price pressures increased, while selling price pressures held steady in October. The input price index increased three points to 26.1 and the selling price index was little changed at 4.0. The wages and benefits index increased four points to 16.3.

Respondents' expectations regarding future business activity reflected improved optimism in October. The future general business activity index jumped nine points to 25.3, while the future revenue index increased five points to 40.1. Other future service-sector activity indexes such as employment and capital expenditures remained in positive territory and increased, reflecting expectations for continued growth in the next six months." – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 10/29/24

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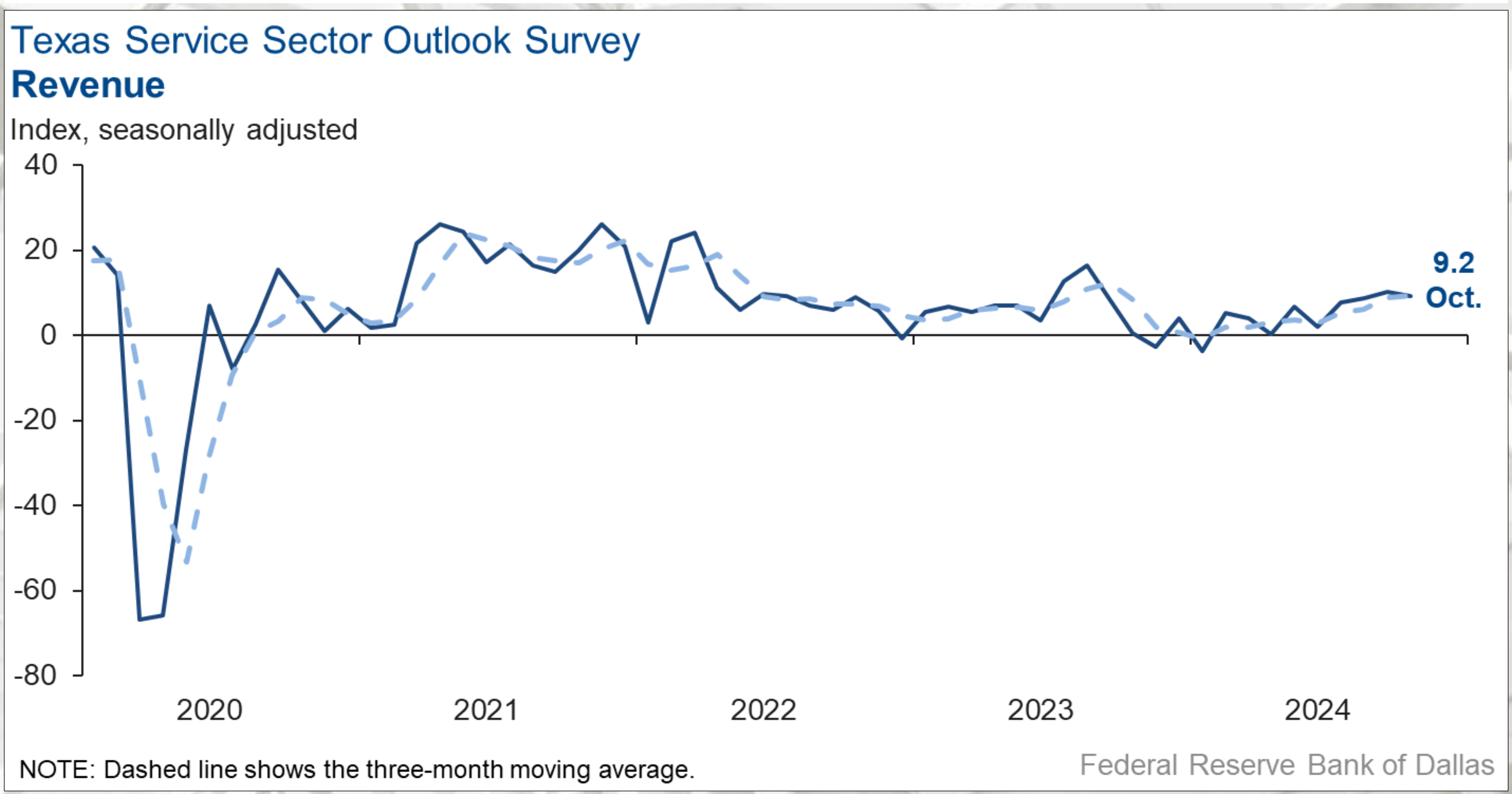
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 10/29/24

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The Federal Reserve Bank of Dallas

Texas Retail Outlook Survey

Texas retail sales fall again

“Retail sales activity declined in October, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, fell three points to -11.4. Retailers’ inventories grew over the month, with the October index increasing to 7.6.

Retail labor market indicators suggested contraction in employment and flat workweeks this month. The employment index remained in negative territory but increased four points to -3.8, while the part-time employment index increased to -2.7. The hours-worked index came in at 1.0, with the near-zero reading signaling little change in work hours from October.

Retailers continued to perceive a worsening of broader business conditions in October. The general business activity index fell five points to -19.8. The company outlook index remained in negative territory but increased to -11.1. Uncertainty in outlooks rose.

Selling prices stabilized in October, while input price growth increased slightly, and wage pressures held steady from the prior month. The selling price index fell four points to -1.0, with the near-zero reading signaling no change in prices from October. The input price index increased two points to 18.7. The wages and benefits index was essentially unchanged at 3.8.

Expectations for future business conditions improved in October. The future general business activity index jumped to 25.7, and the future sales index increased nine points to 24.8. Both the future employment index and the future capital expenditures index turned positive this month, reflecting expectations for growth in the next six months.” – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 10/29/24

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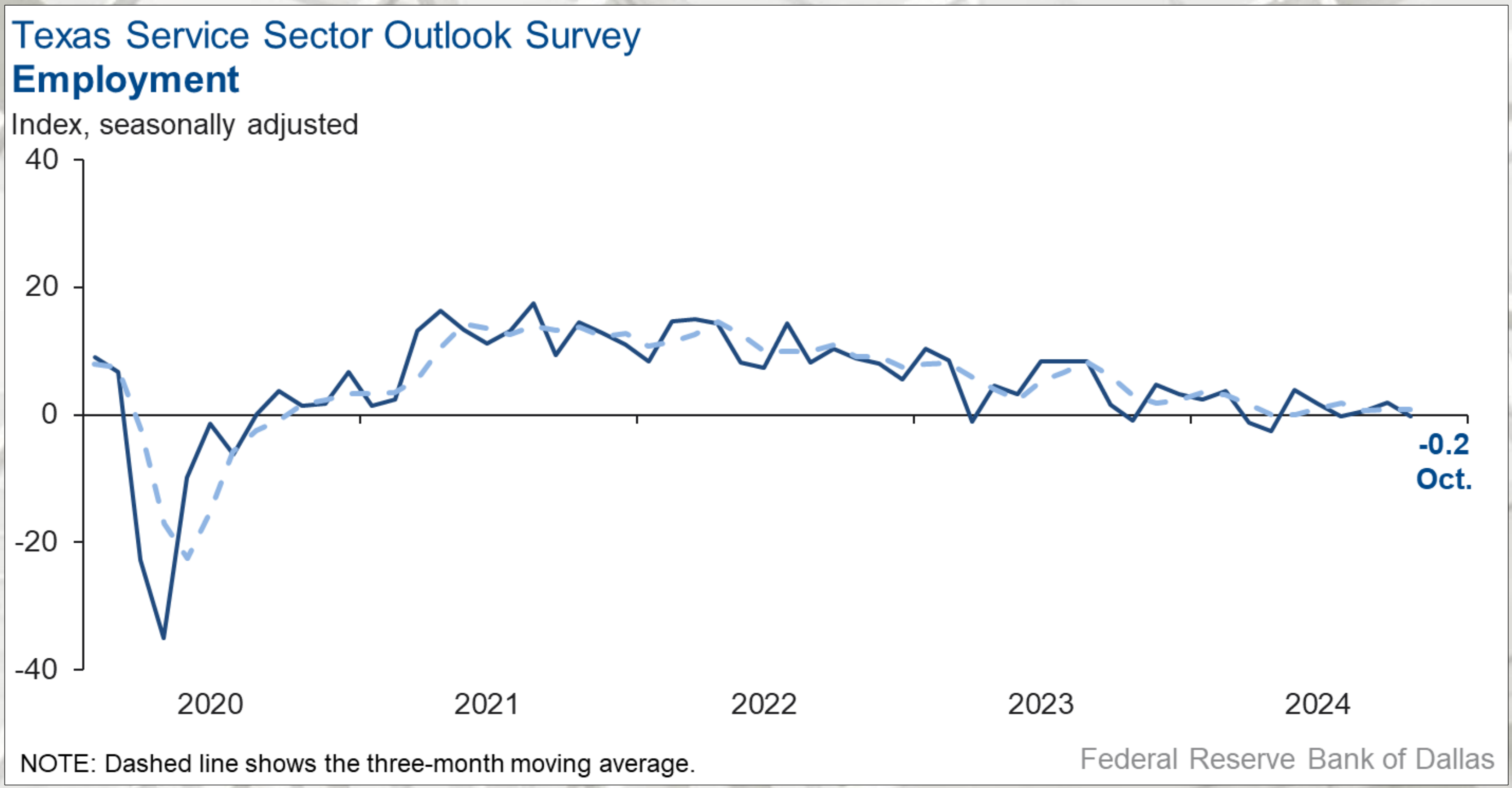
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 10/29/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Manufacturing Activity Declined Modestly in October

Regional factory activity continued to edge down this month. However, producers continue to be positive about the months ahead, as they are expecting increases in production, new orders, and employment.

Factory Activity Declined Modestly

"Tenth District manufacturing activity declined modestly in October, while expectations for future activity stayed positive. Both finished product and raw materials prices increased this month after cooling somewhat last month (Chart 1).

The month-over-month composite index was -4 in October, up from -8 in September and nearly equal to -3 in August. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The decline was present in both durable and nondurable goods, particularly chemical, steel, and beverage manufacturing. Most month-over-month indexes were higher than last month's readings but still in negative territory, except for inventory indexes which fell markedly. Volume of shipments and new orders improved moderately, and production jumped from -18 to 0. The two employment indexes also ticked up slightly but remained negative." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 10/24/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Factory Activity Declined Modestly

"The year-over-year composite index for factory activity inched higher from -17 to -14, as production, shipments, and new orders all improved. The capital expenditures and new orders for export indexes were basically unchanged. The future composite index eased slightly from 9 to 7, while the production, shipments, and new orders indexes all increased. The future employment and capital expenditures indexes both moderated slightly from last month.

Special Questions

This month contacts were asked about demand and profit margin expectations. Most firms (50%) said their demand expectations were slightly higher for 2025 compared to 2024, but around a quarter (22%) reported they expect them to be slightly lower while 20% expect no change, 2% expect them significantly higher, and 7% said significantly lower. Firms were also asked how profit margins compared to pre-pandemic levels, and how they expected them to change in 2025. 38% of firms reported slightly higher margins compared to pre-pandemic levels, while 33% reported slightly lower, 17% reported significantly lower, 10% no change, and 3% significantly higher. In addition, 42% of firms expected slightly higher margins in 2025, with 26% slightly lower, 25% no change, and 7% significantly lower." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 10/24/24

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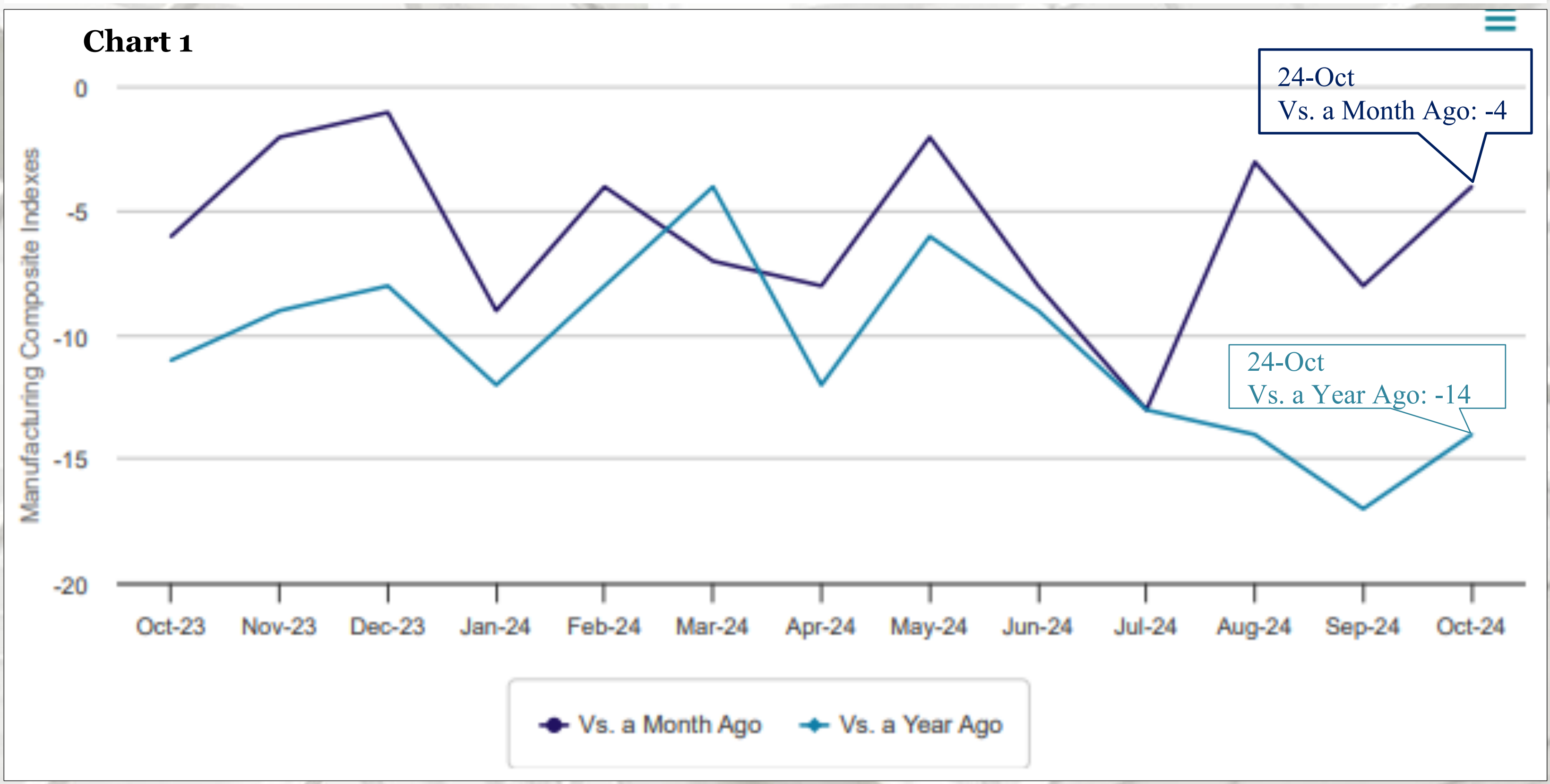
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 10/24/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Services Activity Rose Modestly in October

District services activity increased after easing last month, as revenues and sales improved along with higher employment levels. Firm's expectations for future growth were more positive this month as well, with a moderate increase in capital spending plans.

Business Activity Rose Modestly

"Tenth District services activity rose modestly in October, and expectations for future activity rebounded (Table 1). Input price growth slowed somewhat this month, while selling prices inched higher.

The month-over-month services composite index was 5 in October, up from -2 in September and equal to 5 in August (Table 1). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Wholesale trade, professional, and business services saw the largest increases, while retail, restaurants, and tourism sectors declined. Revenues improved over last month, as the month-over-month index increased from -1 to 7. Employment jumped from -5 to 4, and the employee hours and wages and benefits indexes also rose." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 10/25/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Business Activity Rose Modestly

“The year-over-year composite index increased from 4 to 9, as revenues and employment growth accelerated while access to credit declined. Capital expenditures growth edged up from 18 to 23. The composite expectations index for services activity rebounded from 7 to 14 after cooling somewhat last month.

Special Questions

This month contacts were asked about demand and profit margin expectations. Most firms (47%) said their demand expectations were slightly higher for 2025 compared to 2024, while 31% expect no change, 14% expect them to be slightly lower, 6% indicated significantly higher, and 2% said significantly lower. Firms were also asked how profit margins compared to pre-pandemic levels, and how they expected them to change in 2025. 33% of firms reported slightly higher margins compared to pre-pandemic levels, while 29% reported slightly lower, 19% reported significantly lower, 12% no change, and 7% significantly higher. In addition, 35% of firms expected no change to margins in 2025, with 31% slightly lower, 25% slightly higher, 7% significantly lower, and 2% significantly higher.” – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 10/25/24

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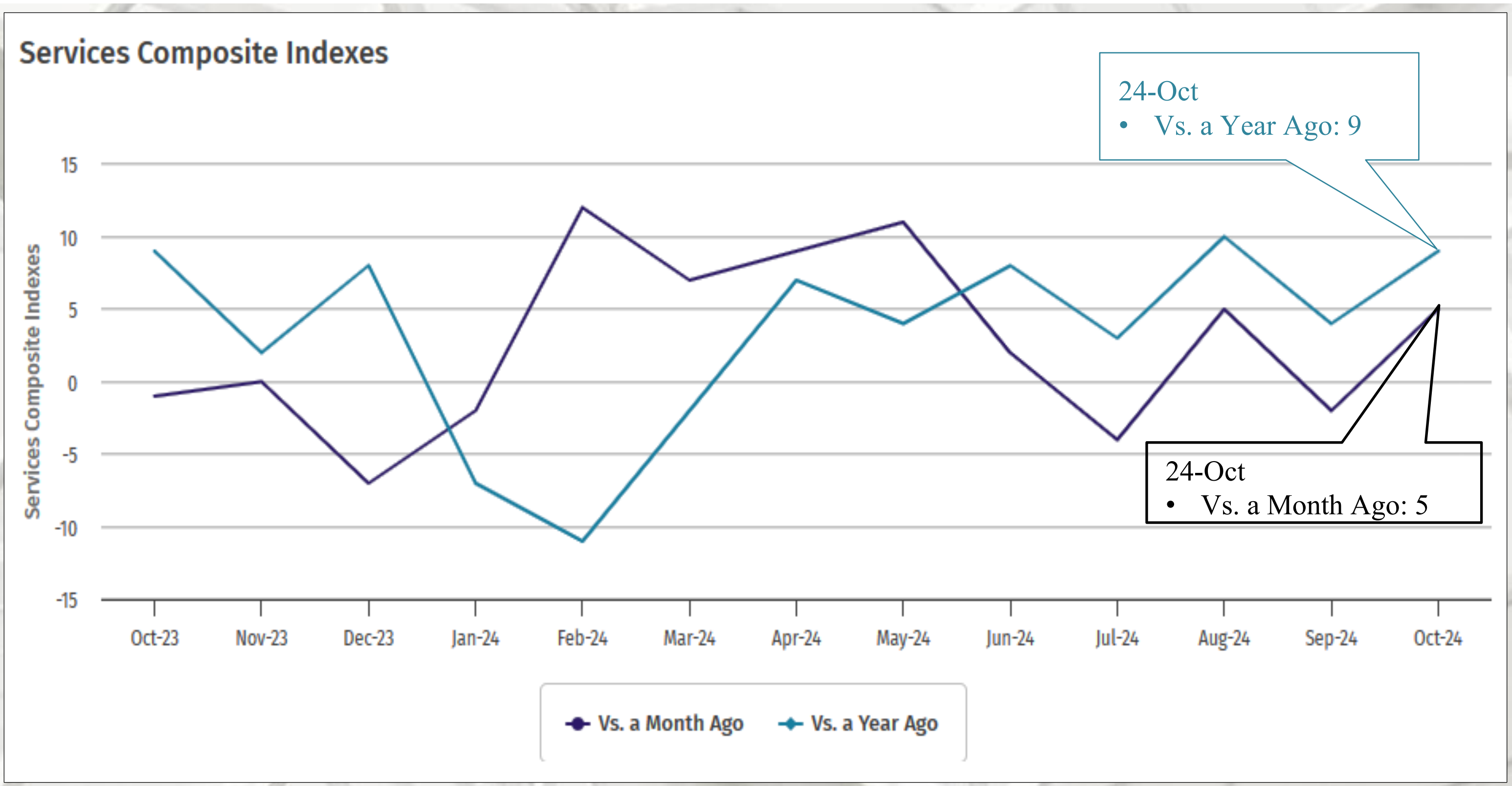
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 10/25/24

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The Federal Reserve Bank of New York

October 2024 Manufacturing Survey

Activity Continues to Hold Steady

"Business activity was little changed in the region's service sector in October, according to firms responding to the Federal Reserve Bank of New York's *Business Leaders Survey*. The survey's headline business activity index continued to hover around zero, coming in at -2.2. The business climate index edged down to -26.0, suggesting the business climate remains worse than normal. Employment continued to grow slightly, and wage increases moderated. Supply availability was steady. Input price increases were just slightly higher than last month, while selling price increases were somewhat lower. Capital spending picked up but remained modest. Looking ahead, firms remained somewhat positive that conditions would improve in the months ahead, but optimism remained subdued.

As has been the case in recent months, business activity was little changed in the New York-Northern New Jersey region, according to the October survey. The headline business activity index edged down to -2.2. Twenty-eight percent of respondents reported that conditions improved over the month and 30 percent said that conditions worsened. The business climate index was similar to last month at -26.0, pointing to an ongoing worsening business climate." – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 11/15/24

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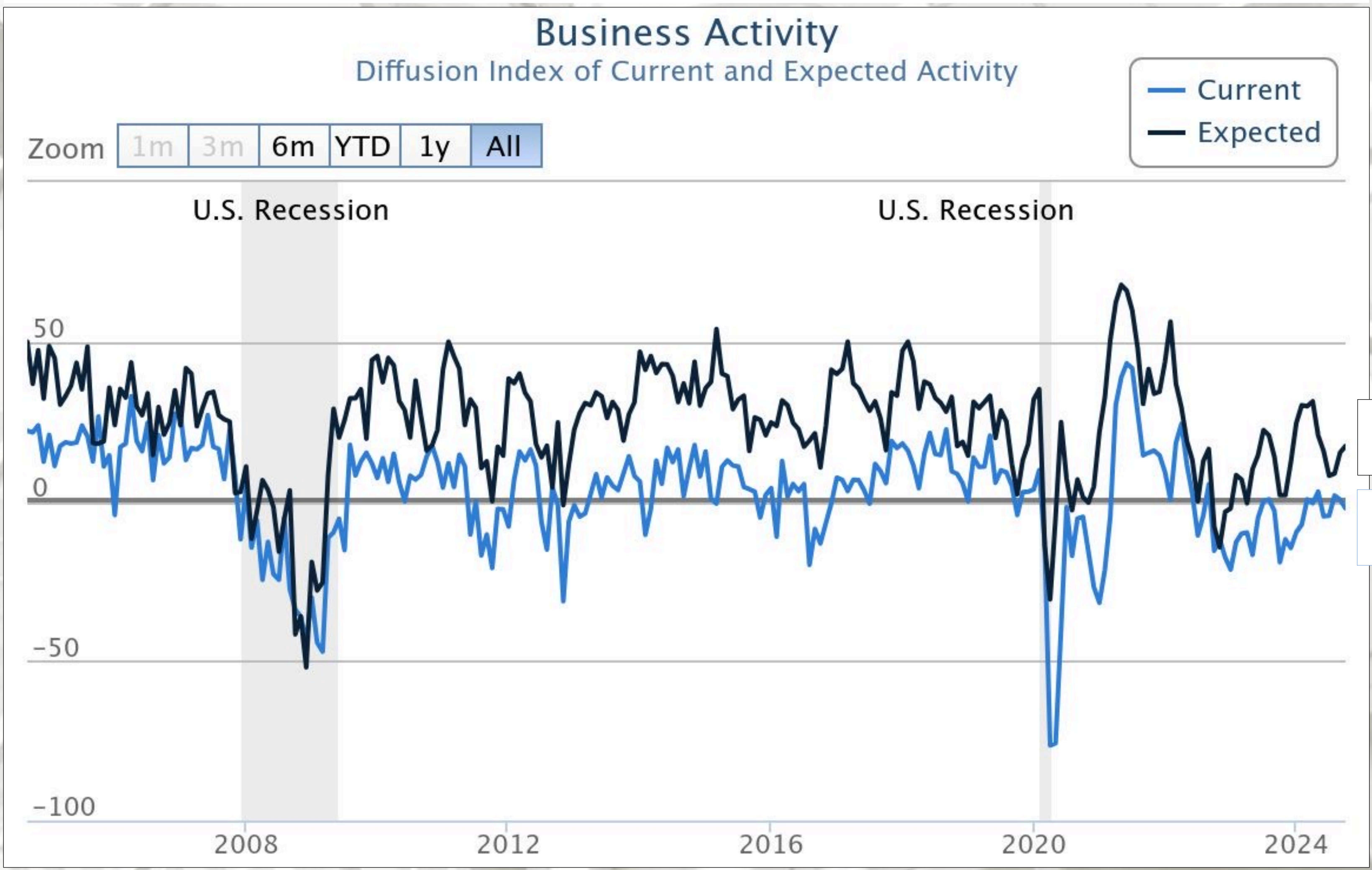
The Federal Reserve Bank of New York



Oct 2024
17.3

Oct 2024
-2.2

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 11/15/24

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The Federal Reserve Bank of New York

October 2024 Manufacturing Survey

Employment Growth Remains Sluggish

“The employment index held steady at 4.4, a sign that employment grew, but only to a small degree. The wages index fell seven points to 28.3, its lowest level in nearly a year, indicating that wage increases slowed. The prices paid index edged up three points to 47.8, indicating input price increases were slightly stronger than last month, while the prices received index fell four points to 19.0, suggesting selling price increases slowed somewhat. The capital spending index picked up several points to 8.9, indicating that capital spending grew modestly.

Optimism Remains Subdued

The index for future business activity edged up two points to 17.3, and the index for the future business climate index climbed seven points to 4.9, its first positive reading in several months, the two readings pointing to some improvement in optimism compared to last month, though optimism remained subdued. Modest increases in employment are expected in the months ahead.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 11/15/24

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The Federal Reserve Bank of New York

October 2024 Empire State Business Leaders Survey (Services)

Little Change in Activity

“Business activity was little changed in the region’s service sector in November, according to firms responding to the Federal Reserve Bank of New York’s *Business Leaders Survey*. The survey’s headline business activity index continued to hover around zero, coming in at -0.5. The business climate index remained firmly negative at -21.5, suggesting the business climate remains worse than normal. Employment continued to grow slightly, and wages increased at about the same pace as last month. Supply availability improved somewhat. Price increases were slightly lower than last month. Capital spending remained modest. Looking ahead, firms continued to grow more optimistic that conditions would improve in the months ahead.

As has been the case for much of the past year, business activity held steady in the New York-Northern New Jersey region, according to the November survey. The headline business activity index edged up to -0.5. Twenty-eight percent of respondents reported that conditions improved over the month and 28 percent said that conditions worsened. The business climate index was slightly higher than last month but remained negative at -21.5, pointing to an ongoing worsening business climate.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 11/18/24

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The Federal Reserve Bank of New York

October 2024 Empire State Business Leaders Survey (Services)

Employment Growth Remains Modest

“The employment index held steady at 5.1, pointing to a small increase in employment levels. After falling to its lowest level in a year last month, the wages index was little changed at 29.7, indicating that wages increased at about the same pace as in October. The prices paid index edged down two points to 46.2, and the prices received index also fell two points to 16.8, suggesting price increases slowed slightly. The capital spending index came in at 5.7, indicating that capital spending grew modestly. The supply availability index edged up to 2.6, a sign that supply availability improved somewhat.

Optimism Continues to Grow

The index for future business activity moved up six points to 23.7, and the index for the future business climate advanced thirteen points to 17.5, suggesting firms expect activity to improve and the business climate to be better than normal in six months. A modest increase in employment is also expected in the months ahead.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 11/18/24

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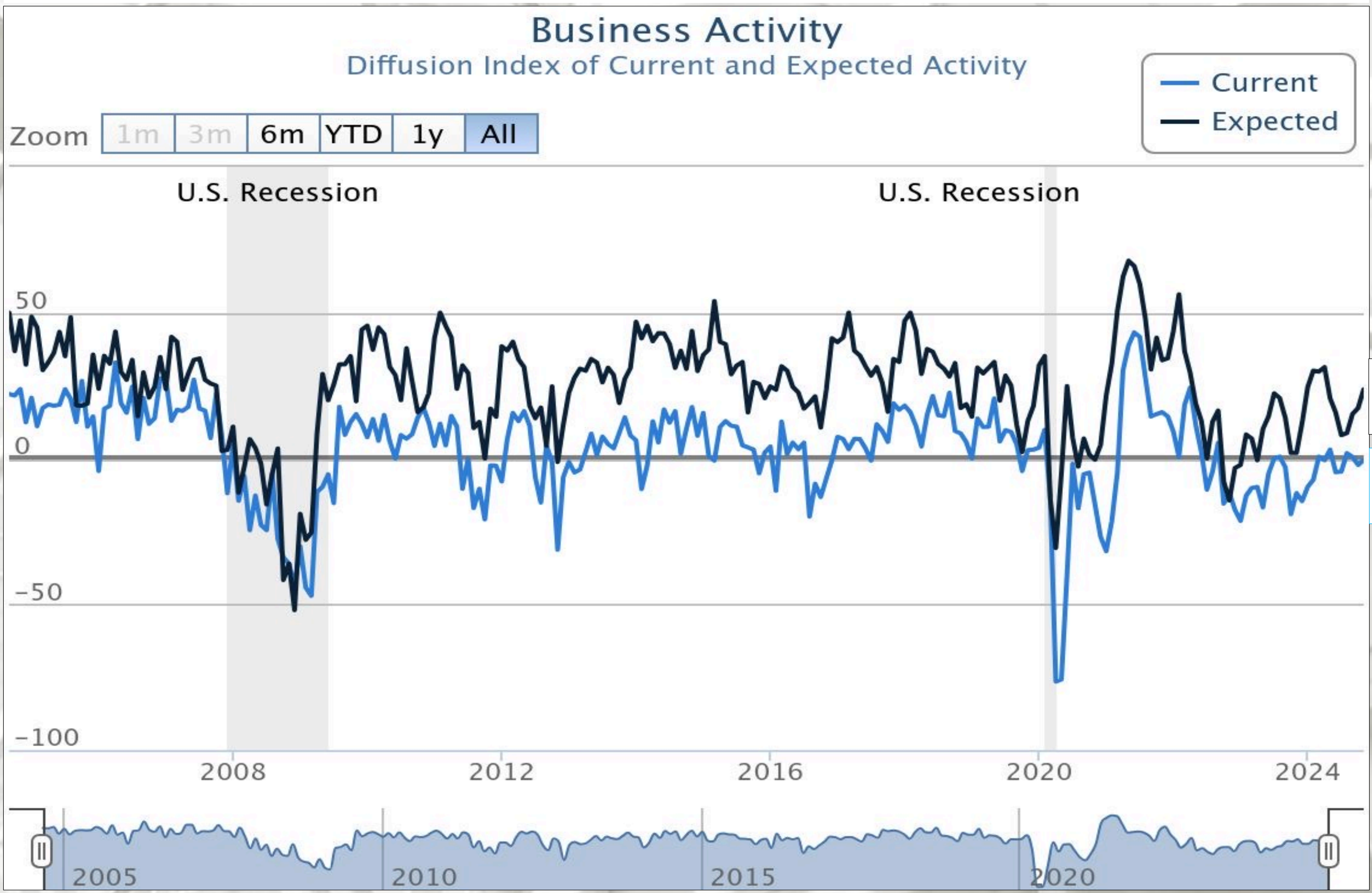
The Federal Reserve Bank of New York



Nov 2024
23.7

Oct 2024
-0.5

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 11/18/24

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The Federal Reserve Bank of Philadelphia

October 2024 Nonmanufacturing
Business Outlook Survey

Current Indicators Improve

"Nonmanufacturing activity in the region expanded this month, according to the firms responding to the October *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level, new orders, and sales/revenues all rose. The full-time employment index suggested overall increases. Both price indexes rose and continued to indicate overall increases in prices. The firms continue to expect growth over the next six months at their own firms and in the region.

The diffusion index for current general activity at the firm level rose 25 points to 26.5, its highest reading since March 2022 (see Chart 1). Over 44 percent of the firms reported increases (up from 32 percent last month), while 18 percent reported decreases (down from 30 percent); 36 percent reported no change in activity (little changed from last month). The new orders and sales/revenues indexes also rose sharply this month. The new orders index jumped from -17.8 to 15.4, its first positive reading since June and its highest reading since March 2022. More than 31 percent of the firms reported increases in new orders, while 16 percent reported decreases. The sales/revenues index increased for the third consecutive month to 33.6, its highest reading since November 2021. Half of the firms reported increases, compared with 16 percent that reported decreases. The regional activity index rose 12 points to 6.0, its first positive reading since June." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-10; 10/22/24

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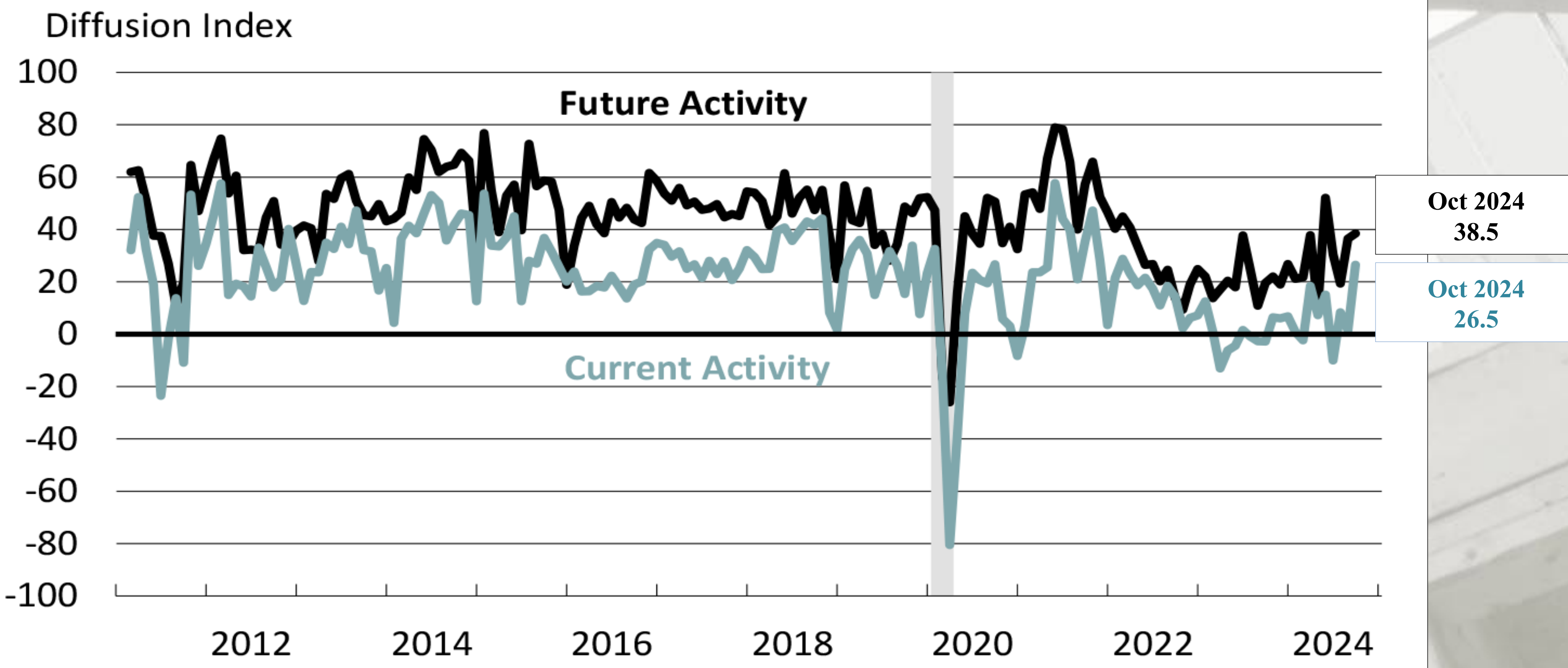
The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes

January 2011 to October 2024



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-10; 10/22/24

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The Federal Reserve Bank of Philadelphia

October 2024 Nonmanufacturing Business Outlook Survey

Firms Report Overall Increase in Full-Time Employment

"The full-time employment index increased from a reading of zero to 8.7 this month, its highest reading since June. Almost 14 percent of the firms reported increases, while 5 percent reported decreases; nearly 77 percent of the firms reported no change. The part-time employment index declined but remained positive at 8.2. Most firms (72 percent) reported steady part-time employment, while the share of firms reporting increases (15 percent) exceeded the share reporting decreases (7 percent). The average workweek index increased from 1.6 to 16.2.

Price Indexes Move Above Long-Run Averages

Price indicator readings suggest continued increases in prices for both inputs and the firms' own goods and services this month. The prices paid index rose 16 points to 35.4, more than offsetting its decline from last month. Over 37 percent of the respondents reported higher input prices, while 2 percent reported decreases; 47 percent reported no change. Regarding prices for the firms' own goods and services, the prices received index increased 18 points to 24.6, its highest reading since February 2023. Almost 30 percent of the firms reported increases in their own prices, while 5 percent reported decreases; 59 percent reported no change.

Firms Continue to Anticipate Growth

The future activity indexes were little changed from last month and continued to suggest firms expect growth in the next six months. The index for future general activity at the firm level edged up 2 points to 38.5 this month (see Chart 1). Over 54 percent of the firms expect an increase in activity at their firms over the next six months, 16 percent expect decreases, and 27 percent of the firms expect no change. The future regional activity index ticked up to 24.5." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-10; 10/22/24

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The Federal Reserve Bank of Philadelphia

October 2024 Nonmanufacturing Business Outlook Survey

Firms Anticipate Steady Capital Expenditures Overall Next Year

"In this month's special question, nonmanufacturers were asked about their plans for different categories of capital spending for the upcoming year. The same share of firms (29 percent) expects either to increase or decrease their total capital spending this year, while the largest share (42 percent) expects to keep the level the same. When this question was asked last year, a slightly higher share of firms expected to decrease rather than increase spending (31 percent versus 22 percent). On balance, the firms expect higher capital expenditures next year for computer and related hardware, other investments, noncomputer equipment, and software, and lower expenditures on energy-saving investments and structures.

Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest overall expansion in nonmanufacturing activity in the region. The indicators for firm-level general activity, new orders, and sales/revenues all rose sharply. Employment indexes suggest overall increases in full-time and part-time employment. Both price indexes continue to indicate overall price increases. On balance, the firms continue to expect growth over the next six months." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-10; 10/22/24

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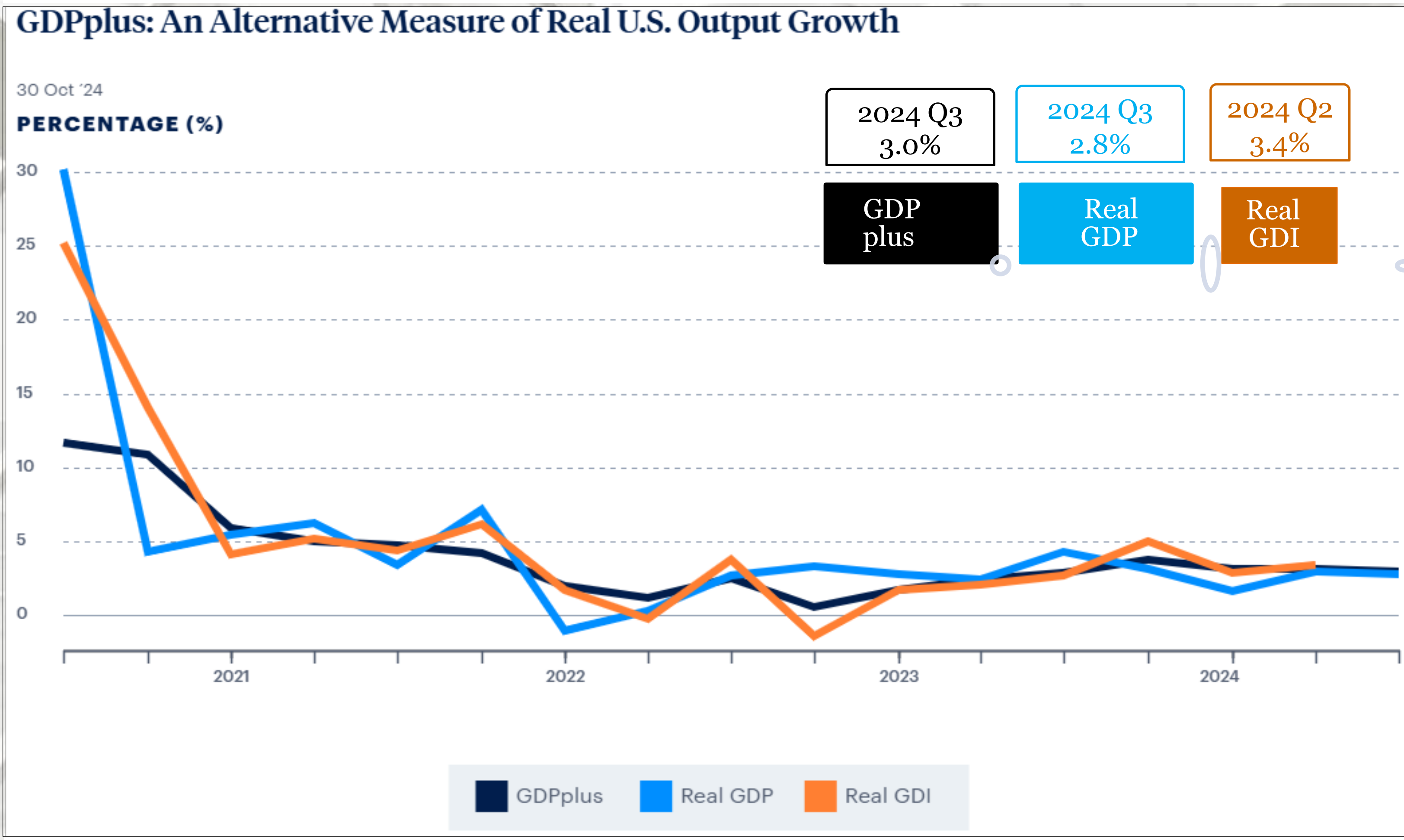
The Federal Reserve Bank of Philadelphia: GDPplus



Notes: Shaded areas indicate NBER recessions. The data measure the quarter-over-quarter growth rate in continuously compounded annualized percentage points.

Sources: Bureau of Economic Analysis (BEA) and NBER via Haver Analytics. Federal Reserve Bank of Philadelphia.

Source: https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/gdpplus; 10/30/24

The Federal Reserve Bank of Richmond

September 2024 Fifth District Survey of Manufacturing Activity

Manufacturing Activity Remained Sluggish in September

"Fifth District manufacturing activity remained slow in October, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased from −21 in September to −14 in October. Of its three component indexes, shipments increased from −18 to −8, new orders rose from −23 to −17, and employment increased from −22 to −17.

The local business conditions index increased modestly but remained in negative territory, while the index for future local business conditions increased notably from −6 to 21 in October. The future indexes for shipments and new orders both increased further into positive territory, suggesting that firms continued to expect improvements in these areas over the next six months.

The vendor lead time index increased from −4 in September to 6 in October. On balance, firms continued to report declining backlogs in October as that index remained negative.

The average growth rate of prices paid decreased in October, while the average growth rate of prices received increased slightly. Firms expected little change in price growth over the next 12 months." – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 10/22/24

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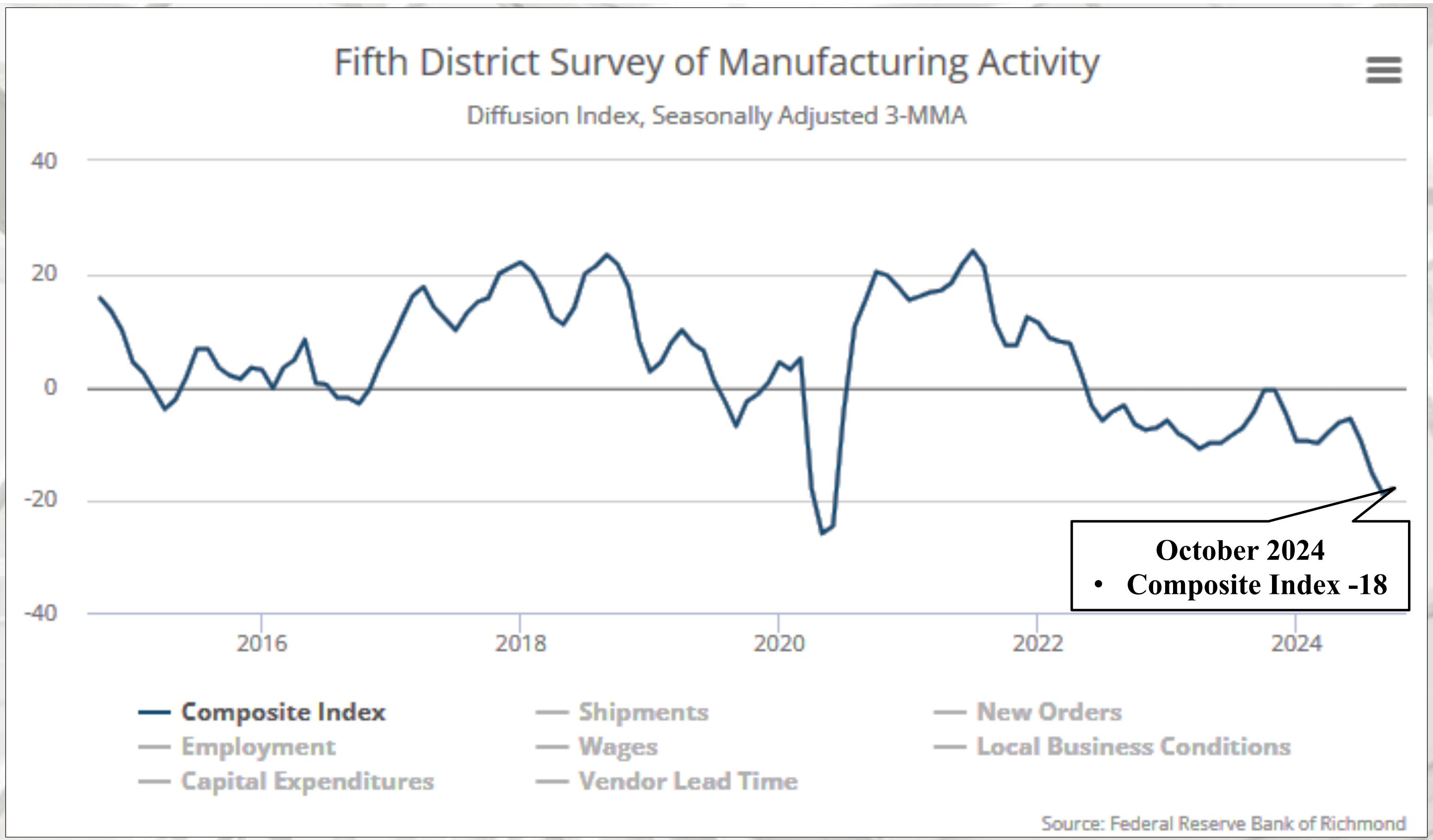
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 10/22/24

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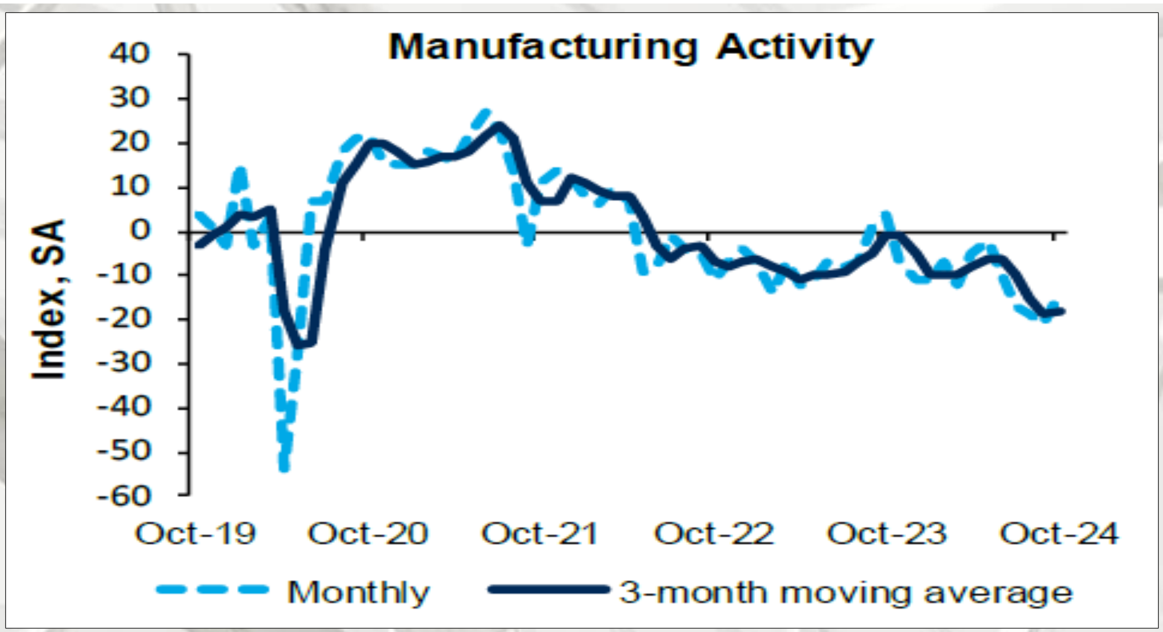

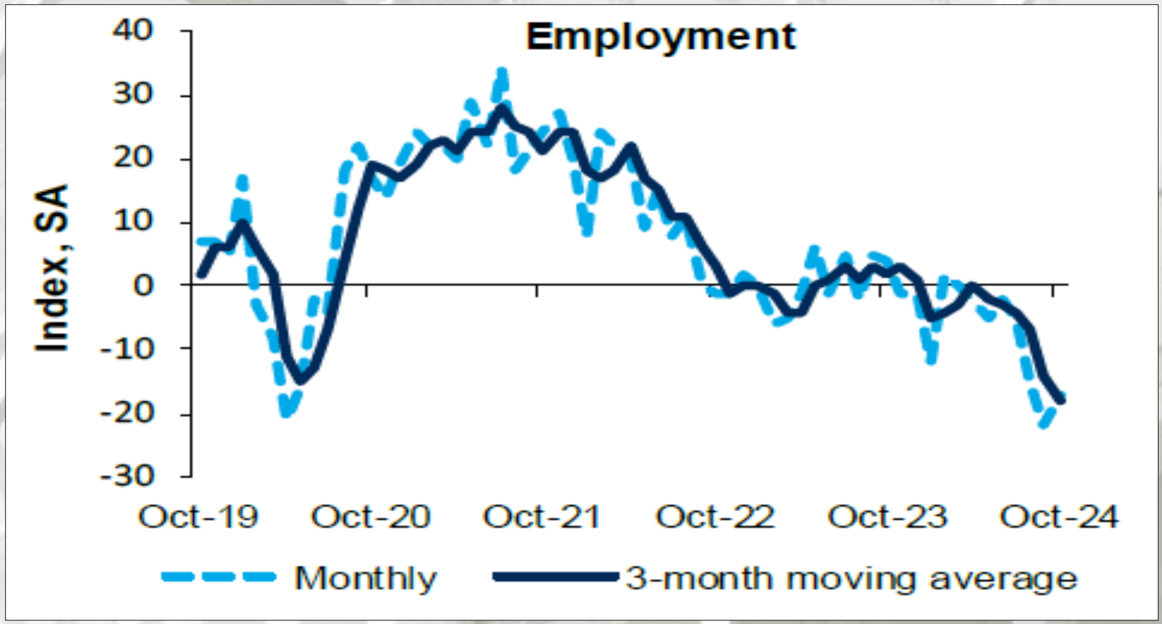

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 10/22/24

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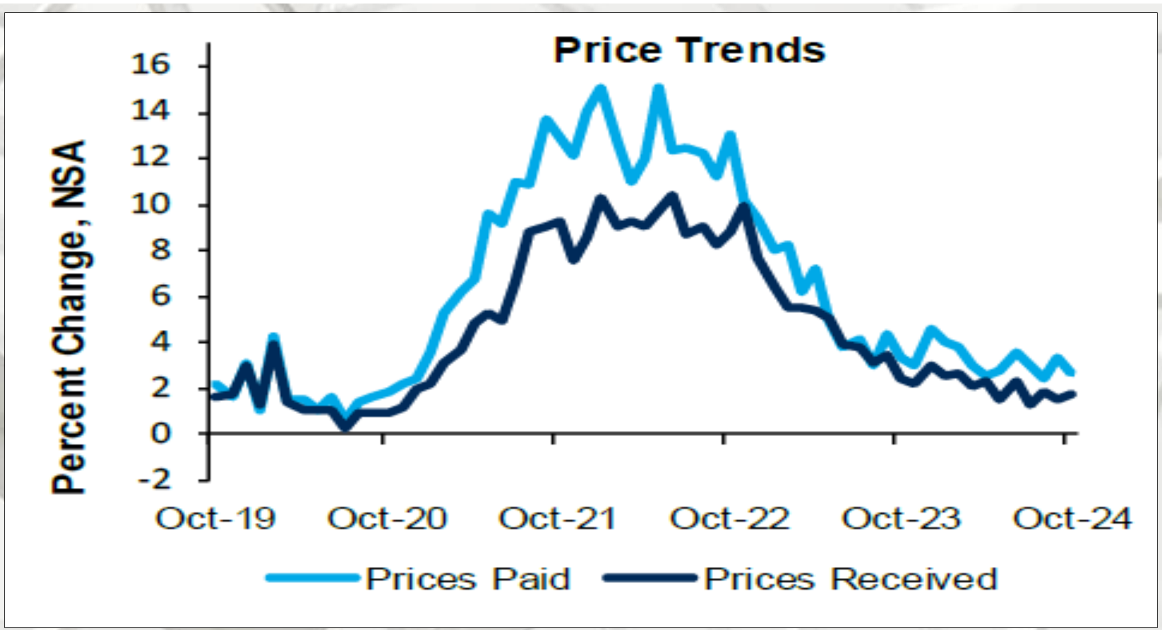

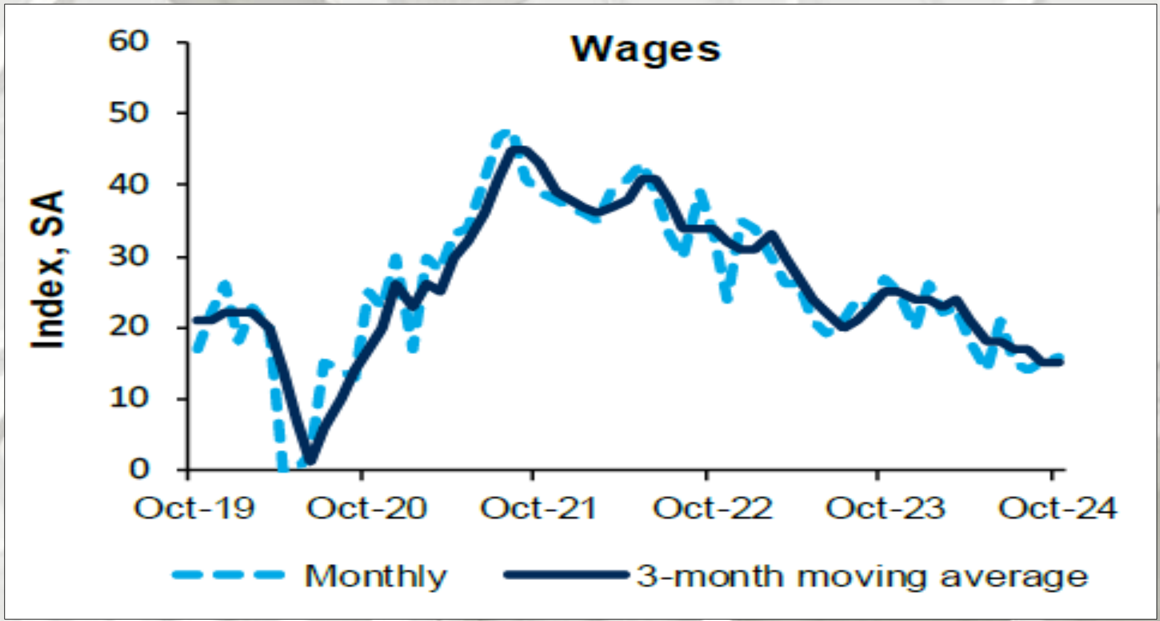

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 10/22/24

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The Federal Reserve Bank of Richmond

September Fifth District Survey of Service Sector Activity

Service Sector Activity Was Mixed in September

"Fifth District service sector activity changed little in October, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index edged up from −1 to 3, while the demand index remained unchanged at 3 in October. The indexes for future revenues and demand increased further into positive territory.

The local business conditions index edged down from −3 in September to −4 in October. Firms were optimistic about future business conditions, though, as that index increased notably from 10 in September to 32 in October.

The employment index rose to 5 in October, while firms, on balance, continued to report wage increases. The availability of skills index increased from −6 to 2 in October, signaling a split in firms' ability to find workers with the necessary skills. Over the next six months, firms expect to increase hiring and anticipate little change in their ability to find workers with the necessary skills. Most firms plan to continue increasing wages.

The average growth rates of prices paid and prices received were nearly unchanged in October. Firms expected price growth to moderate slightly in the coming year." – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 10/22/24

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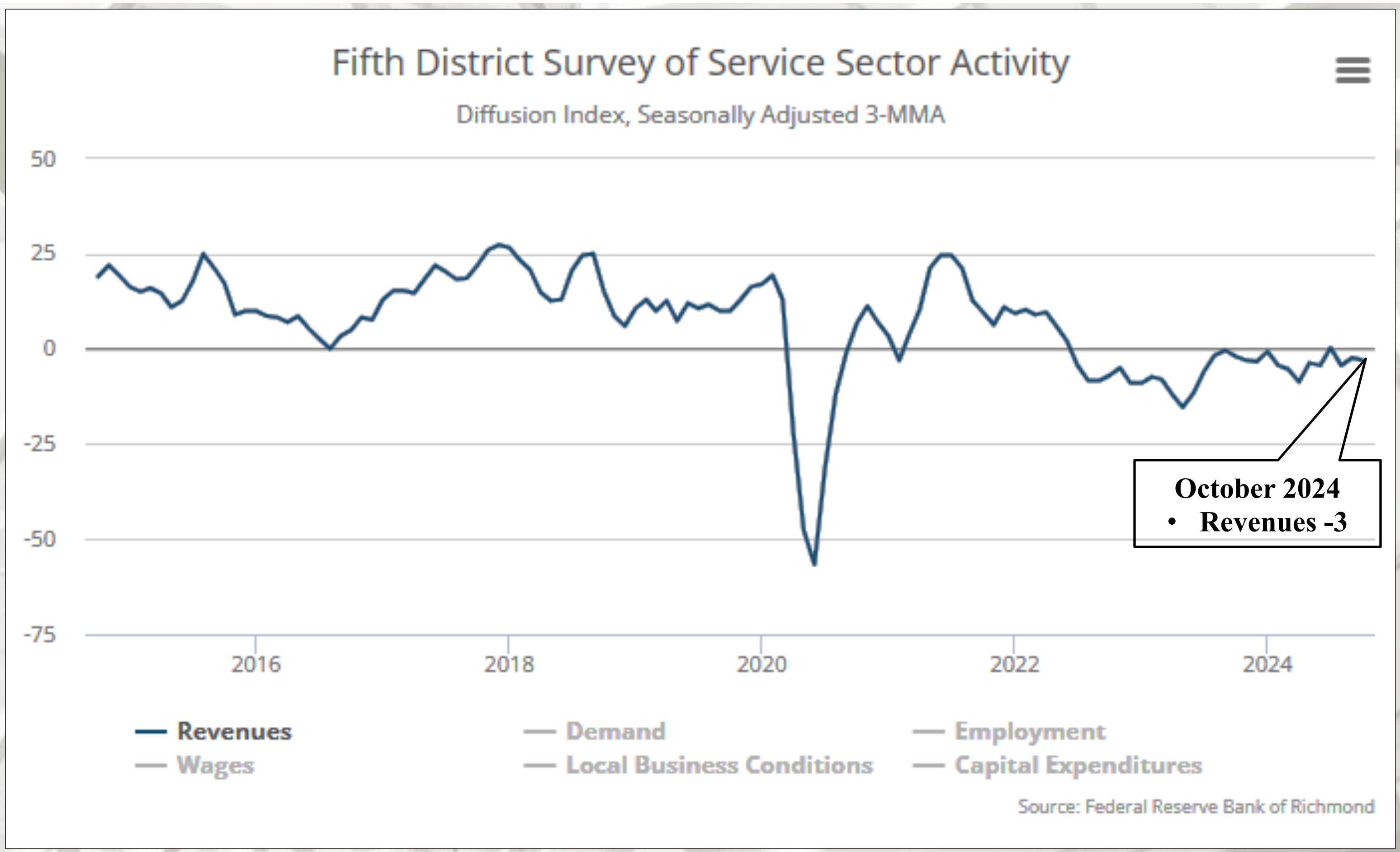
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 10/22/24

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Global Economic Indicators

The Federal Reserve Bank of Dallas

México Economic Update

México's economy shows mixed signals

"México's economy continued growing steadily through August, according to the monthly GDP proxy. However, a weakening labor market and stalled consumption are signs of deceleration going into the fourth quarter. In addition, elevated inflation remains a headwind for the Méxican economy. As a result, the consensus forecast for 2024 GDP growth (fourth quarter/fourth quarter), compiled by Banco de México, declined to 1.3 percent in September (*Table 1*).

Output steadily increasing

The global economic activity index (IGAE) – the monthly proxy for GDP growth – rose 0.3 percent month over month in August after rising 0.1 percent in July (*Chart 1*). The goods-producing sector (including manufacturing, construction and utilities) grew 0.3 percent while the service-related activities (including trade and transportation) increased 0.4 percent. The IGAE was up 1.1 percent year over year." – Jesus Cañas, Senior Business Economist and Diego Morales-Burnett, Research Analyst, Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2406; 10/25/24

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Global Economic Indicators

September 2024 economic report			
GDP, real Q2 '24	Employment, formal September '24	CPI September '24	Peso/dollar September '24
0.6% q/q*	-13,477 jobs m/m	4.6% y/y	19.6

*Latest data available.

Table 1: Consensus Forecasts for 2024 México Growth, Inflation, and Exchange Rate

	August	September
Real GDP growth in Q4, year over year	1.6	1.3
Real GDP growth in 2024	1.6	1.5
CPI December 2024, year over year	4.6	4.4
Peso/dollar exchange rate at end of year	19.0	19.7

Note: CPI refers to the consumer price index. The survey period was Sept. 24–27.
Source: _ Encuesta sobre las Expectativas de los Especialistas en Economía del Sector Privado: Septiembre de 2024 (communiqué on economic expectations, Banco de México, September 2024).

Industrial production flat in August

In August, the three-month moving average of México's industrial production (IP) index, which includes manufacturing, construction, oil and gas extraction and utilities, was flat (*Chart 2*). However, manufacturing IP grew 0.5 percent, marking the third straight month of growth. North of the border, the three-month moving average of U.S. IP edged down in August and September." – Jesus Cañas, Senior Business Economist and Diego Morales-Burnett, Research Analyst, Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2406; 10/25/24

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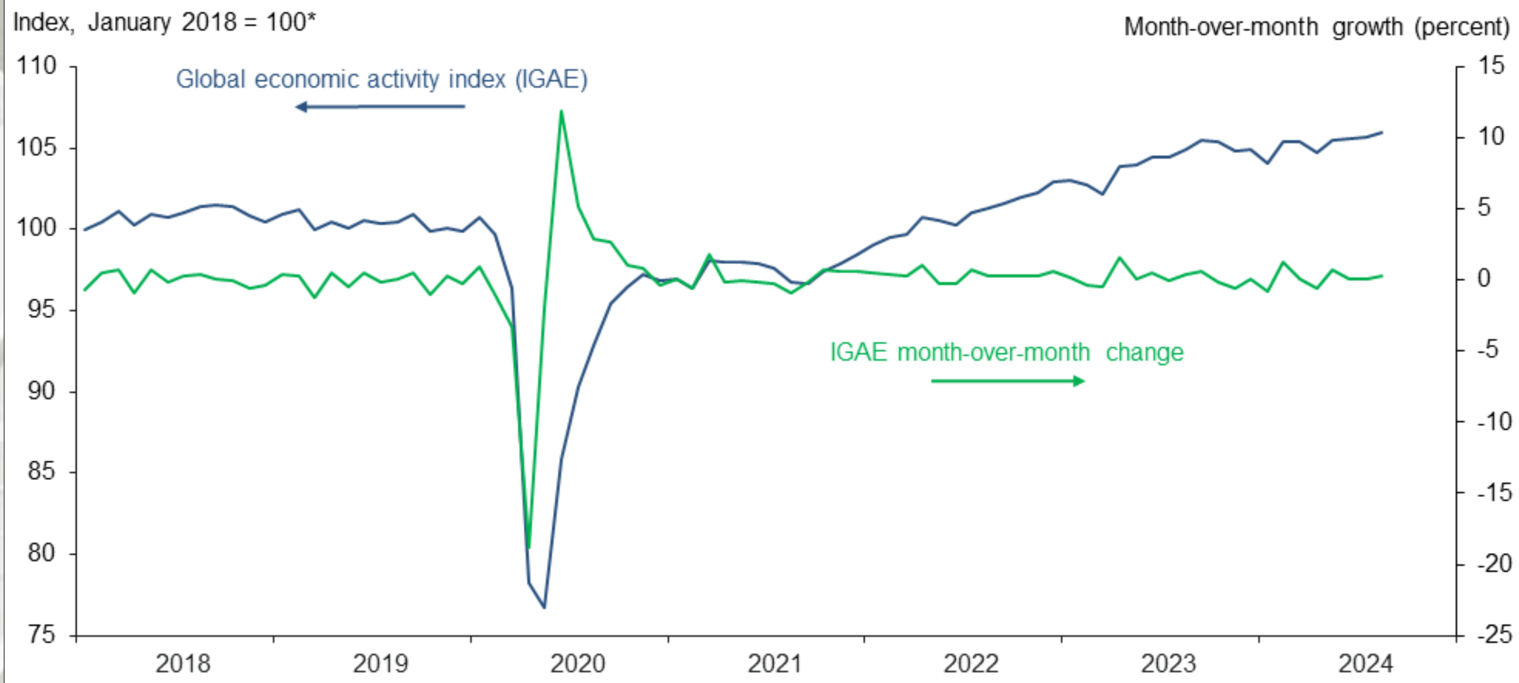
Global Economic Indicators

Chart 1
Economic activity expands



*Seasonally adjusted; real pesos.
NOTES: Data are through August 2024. Data for July 2024 and August 2024 are estimated by the National Institute of Statistics and Geography (INEGI) using its timely indicator of economic activity (IOAE).
SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2406; 10/25/24

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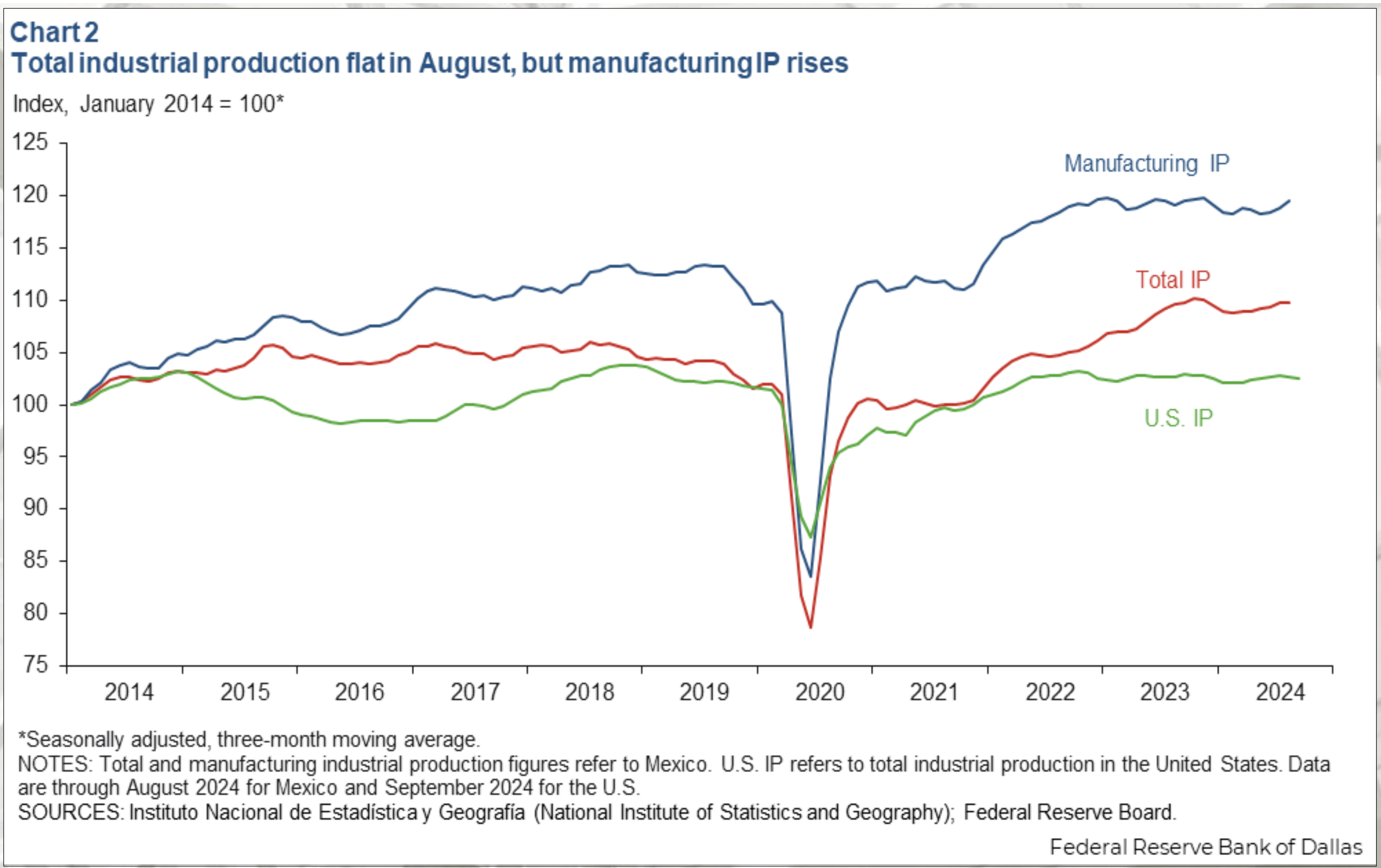
Global Economic Indicators



Source: https://www.dallasfed.org/research/update/mex/2024/2406; 10/25/24

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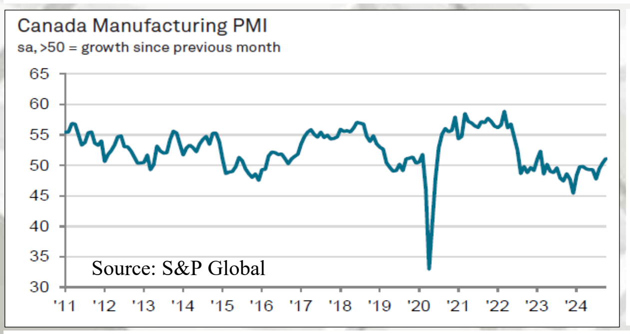
Private Indicators: Global



S&P Global Canada Manufacturing PMI®

"The seasonally adjusted **S&P Global Canada Manufacturing Purchasing Managers' Index® (PMI®)** signalled a second successive monthly improvement in operating conditions during October. Moreover, growth was firmer, as signalled by the headline PMI improving to 51.1. That was up from 50.4 in September and a 20-month high.

Stronger growth of manufacturing sector signalled in October

"Canada's manufacturing economy expanded at a faster rate in October, underpinned by a first rise in output in over a year. Amid reports of steadily improving market demand, new business rose marginally, and firms continued to take on additional workers. Confidence in the outlook was also positive, though firms remained cautious when it came to buying activity, instead preferring to utilise existing input stocks wherever possible. Inflationary pressures weakened, with costs rising at a slower pace and output charges only marginally higher in October.

Underpinning growth in October was a solid rise in manufacturing production. It was the first time since July 2023 that output has increased, and the uplift was the best registered by the survey in over a year-and-a-half. Some panellists reported that market demand had improved, leading to a net increase in total new orders. Growth was however marginal and centred on the domestic market: new export business continued to fall during October, extending the current downturn to 14 months. …

October marked a relatively positive month for Canada's manufacturing economy, with solid increases in output and employment both stand out statistics from the latest survey data. Firms bolstered their production in anticipation of growth in the months ahead, with warehouse inventories increasing marginally ahead of expected order gains.

However, firms retained a degree of caution, with buying activity cut again as underlying demand remains soft – despite showing signs of stabilising. This highlights that the sector has some way to go before getting onto a firmer growth trajectory. With latest data also pointing to a dissipation of inflationary pressures, the survey overall provides further support to the Bank of Canada's current focus on moving quickly towards a more neutral monetary policy stance." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/ea4c385afcf74ddea46e938ab40fa75c; 11/1/24

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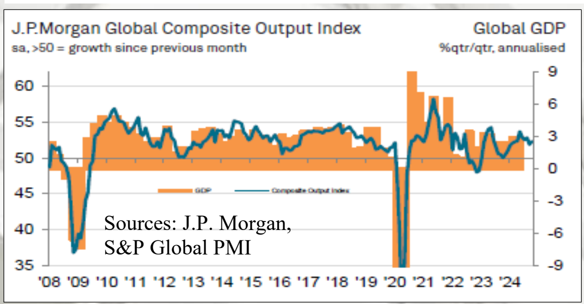
Private Indicators: Global



J.P. Morgan Global Composite PMI™

"The J.P. Morgan Global Manufacturing PMI™ – a composite index produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – rose to 52.3 in October, from 51.9 in September, to signal growth for the twelfth successive month. There was also a slight uptick in the rate of increase in new orders.

Global economic growth accelerates as reviving service sector offsets lacklustre manufacturing

"October saw the rate of global economic expansion accelerate from September's eight-month low, as both business confidence and growth of new order intakes strengthened. The expansion of activity was mainly driven by the services sector, and financial services in particular, as manufacturing remained largely stagnant.

Service sector business activity rose for the twenty-first consecutive month in October, with the rate of expansion improving from September's five-month low. Output rose across the business, consumer and financial services categories, with the steepest rate of expansion in the latter. Conditions stayed relatively lacklustre at manufacturers in October. Although production stabilised after falling in September, total new orders and international trade volumes both declined. Output and new business contracted in the intermediate and investment goods sub-industries, in contrast to increases in both variables in the consumer goods category. …

In addition to current output growth edging higher globally in October, business expectations for the year ahead also revived. Having fallen to a near-two-year low in September, future expectations rose to the highest since May, recovering in both manufacturing and services. However, improved confidence was mainly limited to the US and China, as other major nations generally saw optimism moderate. …

Underpinning the expansion of business activity were improved intakes of new work and efforts to complete outstanding business. New export orders rose for the tenth month in a row. Better current conditions fed through to business optimism, with positive sentiment rising to a five-month high (up from September's near two-year low). Employment rose for the second successive month. Input cost and output price inflation eased to two- and 48-month lows, respectively." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/16b271b3c4524743858e8f97ebe056de; 11/6/24

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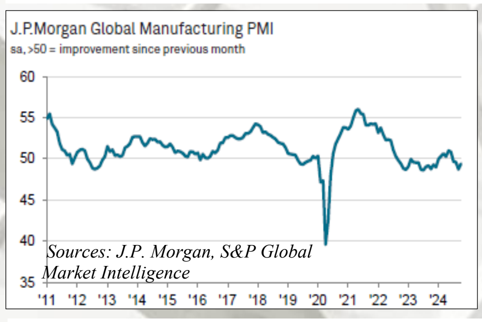
Private Indicators: Global



J.P. Morgan Global Manufacturing PMI™

"The global manufacturing downturn continued in October. The J.P. Morgan Global Composite Output Index – produced by J.P. Morgan and S&P Global in association with ISM and IFPSM posted 49.4, up from 48.7 in September, to remain below the neutral 50.0 mark for the fourth month in a row.

Global manufacturing remains subdued as new order intakes contract for fourth successive month

Three out of the five PMI components signalled contraction at the start of the final quarter – new orders, employment and stocks of purchases. Output broadly stabilised at September's level while stressed supply chains led to a further lengthening of supplier delivery times. … The rise in the PMI level nonetheless indicated a deceleration in the rate of contraction from September's recent nadir. Data broken down by sector showed deteriorating operating conditions in the intermediate and investment goods industries. That said, rates of contraction eased in both cases. The consumer goods category saw expansion, with the rate of increase at a four-month high.

Intakes of new business contracted again in October, falling for the fourth successive month. Decreases were signalled in both the intermediate and investment goods industries, more than offsetting a return to growth in the consumer goods category. … The recent lacklustre performance of global industry contributed to subdued business optimism during October.

Sentiment remained close to September's 22-month low. Job losses were registered for the third month in a row, with the rate of decline the steepest since August 2020. Cuts were initiated in China, the US and the euro area (among others), while Canada, the UK, India and Brazil were some of the regions to register jobs growth. …" – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/0ea8f9b67c914cf58d83eaf2d9fb1093; 11/4/24

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Private Indicators
Associated Builders and Contractors (ABC)

ABC's Construction Backlog Indicator Slips in October, Contractor Confidence Remains Elevated

"Associated Builders and Contractors reported that its Construction Backlog Indicator fell to 8.4 months in October, according to a survey of its member contractors conducted Oct. 21 to Nov. 4. The reading is unchanged from October 2023.

View the full Construction Backlog Indicator and Construction Confidence Index data series.

Backlog fell in every region except for the Northeast in October, reversing the previous month's trend in which every region except for the Northeast saw an increase in backlog.

Only the Middle States have longer backlog than one year ago. ABC's Construction Confidence Index readings for sales and staffing levels improved in October, while the reading for profit margins inched slightly lower. The readings for all three components are above the threshold of 50, indicating expectations for growth over the next six months.

"While backlog declined in October, it remains at a healthy level and has been remarkably stable over the past year," said ABC Chief Economist Anirban Basu. "Like much of the economy, the construction industry remained in some semblance of a holding pattern in October as project owners continue to wait for election outcomes and for interest rates to decline further. Despite this wait-and-see attitude, contractors remain upbeat about the next two quarters. Approximately 53% of ABC members expect their sales to increase over the next six months, while just 22% expect them to decline."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-slips-in-october-contractor-confidence-remains-elevated; 11/12/24

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Private Indicators
Associated Builders and Contractors (ABC)

Construction Backlog Indicator

	October 2024	September 2024	October 2023	1-Month Net Change	12-Month Net Change
Total	**8.4**	**8.6**	**8.4**	**-0.2**	**0.0**
Industry					
Commercial and institutional	8.5	8.9	8.6	-0.4	-0.1
Heavy industrial	8.1	8.9	10.2	-0.8	-2.1
Infrastructure	8.9	7.9	6.9	1.0	2.0
Region					
Middle States	8.3	8.7	7.1	-0.4	1.2
Northeast	7.9	7.5	8.2	0.4	-0.3
South	9.4	9.8	10.1	-0.4	-0.7
West	7.4	7.6	8.1	-0.2	-0.7
Company Size					
<$30 Million	7.3	7.5	7.2	-0.2	0.1
$30-$50 Million	8.8	8.7	11.4	0.1	-2.6
$50-$100 Million	10.1	12.5	12.5	-2.4	-2.4
>$100 Million	12.3	11.9	11.8	0.4	0.5

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-slips-in-october-contractor-confidence-remains-elevated; 11/12/24

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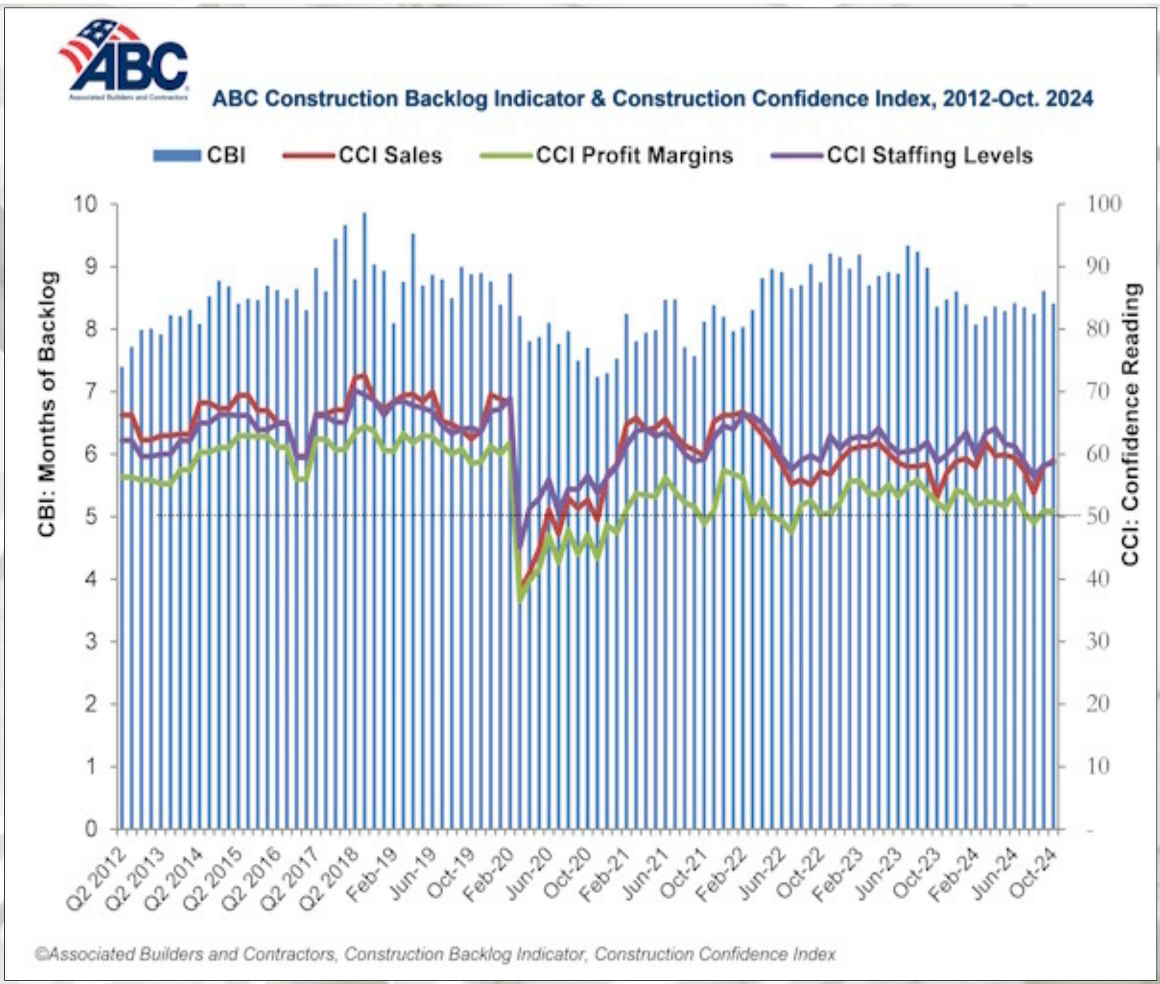
Private Indicators
Associated Builders and Contractors (ABC)



Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-slips-in-october-contractor-confidence-remains-elevated; 11/12/24

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Private Indicators
Associated Builders and Contractors (ABC)

Construction Confidence Index

Response	October 2024	September 2024	October 2023
CCI Reading			
Sales	59.0	58.1	53.1
Profit margins	50.8	50.9	52.3
Staffing	58.6	58.2	58.7
Sales Expectations			
Up big	8.8%	7.6%	5.9%
Up small	44.0%	44.4%	37.3%
No change	25.3%	24.3%	24.0%
Down small	18.3%	20.1%	28.9%
Down big	3.7%	3.6%	3.9%
Profit Margin Expectations			
Up big	0.7%	2.3%	3.4%
Up small	32.2%	27.0%	28.4%
No change	40.3%	46.1%	44.6%
Down small	23.1%	21.4%	21.1%
Down big	3.7%	3.3%	2.5%
Staffing Level Expectations			
Up big	4.4%	1.6%	3.9%
Up small	40.7%	43.8%	42.6%
No change	41.8%	41.1%	39.7%
Down small	11.4%	12.8%	11.8%
Down big	1.8%	0.7%	2.0%

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-slips-in-october-contractor-confidence-remains-elevated; 11/12/24

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Private Indicators
Associated Builders and Contractors

September Nonresidential Construction Spending Up by 0.1%, Fueled by Infrastructure Investment

"National nonresidential construction spending increased 0.1% in September, according to an Associated Builders and Contractors analysis of data published by the U.S. Census Bureau. On a seasonally adjusted annualized basis, nonresidential spending totaled $1.22 trillion.

Spending was up on a monthly basis in half of the 16 nonresidential subcategories. Private nonresidential spending decreased 0.1%, while public nonresidential construction spending was up 0.4% in September.

"Construction spending inched higher in September, with growth fueled by ongoing infrastructure investment," said ABC Chief Economist Anirban Basu. "Spending accelerated in several publicly funded segments in September, including highway and street, sewage and waste disposal and water supply. The privately funded nonresidential construction segment didn't perform as well for the month, with spending in that segment contracting for the second time in the past three months.

"Despite September's decline, private nonresidential construction spending remains less than 1% below the all-time high established in June," said Basu. "Given ongoing manufacturing megaprojects and healthy backlog levels, according to ABC's Construction Backlog Indicator, the nonresidential segment should hold up well as the industry waits for lower borrowing costs and looser lending standards to arrive."''– Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-september-nonresidential-construction-spending-up-by-01-fueled-by-infrastructure-investment; 11/1/24

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Private Indicators
Associated Builders and Contractors

Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate					
	September 2024	August 2024	September 2023	1-Month % Change	12-Month % Change
Total Construction	$2,148,805	$2,146,048	$2,055,216	0.1%	4.6%
Residential	$925,359	$923,646	$888,453	0.2%	4.2%
Nonresidential	$1,223,447	$1,222,402	$1,166,763	0.1%	4.9%
Religious	$3,910	$3,815	$3,961	2.5%	-1.3%
Transportation	$70,127	$69,552	$65,400	0.8%	7.2%
Water supply	$33,551	$33,333	$28,667	0.7%	17.0%
Sewage and waste disposal	$45,821	$45,575	$44,263	0.5%	3.5%
Highway and street	$141,948	$141,361	$139,813	0.4%	1.5%
Educational	$129,245	$128,825	$124,592	0.3%	3.7%
Lodging	$23,483	$23,411	$25,202	0.3%	-6.8%
Commercial	$125,304	$124,999	$144,449	0.2%	-13.3%
Office	$100,546	$100,598	$98,950	-0.1%	1.6%
Public safety	$19,552	$19,570	$14,654	-0.1%	33.4%
Amusement and recreation	$41,525	$41,570	$37,261	-0.1%	11.4%
Manufacturing	$235,347	$235,755	$195,384	-0.2%	20.5%
Power	$146,275	$146,558	$137,584	-0.2%	6.3%
Communication	$28,551	$28,649	$28,480	-0.3%	0.2%
Health care	$66,508	$66,898	$65,905	-0.6%	0.9%
Conservation and development	$11,754	$11,935	$12,197	-1.5%	-3.6%
Private Nonresidential	$739,992	$740,973	$714,759	-0.1%	3.5%
Public Nonresidential	$483,455	$481,429	$452,005	0.4%	7.0%

Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/abc-september-nonresidential-construction-spending-up-by-01-fueled-by-infrastructure-investment; 11/1/24

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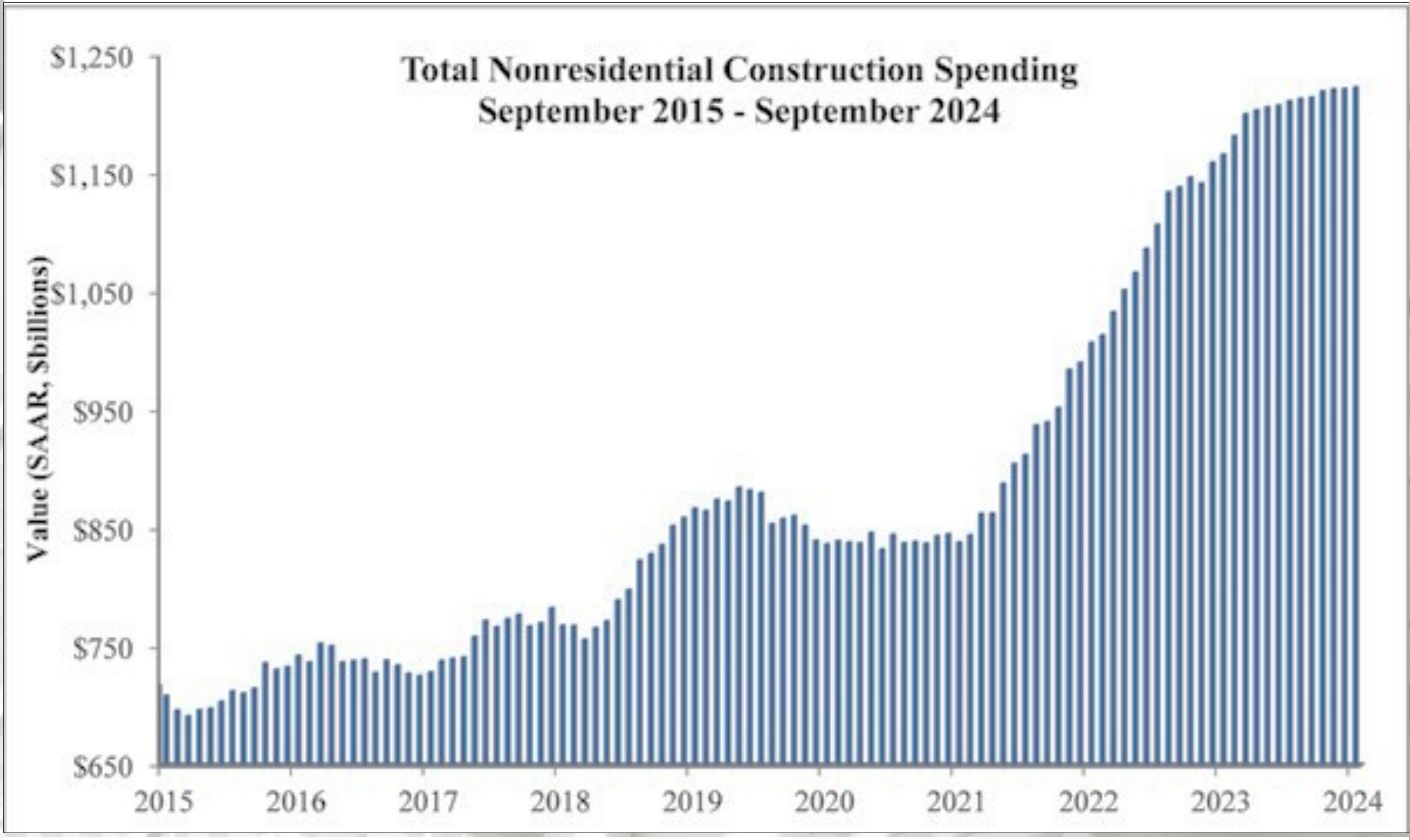
Private Indicators
Associated Builders and Contractors



Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/abc-september-nonresidential-construction-spending-up-by-01-fueled-by-infrastructure-investment; 11/1/24

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Private Indicators
Associated Builders and Contractors

September Construction Job Openings, Distorted by Storms, Decrease by 40,000

"The construction industry had 288,000 job openings on the last day of September, according to an Associated Builders and Contractors analysis of data from the U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey. JOLTS defines a job opening as any unfilled position for which an employer is actively recruiting. Industry job openings decreased by 40,000 last month and are down by 134,000 from the same time last year.

"September's data, which show a precipitous 32% decline in construction industry job openings over the past year, likely overstate the degree that demand for construction workers has slowed," said ABC Chief Economist Anirban Basu. "Hurricane Helene, which did not dissipate until Sept. 29, temporarily suppressed the number of open construction positions across the Southeast. Because the BLS measures job openings on the final day of the relevant month, the data in this JOLTS release are almost certainly distorted. Approximately 45% of contractors intend to increase their staffing levels over the next six months, according to ABC's Construction Confidence Index, suggesting that the industrywide demand for labor remains strong."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-september-construction-job-openings-distorted-by-storms-decrease-by-40000; 10/29/24

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Private Indicators
Associated Builders and Contractors

Construction Industry Job Openings and Labor Turnover Data: September 2024

	September 2024	August 2024	September 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Total						
Job openings	288,000	328,000	422,000	-40,000	-134,000	-31.8%
Hires	336,000	348,000	308,000	-12,000	28,000	9.1%
Total separations	312,000	313,000	313,000	-1,000	-1,000	-0.3%
Layoffs & discharges	178,000	169,000	159,000	9,000	19,000	11.9%
Quits	120,000	131,000	139,000	-11,000	-19,000	-13.7%
Other separations	14,000	12,000	15,000	2,000	-1,000	-6.7%
Rate						
Job openings	3.4%	3.8%	5.0%			
Hires	4.0%	4.2%	3.8%			
Total separations	3.8%	3.8%	3.9%			
Layoffs & discharges	2.1%	2.0%	2.0%			
Quits	1.4%	1.6%	1.7%			
Other separations	0.2%	0.1%	0.2%			

Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-september-construction-job-openings-distorted-by-storms-decrease-by-40000; 10/29/24

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Private Indicators
Associated Builders and Contractors

Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-september-construction-job-openings-distorted-by-storms-decrease-by-40000; 10/29/24

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Private Indicators
Associated Builders and Contractors

Construction Employment Grows in October Despite Hurricane-Skewed Data

“The construction industry added 8,000 jobs on net in October, according to an Associated Builders and Contractors analysis of data released by the U.S. Bureau of Labor Statistics. On a year-over-year basis, industry employment has grown by 223,000 jobs, an increase of 2.8%.

Nonresidential construction employment increased by 13,500 positions on net, with growth in 2 of the 3 subcategories. Nonresidential specialty trade added the most jobs, increasing by 14,300 positions. Nonresidential building added just 300 jobs, while heavy and civil engineering lost 1,100 jobs last month.

The construction unemployment rate rose to 4.2% in October . Unemployment across all industries remained unchanged at 4.1% in October.

“October’s employment report was severely distorted by Hurricanes Helene and Milton,” said ABC Chief Economist Anirban Basu. “As a result, employers across all industries were estimated to have added just 12,000 jobs, the fewest in any month since the economy lost jobs in December 2020. Importantly, the separate survey that produces the unemployment rate was not affected by the storms and indicates that the jobless rate remained stable at 4.1% in October.” – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-employment-grows-in-october-despite-hurricane-skewed-data; 11/1/24

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Private Indicators
Associated Builders and Contractors

Construction Employment Grows in October
Despite Hurricane-Skewed Data

"""Despite the underwhelming and heavily distorted economywide data, this jobs report indicates that the construction industry added jobs for the fifth straight month," said Basu. "Over the past year, the construction sector has added jobs at exactly twice the rate of the broader economy, and growth has been even faster in the nonresidential segment. With contractors on net expecting their staffing levels to increase over the next two quarters, according to ABC's Construction Confidence Index, it appears likely that industry payrolls will continue to expand through at least the early months of 2025."'" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-employment-grows-in-october-despite-hurricane-skewed-data; 11/1/24

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Private Indicators
Associated Builders and Contractors

Construction Employment Statistics: October 2024

	October 2024	September 2024	October 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	8,310,000	8,302,000	8,087,000	8,000	223,000	2.8%
Nonresidential	4,939,400	4,925,900	4,761,000	13,500	178,400	3.7%
Nonresidential building	929,800	929,500	896,000	300	33,800	3.8%
Nonresidential specialty trade contractors	2,851,000	2,836,700	2,735,300	14,300	115,700	4.2%
Heavy & civil engineering	1,158,600	1,159,700	1,129,700	-1,100	28,900	2.6%
Residential	3,370,600	3,375,900	3,326,100	-5,300	44,500	1.3%
Residential building	957,000	955,700	932,000	1,300	25,000	2.7%
Residential specialty trade contractors	2,413,600	2,420,200	2,394,100	-6,600	19,500	0.8%
Average Hourly Earnings						
All private industries	$35.46	$35.33	$34.10	$0.13	$1.36	4.0%
Construction	$38.72	$38.60	$37.01	$0.12	$1.71	4.6%
Average Weekly Hours						
All private industries	34.3	34.3	34.3	0.0	0.0	0.0%
Construction	39.0	39.2	39.2	-0.2	-0.2	-0.5%
Unemployment Rate						
All private industries (SA)	4.1%	4.1%	3.8%	0.0pp	0.3pp	
Construction (NSA)	4.2%	3.7%	4.0%	0.5pp	0.2pp	

Source: U.S. Bureau of Labor Statistics. Note. SA: Seasonally adjusted. NSA: Not seasonally adjusted

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-employment-grows-in-october-despite-hurricane-skewed-data; 11/1/24

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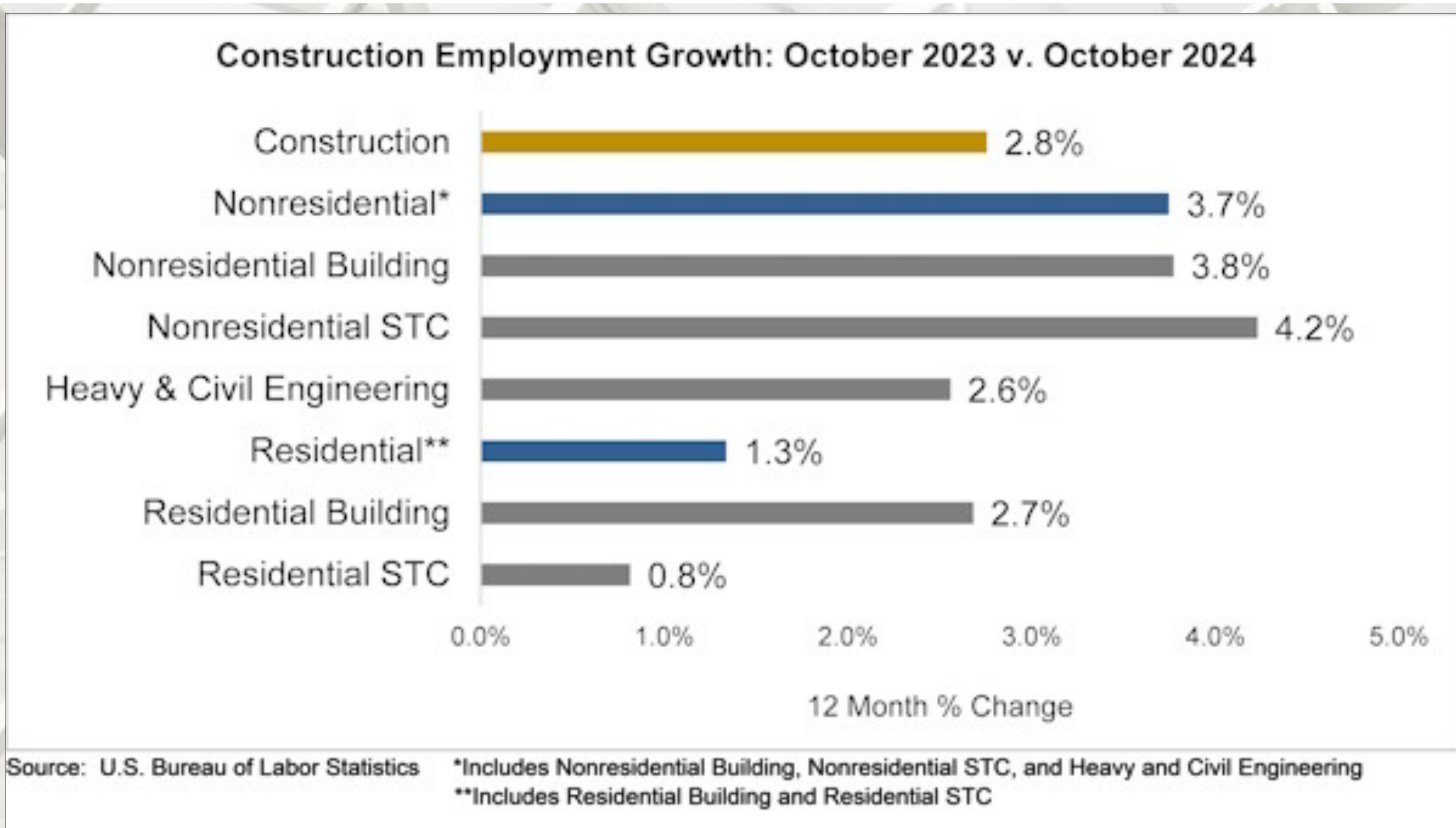
Associated Builders and Contractors



Source: https://www.abc.org/News-Media/News-Releases/abc-construction-employment-grows-in-october-despite-hurricane-skewed-data; 11/1/24

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Private Indicators
American Institute of Architects (AIA) & Deltek

Architecture Billings Index September 2024

Architecture firm billings remain soft. Architecture Firms Face 20-Month Billing Slump Despite Economic Recovery

Architecture firm billings worsened in September.

"Despite recently announced rate cuts by the Federal Reserve, clients are still cautious about future projects. Inquiries into potential new projects continued to increase, but the pace has slowed since the beginning of the year. And the value of newly signed design contracts at firms decreased for the sixth consecutive month in September, although the pace of that decline has moderated somewhat over the last few months. However, firms continue to report average backlogs of 6.4 months, which remains above pre-pandemic historical averages and is a good indicator of existing work in the pipeline, even if new work coming in has slowed." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

"Despite recent rate cuts by the Federal Reserve, many clients remain on the sidelines with regard to proceeding on planned projects. And while new project opportunities also emerge, clients are cautious about which to pursue. Fortunately, architecture firms report backlogs of 6.4 months on average, which remain above pre-pandemic levels and are an indication that there is existing work in the pipeline." – Kermit Baker, Chief Economist, AIA

Source: https://www.aia.org/resource-center/abi-september-2024-architecture-firm-billings-remain-soft; 10/23/24

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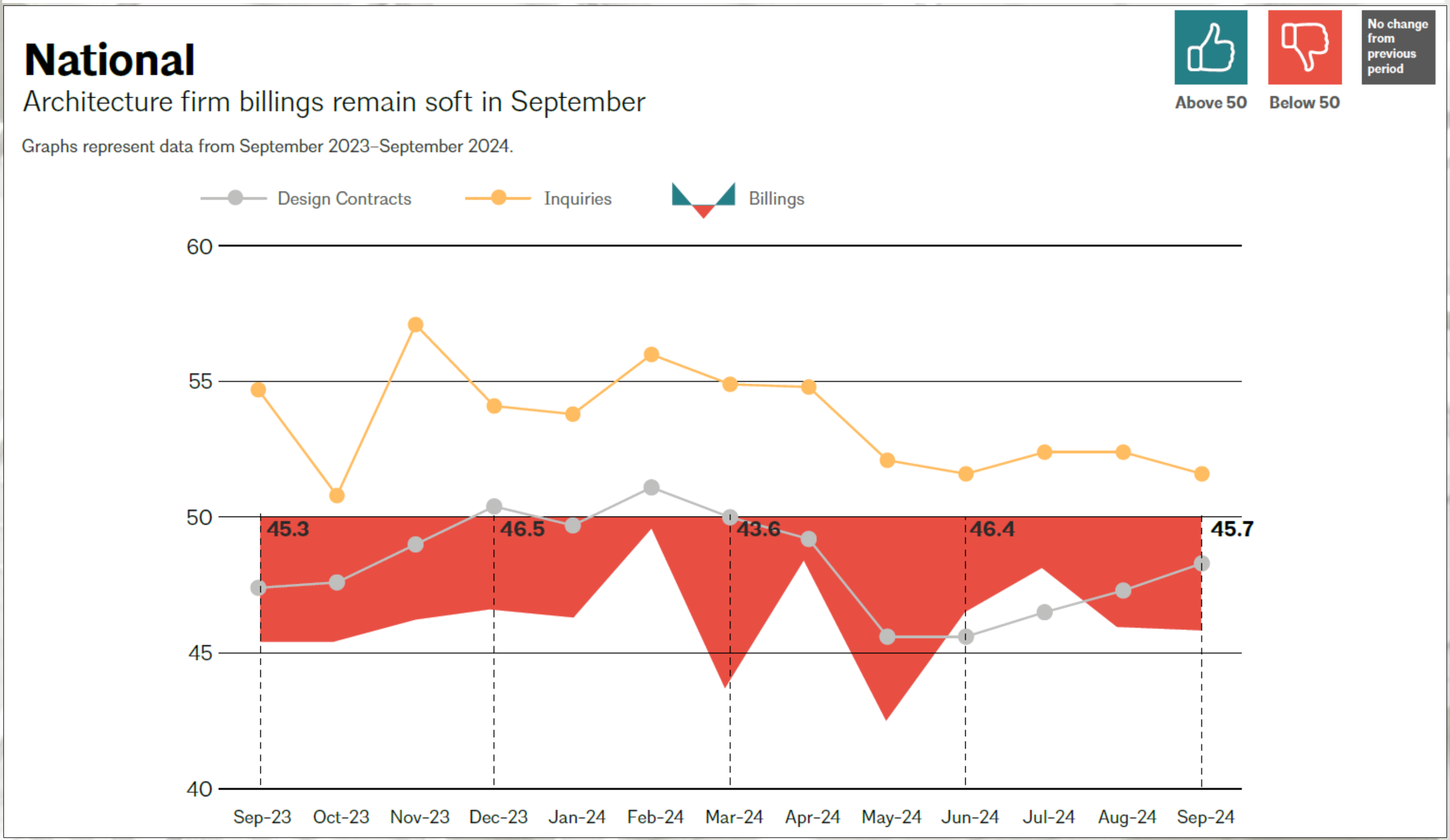
Private Indicators
American Institute of Architects (AIA) & Deltek



Source: https://www.aia.org/resource-center/abi-september-2024-architecture-firm-billings-remain-soft; 10/23/24

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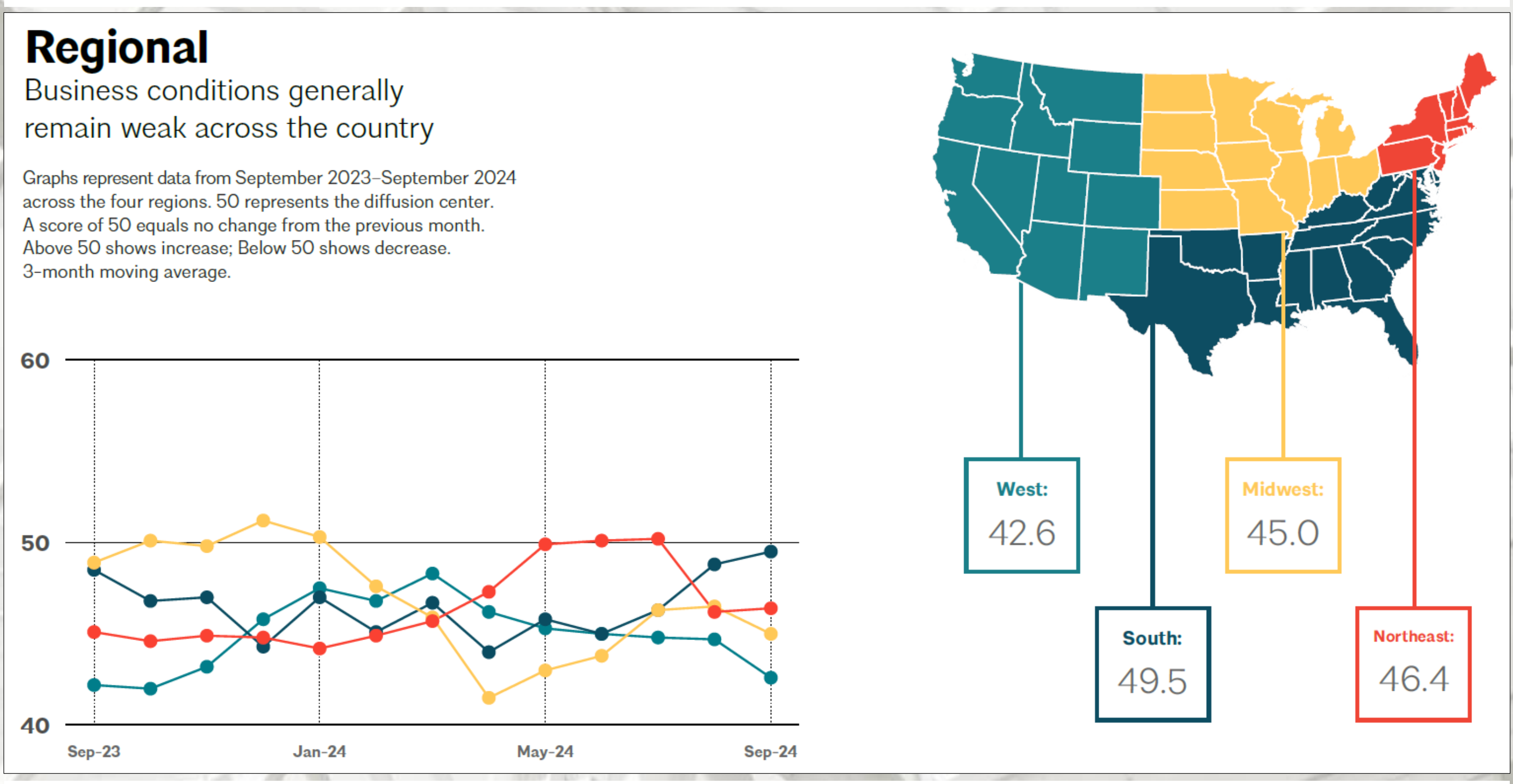
Private Indicators: AIA & Deltek



Region

"Conditions remained soft across the country as well in September. Billings were softest at firms located in the West for the third consecutive month, followed by firms located in the Midwest. Business conditions may be close to turning positive at firms located in the South, though, where they only declined slightly this month." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-september-2024-architecture-firm-billings-remain-soft; 10/23/24

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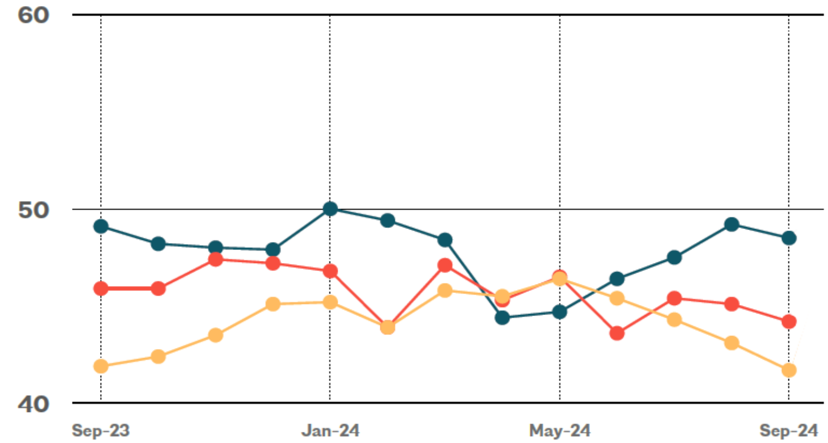
Private Indicators: AIA & Deltek

Sector

Billings decline further at firms with a multifamily residential specialization

Graphs represent data from September 2023–September 2024 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.



Commercial/Industrial: 44.2

Institutional: 48.5

Residential: 41.7

Sector

"By firm specialization, firms with a multifamily residential specialization saw billings soften further in September, while billings also remained fairly weak at firms with a commercial/industrial specialization. Although billings continued to decline at firms with an institutional specialization as well, the pace of that decline remained more modest than at firms of other specializations, which has been the case since the beginning of the summer." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-september-2024-architecture-firm-billings-remain-soft; 10/23/24

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Private Indicators

Dodge Data & Analytics

Construction Starts Slip 6% in September

Warehouse, single family, and healthcare starts a bright spot

“Total construction starts fell 6% in September to a seasonally adjusted annual rate of $1.1 trillion, according to Dodge Construction Network. Nonbuilding starts fell 11%, residential starts were down 1%, while nonresidential building starts were down 6% in September. On a year-to-date basis through September, total construction starts were up 2% from the first nine months of 2023. Residential starts were up 7%, nonresidential buildings rose 2%, and nonbuilding starts were down 3%.

For the 12 months ending September 2024, total construction starts were up 1% from the 12 months ending September 2023. Residential starts were up 6%, nonresidential building starts were flat, and nonbuilding starts were down 4% on a 12-month rolling sum basis.

“Construction starts are treading water,” said Richard Branch chief economist of Dodge Construction Network. “September’s rate cut was just the first step in unwinding a period of high rates and several more cuts will be needed to start moving construction projects through the planning process to start. More consistent growth in construction starts should begin to materialize early in the new year.”” – Amy Roepke, Media Contact, Construction.com

Source: https://www.construction.com/company-news/construction-starts-slip-6-in-September/; 10/17/24

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Private Indicators

Dodge Data & Analytics

"**Nonresidential building starts** fell 6% in September to a seasonally adjusted annual rate of $409 billion. Manufacturing starts fell 30%, institutional starts lost 10% despite a solid increase in healthcare starts, while commercial starts were up 9% due to gains in warehouse and office/data center activity. On a year-to-date basis through September, total nonresidential starts were up 2%. Institutional starts were 13% higher, while commercial starts were down 2%, and manufacturing starts were 22% lower on a year-to-date basis through September.

For the 12 months ending September 2024, nonresidential building starts were even when compared to the previous 12 months. Manufacturing starts were down 17%, commercial starts were down 8%, and institutional starts were 13% higher for the 12 months ending September 2024.

Residential building starts fell 1% in September to a seasonally adjusted annual rate of $382 billion. Single family starts rose 2%, while multifamily starts were down 6%. On a year-to-date basis through nine months, total residential starts were 7% higher. Single family starts jumped 17% and multifamily starts were down 10% on a year-to-date basis.

For the 12 months ending September 2024, residential starts were 6% higher than the previous 12 months. Single family starts were 17% higher, while multifamily starts were 11% lower on a 12-month rolling sum basis.

The largest multifamily structures to break ground in September were the $211 million Ray Nashville mixed-use project in Nashville, Tennessee, a $152 million mixed-use project in Jersey City, New Jersey, and the $150 million Lifetime Living Tower in Phoenix, Arizona.

Regionally, total construction starts in September fell in the Northeast, Midwest, South Atlantic and West regions, but rose in the South Central region." – Richard Branch, Chief Economist, Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-slip-6-in-September/; 10/17/24

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Private Indicators

MONTHLY CONSTRUCTION STARTS

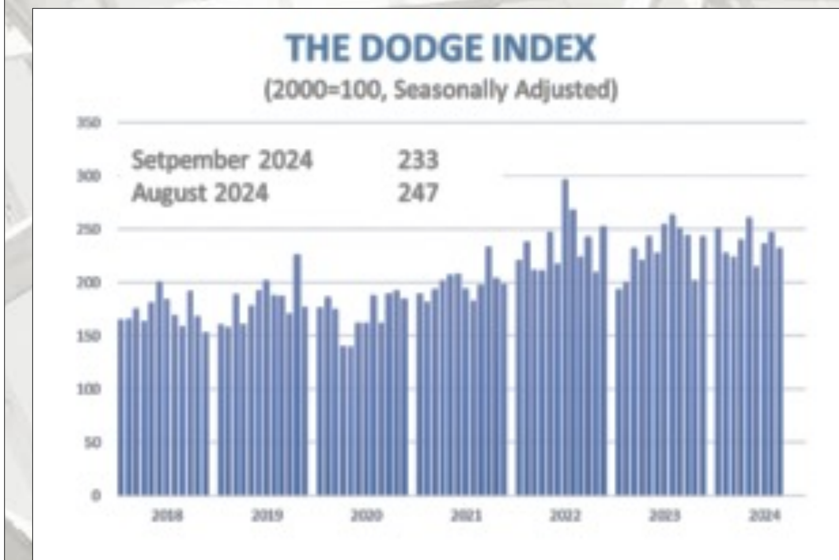
(Millions of Dollars, Seasonally Adjusted Annual Rate)

	Sep 2024	Aug 2024	% Change
Nonresidential Building	$408,594	$434,761	-6
Residential Building	381,803	384,884	-1
Nonbuilding Construction	309,240	347,461	-11
Total Construction	$1,099,636	$1,167,106	-6

YEAR-TO-DATE CONSTRUCTION STARTS

Unadjusted Totals, in Millions of Dollars

	9 Mos. 2024	9 Mos. 2023	% Change
Nonresidential Building	$311,237	$305,738	2
Residential Building	298,172	277,935	7
Nonbuilding Construction	242,420	248,833	-3
Total Construction	$851,829	$832,506	2



Source: Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-slip-6-in-September/; 10/17/24

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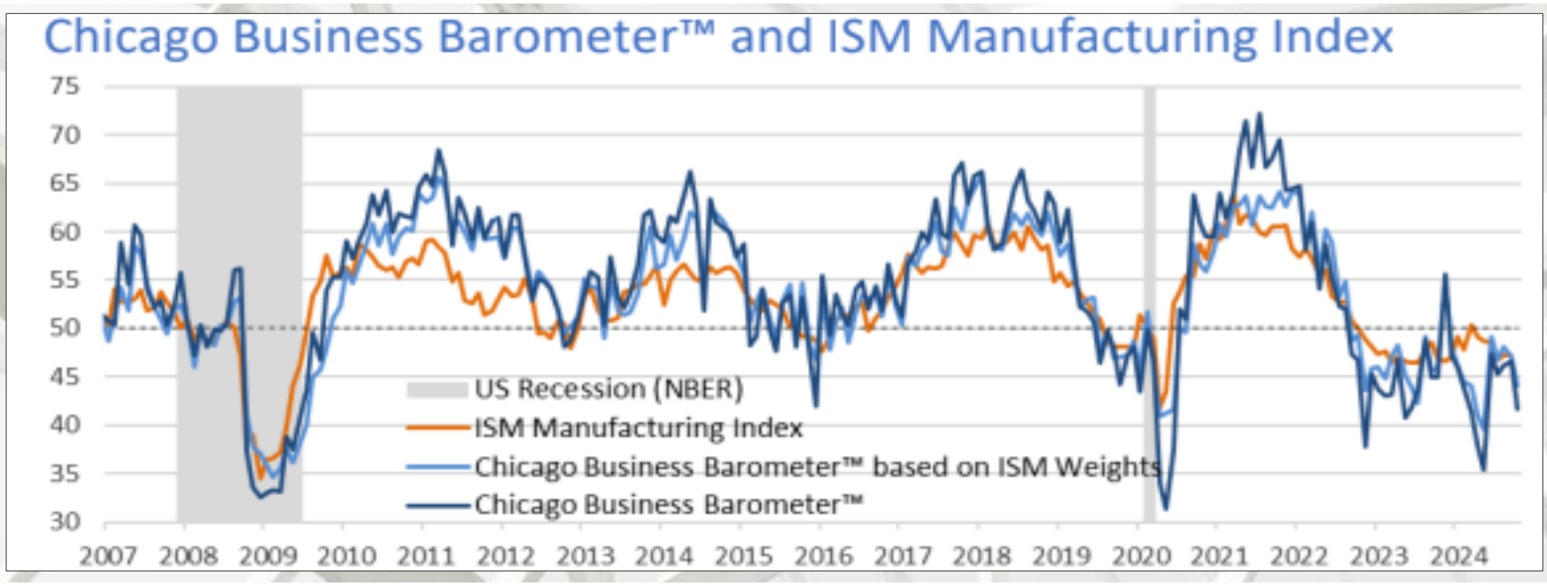
Private Indicators



MNI Chicago

2024 Chicago ReportTM – Dropped to 41.6 in October

"**The Chicago Business Barometer™**, produced with MNI, dropped 5.0 points to 41.6 in October after edging up for two consecutive months, making the barometer the lowest since May 2024, and 1.6 points below the year-to-date average.

- The decline was due to four out of the five subcomponents falling (Production, New Orders, Order Backlogs and Employment), with only Supplier Deliveries rising in October.
- Production fell 7.8 points. This is significantly below the year-to-date average of 44.8 and the lowest reading since April 2024. This was due to nearly 40% of respondents reporting lower production – the highest proportion since June 2023.
- New Orders dipped 4.6 points, making it the lowest level since May 2024." – Tim Davis, Head of Fixed Income Research, and Amana Hussain, Junior Economic Data Analyst, MNI

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 10/31/24

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Private Indicators

2024 Chicago Report™ – Dropped to 41.6 in October

- "Order Backlogs more than reversed last month's rise, reducing 8.5 points to the lowest since May
- 2024. This was due to nearly half of respondents reporting smaller backlogs.
- Employment decreased 5.5 points, taking it below the year-to-date average of 41.9. This was due to over 90% of respondents reporting same or smaller employment.
- Prices Paid, softened 7.0 points, after reaching the highest level since August 2023 in September.
- Inventories fell for the second consecutive month by 2.9 points.
- Supplier Deliveries extended 6.2 points. This makes the print the highest since September 2022." – Tim Davis, Head of Fixed Income Research, and Tim Cooper, Chief Economist, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 9/30/24

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Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Declined in September

"**The Conference Board Leading Economic Index®** (LEI) for the U.S. declined by 0.5% in September 2024 to 99.7 (2016=100), following a 0.3% decline in August. Over the six-month period between March and September 2024, the LEI fell by 2.6%, more than its 2.2% decline over the previous six-month period (September 2023 to March 2024).

Weakness in factory new orders continued to be a major drag on the US LEI in September as the global manufacturing slump persists. Additionally, the yield curve remained inverted, building permits declined, and consumers' outlook for future business conditions was tepid. Gains among other LEI components were not significant enough to offset weakness among the four gauges mentioned above. Overall, the LEI continued to signal uncertainty for economic activity ahead and is consistent with The Conference Board expectation for moderate growth at the close of 2024 and into early 2025.

The Conference Board Coincident Economic Index® (CEI) for the U.S. inched up by 0.1% in September 2024 to 112.9 (2016=100), after a downwardly revised 0.2% increase in August. The CEI increased by 0.9% in the six-month period ending September 2024, higher than its 0.5% growth rate over the previous six-month period. The CEI's component indicators – payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production – are included among the data used to determine recessions in the US. Payroll employment, personal income less transfer payments, and manufacturing and trade sales contributed positively to the index in September and slightly more than offset a decline in industrial production.

The Conference Board Lagging Economic Index® (LAG) for the U.S. declined by 0.3% to 118.9 (2016=100) in September 2024, after no change in August. The LAG's six-month growth rate turned negative, showing a 0.2% contraction over the six-month period ending in September 2024, after a 1.1% increase over the six-month period from March 2023 to September 2024." – Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board

Source: https://www.conference-board.org/data/bcicountry.cfm; 10/21/24

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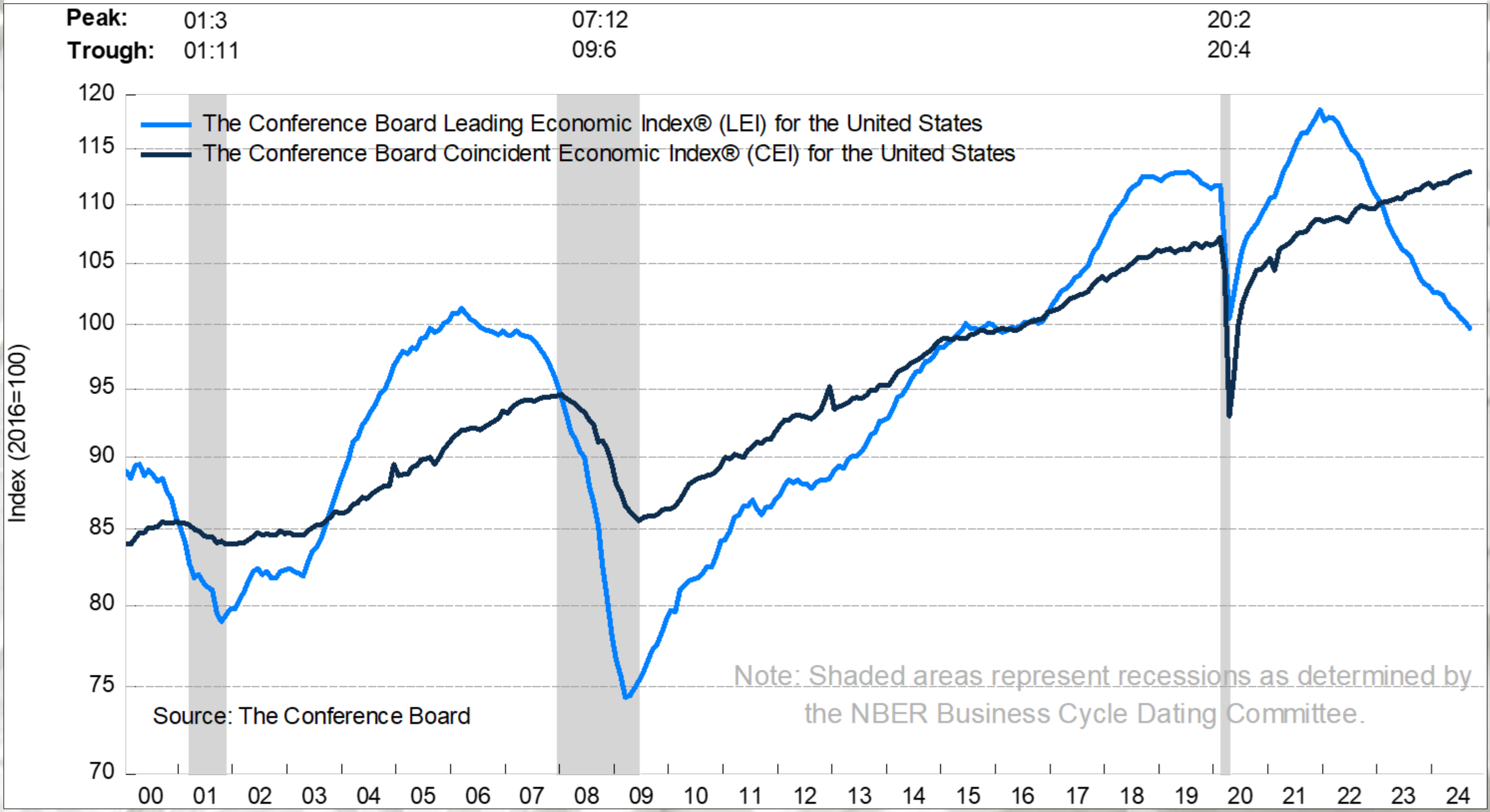
Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Declined in September

The LEI has continued decline in September



Source: https://www.conference-board.org/data/bcicountry.cfm; 10/21/24

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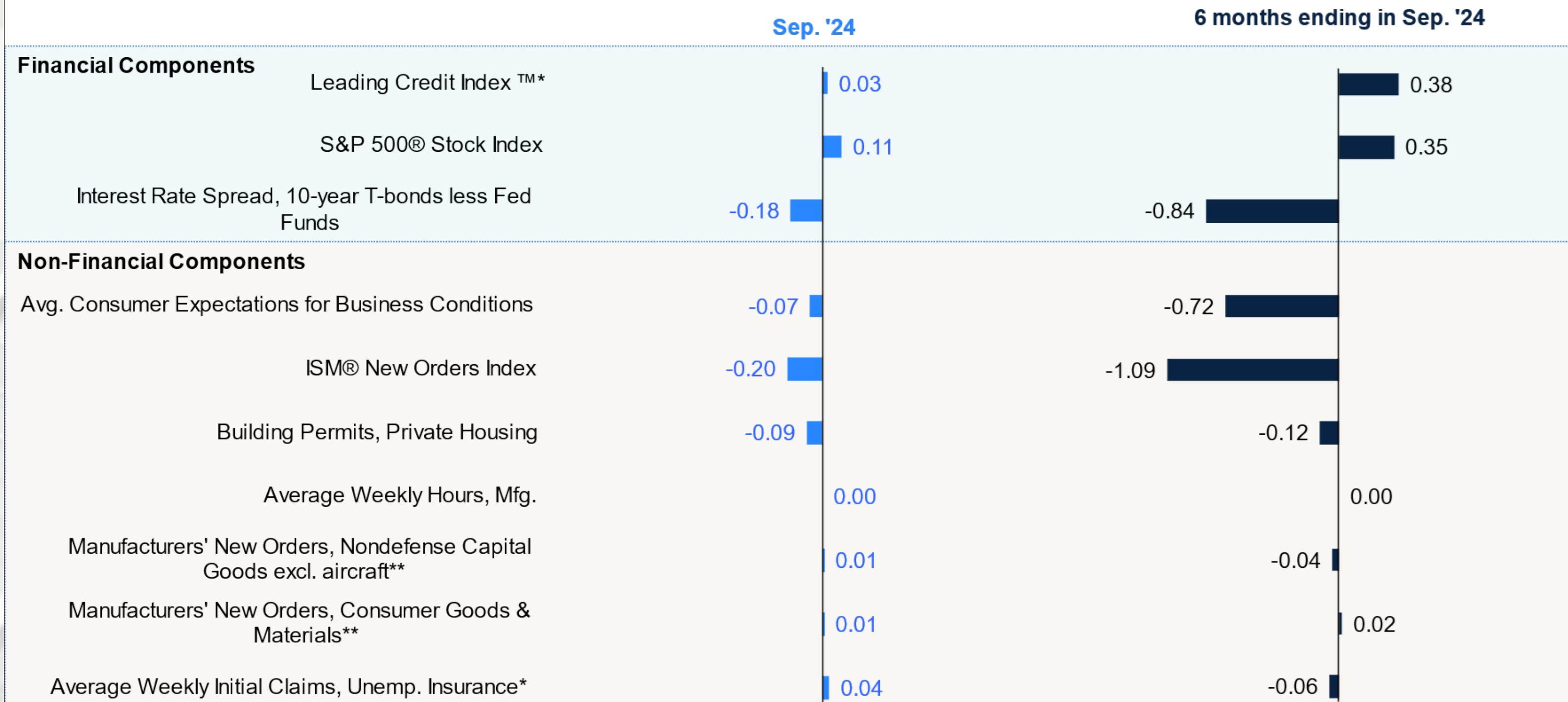
Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Declined in September

LEI weakness in September continued to be led by new orders and the yield spread

The Conference Board Leading Economic Index® and Component Contributions (Percent)



Source: The Conference Board
* Inverted series; a negative change in this component makes a positive contribution.
** Statistical Imputation
LEI change might not equal sum of its contribiutins due to application of trend adjustment factor

Source: https://www.conference-board.org/data/bcicountry.cfm; 10/21/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Manufacturing production continues to fall, but at slowest pace in three months

Weaker reductions in output and new orders
Inflationary pressures soften
Recent hurricanes cause supply chain delays

"The seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®) posted 48.5 in October, up from 47.3 in September but below the 50.0 no-change mark for a fourth consecutive month. The latest reading indicated that business conditions deteriorated modestly, albeit to the least extent since July.

Although the US manufacturing sector remained in contraction territory at the start of the final quarter, there were some signs of the downturn easing.

Uncertainty ahead of the Presidential Election was cited as a key reason for new orders continuing to fall, but the pace of decline eased and production was scaled back to the smallest degree in three months. Manufacturers continued to reduce employment and purchasing activity, however.

Inflationary pressures softened, with input costs increasing at the slowest pace in almost a year and output price inflation also easing. Meanwhile, suppliers' delivery times lengthened for the first time in three months amid delays widely linked to hurricane-related disruption." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/53eef529be314fe59fb612aff2df366c; 11/1/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Manufacturing production continues to fall, but at slowest pace in three months

“New orders decreased for the fourth month running in October, and at a solid pace. Respondents indicated that uncertainty around the Presidential Election had been a common cause of a drop in new orders as customers hesitated before committing to new projects.

New export orders were also down, albeit only slightly and to a much lesser degree than total new business. Demand weakness was especially evident in Europe.

Falling sales led manufacturers to reduce output for the third consecutive month, but the rate of contraction was the weakest in this sequence and only slight.

There was increasing confidence that output will expand over the coming year, with sentiment rising for the second month running to the highest since May. In a number of cases, optimism reflected expectations that business would revive following the Presidential Election. Higher sales and falling interest rates also supported confidence.

While business sentiment strengthened, current muted demand conditions meant that firms continued to lower their staffing levels and purchasing activity at the start of the final quarter of the year.

Employment was down for the third month in a row, albeit only modestly. Meanwhile, the rate of contraction in purchasing PMI Input Prices activity accelerated to a marked pace that was the steepest since June 2023. The latest fall in purchasing was linked to lower new orders and efforts to cut inventories accordingly. Indeed, stocks of inputs were reduced to the largest extent in 14 months.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/53eef529be314fe59fb612aff2df366c; 11/1/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Manufacturing production continues to fall, but at slowest pace in three months

"Firms purchasing inputs during the month were faced with lengthening supplier lead times for the first time in three months. Delivery delays in part reflected the impact of recent hurricanes, but also capacity issues at suppliers and issues with freight.

Some firms also reported delays in shipping finished products to clients, contributing to a further build-up in post-production inventories. Manufacturers continued to deplete outstanding business, however, given ongoing reductions in new orders.

The rate of input cost inflation slowed for the second month running and was the weakest since last November. Where input prices increased, panellists reported higher costs for raw materials such as cardboard, metals and packaging. Rising prices for freight were also mentioned.

Similarly, output prices increased at a slower pace in October, after inflation had hit a five-month high in the previous month." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/53eef529be314fe59fb612aff2df366c; 11/1/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Manufacturing production continues to fall, but at slowest pace in three months

Comment

“The US manufacturing downturn extended into its fourth successive month in October, marking a disappointing start to the fourth quarter for the goods-producing sector. Although the rate of decline moderated, order books continued to deteriorate at a worryingly steep pace, and a further build-up of unsold stock hints at further production cuts at factories in the coming months unless demand revives.

The survey does, however, provide some encouragement that the current soft patch could prove short-lived. Hurricanes have been blamed for supply disruptions, which should therefore ease in November, and manufacturers are feeling more positive about the outlook than at any time since May, hoping that demand will pick up once the uncertainty generated by the Presidential Election clears.

It’s notable that orders for investment goods such as plant and machinery have fallen especially sharply in recent months. Headcounts have also been cut for a third straight month, underscoring the reluctance among firms to expand in the face of heightened geopolitical uncertainty, with firms citing tensions around the US election as well as intensifying international conflicts. There is therefore some potential upside to the manufacturing sector if the political environment becomes more conducive to spending and investment after the election.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/53eef529be314fe59fb612aff2df366c; 11/1/24

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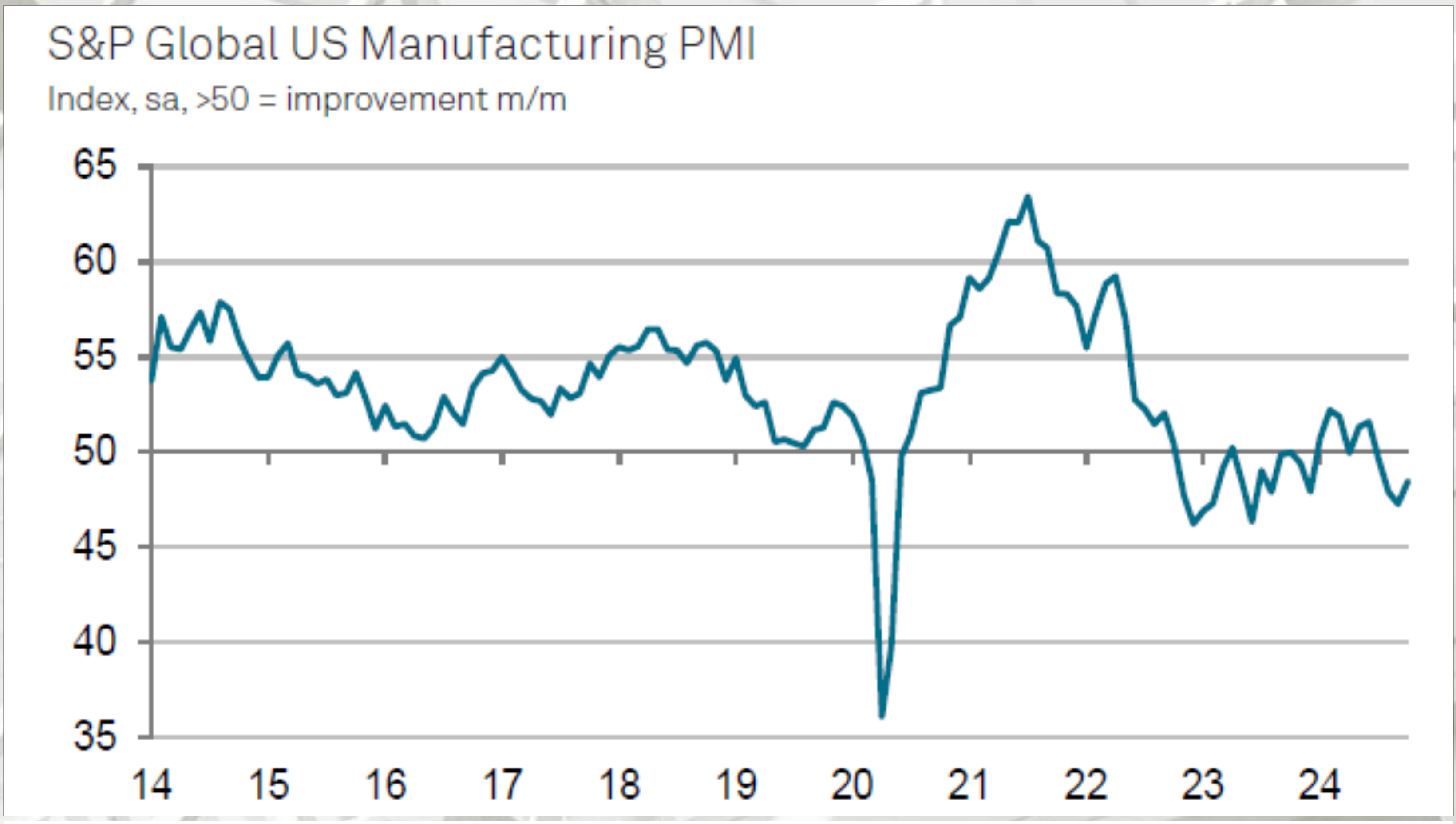

Source: S&P Global PMI,. ©2024 S&P Global.

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/53eef529be314fe59fb612aff2df366c; 11/1/24

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Private Indicators

S&P Global U.S. Services PMI™

October sees further marked increase in business activity

"The seasonally adjusted S&P Global US Services PMI® Business Activity Index signaled further strong growth of service sector output in October, ticking down only slightly to 55.0 from 55.2 in September. Activity has now increased in each of the past 21 months.

US service providers continued to expand their business activity at a marked pace as the final quarter of the year got underway.

New orders grew at a solid pace that was broadly in line with that seen in September, despite signs of weaker international demand. Business activity expectations revived from a 23-month low in September. Firms nevertheless continued to scale back staffing levels marginally amid uncertainty over future demand.

On the price front, companies raised their charges at the joint-slowest pace in almost four-and-a-half years, in spite of a further sharp increase in input costs.

The latest rise in activity coincided with a further solid expansion in new business, with companies reporting the securing of new clients and a willingness among customers to commit to new projects. New orders rose for the sixth month running, with the rate of expansion broadly in line with that seen in September.

The rise in total new business was much faster than that seen for new export orders, as subdued international demand meant that new business from abroad increased only marginally and at the slowest pace in the current four-month sequence of growth. " – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/73397c40a1c8401eaeea93d7623766eb; 11/5/24

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Private Indicators

S&P Global U.S. Services PMI™

October sees further marked increase in business activity

"Business confidence rebounded in October, rising to the highest since June. Hopes of improved demand conditions following the Presidential Election supported confidence, with lower interest rates also predicted to feed through to growth of activity.

While new orders and business activity continued to rise, firms remained reluctant to expand staffing levels. Employment was down for the third month running. The latest fall was only marginal, however, as some companies did take on additional workers, in part through the backfilling of vacant positions.

Despite the restraint on hiring, companies were able to keep on top of workloads, meaning that outstanding business was unchanged in October following a rise in September.

As part of efforts to secure sales, companies limited the pace at which they raised their selling prices. The rate of output price inflation slowed sharply and was the joint-weakest in nearly four-and-a-half years of rising charges, equal with that seen in January.

Where output prices were increased, this reflected the passing on of higher input costs, which continued to rise sharply and at a pace that was above the series average. Respondents indicated that higher staff costs had been the main factor pushing up input prices." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/73397c40a1c8401eaeea93d7623766eb; 11/5/24

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Private Indicators

S&P Global U.S. Services PMI™

October sees further marked increase in business activity

Comment

“The US service sector notched up another strong performance in October, helping offset the current weakness of the manufacturing sector to drive a solid pace of overall economic growth again at the start of the fourth quarter.

The services economy's consistently impressive growth in recent months has helped the US outperform all other major developed economies. October's strong performance is consistent with GDP continuing to rise at an annualized rate in excess of 2%.

Particularly welcome news comes from the cooling inflation picture. Average prices charged for services rose at a sharply reduced rate in October, showing one of the smallest increases seen for over four years, as competition intensified in the services economy.

Firms’ expectations for the coming year have meanwhile perked up from a slump in September, though much uncertainty persists in relation to the business climate after the election, causing many firms to pause hiring until the political landscape becomes more settled.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/73397c40a1c8401eaeea93d7623766eb; 11/5/24

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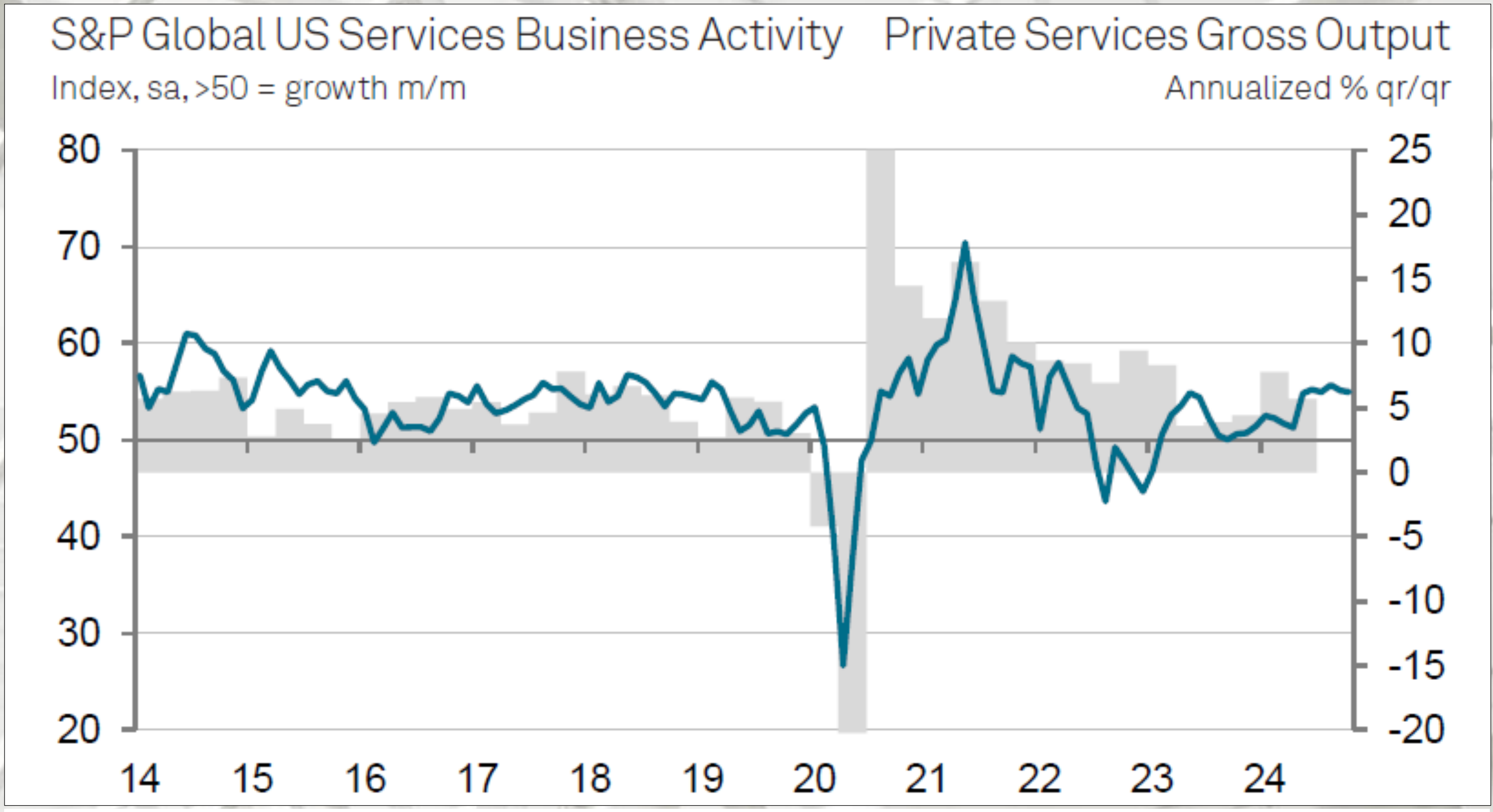
Private Indicators



Source: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence. ©2024 S&P Global.

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/73397c40a1c8401eaeea93d7623766eb; 11/5/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for October 2024: Combined Sectors

"The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) 0.2 points to 52.9. "The Credit Managers' Index is holding in a tight band around 53 points, indicating on net that the economy is in expansion but not strongly so. There remains considerable risk on the B2B segment of the economy," said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"The Fed's decision to lower the Fed Funds target interest rate is more signal than impact at this point but any relief on the cost of capital is welcome. I expect that the Fed will continue to lower the target rate range in each of the two remaining FOMC meetings this year but in smaller, 25-basis-point increments. Recent survey forecasts and market implied rates suggest a total change in the Fed Funds target of about 2%, including the 50-basis-point cut from September, by December 2025."

"The employment report for September was not all that strong relative to historical, non-recession times, but the preliminary number of jobs added was notably bigger than in the previous three months. The revisions in the next two reports are important in thinking about what the Fed will do as we close out the year as we've seen final jobs-added numbers that were 50,000 to 100,000 off from the preliminary readings in some months over the past year. Also, the devastation wrought by the recent hurricanes is driving strong demand in the last quarter of the year as people affected by the storms replace items washed away or damaged by the floods. The fourth quarter GDP and holiday sales numbers will look robust as a result, so some caution is warranted when comparing against last year's numbers."'" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 11/1/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Key Findings:

- "The index for unfavorable factors fell back into contraction after one month above 50. The index sits at 49.9, down 0.9 from last month's value.
- The index for accounts placed for collection is at 47.0 this month, its 26th month in contraction. This means the number of accounts placed for collections has increased every month for more than two years.
- The index for favorable factors remains solidly in expansion, rising 0.9 points in the October survey. The index sits at 57.4.
- The index for the new credit applications had the largest improvement in the October survey. The index rose 1.9 points to 57.5.

"The CMI continues to tell a story of overall health in the credit management space, but the respondent comments indicate they are feeling more deterioration than the numbers might indicate," said Cutts. "For example, one respondent noted, 'Customers are starting to slow pay a bit more than they have been and canceled orders are becoming the new norm...you can definitely feel the shift.'"" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 11/1/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

CMI Manufacturing versus CMI Service Sectors Indexes

"The Manufacturing Sector CMI improved 0.2 points in the October CMI survey to a level of 53.4. The Service Sector CMI deteriorated 0.6 points to sit at 52.4.

"Respondents in both sectors noted the impacts of the hurricanes – increased sales and requests for additional credit to accommodate larger orders matched with greater difficulty getting paid by customers in the affected areas for obvious reasons," Cutts said. "Respondents again noted rising trend of unexpected business closures and 'I'll pay you when I get paid' responses from customers. Some said they are stepping up enforcement actions earlier rather than waiting months before referring accounts beyond terms to collections or legal action." …

"It has to be a big relief for manufacturers that the port strike was short lived – whether because it would have broken their supply chain for components or delayed shipments to international customers" Cutts said. "Nonetheless there is much work to do to in the negotiations between the longshoremen and the port authorities. The issues are complex, but essentially revolve around the need to modernize port operations, including the use of technology and robotics to improve throughput, versus maintaining the livelihoods of the port workers." …

"The recent hurricanes came at quarter end, complicating collections and account management as noted by our respondents," said Cutts. "Nonetheless, credit managers were busy trying to accommodate new extensions to credit and new accounts to facilitate the cleanup and rebuilding efforts. It may take some time before accounts with companies in the affected areas get back on track."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 11/1/24

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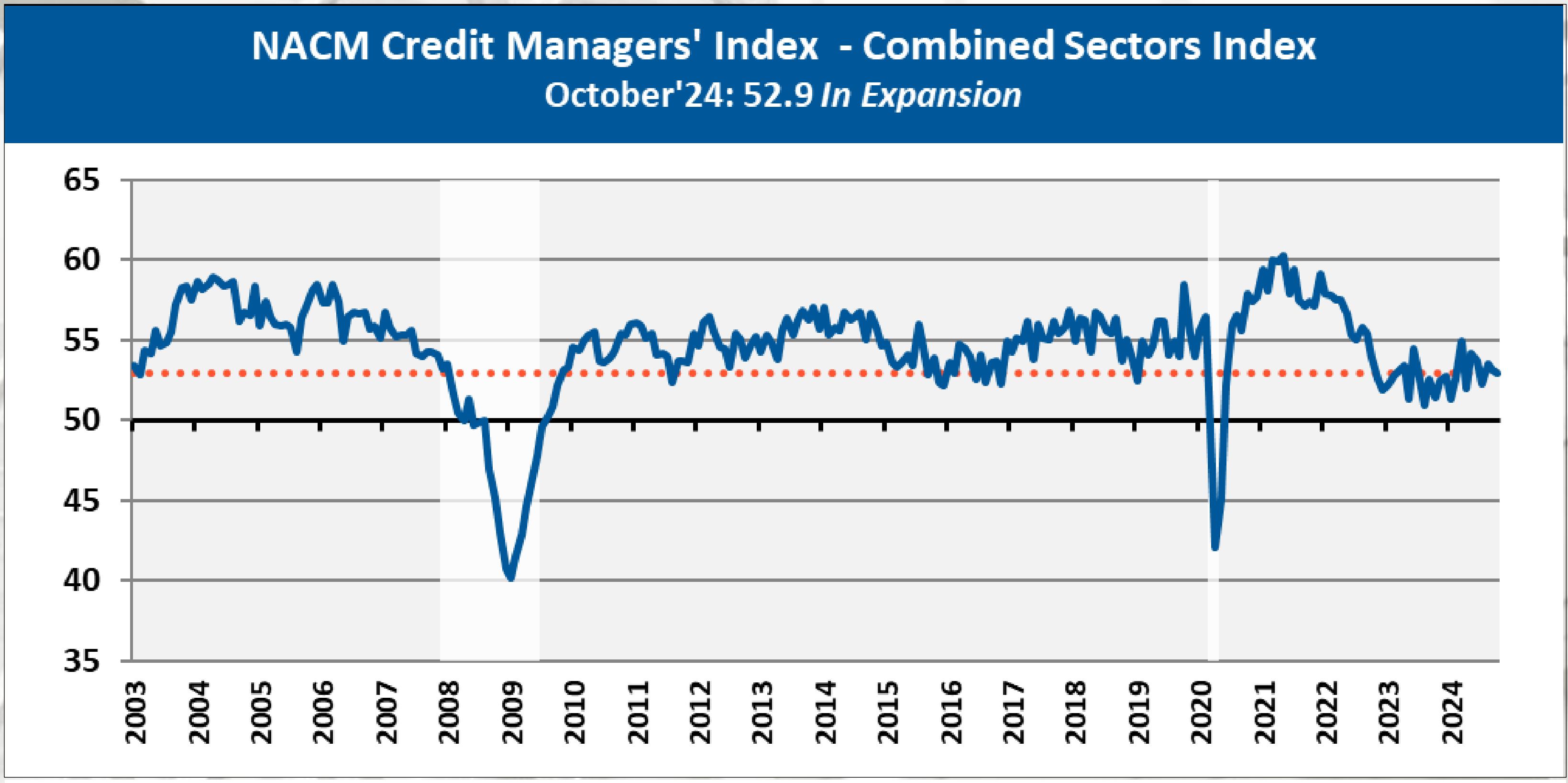
Private Indicators

National Association of Credit Management – Credit Managers' Index



The CMI is centered on a value of 50, with values greater indicating expansion and values lower indicating economic contraction. All charts contain seasonally adjusted data. Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.

Source: https://nacm.org/cmi.html; 11/1/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Combined Manufacturing and Service Sectors (seasonally adjusted)	Oct '23	Nov '23	Dec '23	Jan '24	Feb '24	Mar '24	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24
Sales	52.9	56.6	54.5	53.9	58.8	62.1	57.9	62.2	60.1	55.1	58.5	55.3	55.8
New credit applications	56.8	58.6	60.9	55.1	59.6	61.0	57.7	60.4	58.5	58.2	57.1	55.6	57.5
Dollar collections	56.8	59.6	59.0	56.2	59.2	60.8	55.3	60.0	58.5	55.3	62.0	57.5	58.2
Amount of credit extended	58.8	58.4	58.8	58.0	56.2	64.5	60.9	60.5	59.4	60.8	58.6	57.6	58.2
Index of favorable factors	**56.3**	**58.3**	**58.3**	**55.8**	**58.4**	**62.1**	**57.9**	**60.8**	**59.1**	**57.4**	**59.1**	**56.5**	**57.4**
Rejections of credit applications	49.7	48.8	49.2	50.9	48.0	51.5	49.4	51.0	51.0	49.9	50.5	52.1	50.0
Accounts placed for collection	45.4	44.6	45.9	44.8	42.9	45.9	44.9	45.0	46.1	46.4	45.7	48.9	47.0
Disputes	48.6	49.9	49.6	48.8	48.2	49.6	49.7	49.7	49.2	49.1	49.8	51.0	50.6
Dollar amount beyond terms	45.8	49.3	48.7	43.8	50.8	54.8	43.6	50.7	50.6	46.1	49.7	50.9	49.6
Dollar amount of customer deductions	48.9	51.1	50.4	50.0	49.7	50.1	50.7	51.9	51.5	51.1	51.8	51.3	52.0
Filings for bankruptcies	50.5	47.7	51.0	51.6	52.6	49.6	49.9	50.7	52.4	50.9	51.7	50.9	50.3
Index of unfavorable factors	**48.1**	**48.6**	**49.1**	**48.3**	**48.7**	**50.2**	**48.0**	**49.9**	**50.1**	**48.9**	**49.9**	**50.8**	**49.9**
NACM Combined CMI	**51.4**	**52.5**	**52.8**	**51.3**	**52.6**	**55.0**	**52.0**	**54.2**	**53.7**	**52.3**	**53.5**	**53.1**	**52.9**

Note: Seasonal adjustment factors were updated for the September 2024 report which may affect previously published values.

Source: https://nacm.org/cmi.html; 11/1/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

Small Business Optimism on the Rise in October

"The NFIB Small Business Optimism Index rose by 2.2 points in October to 93.7. This is the 34th consecutive month below the 50-year average of 98. The Uncertainty Index rose seven points to 110, the highest reading recorded. A seasonally adjusted net negative 20% of small business owners reported higher nominal sales in the past three months, the lowest reading since July 2020." – Holly Wade, NFIB

"With the election over, small business owners will begin to feel less uncertain about future business conditions. Although optimism is on the rise on Main Street, small business owners are still facing unprecedented economic adversity. Low sales, unfilled jobs openings, and ongoing inflationary pressures continue to challenge our Main Streets, but owners remain hopeful as they head toward the holiday season." – Bill Dunkelberg, Chief Economist, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

Key findings include:

- “A net negative 20% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down three points from September and the lowest reading since July 2020.
- Seasonally adjusted, a net 31% reported raising compensation, down one point from September. The last time it was this low was April 2021.
- The net percent of owners expecting higher real sales volumes rose five points to a net negative 4% (seasonally adjusted), the highest reading of this year.
- A net 5% of owners reported paying a higher rate on their most recent loan, down seven points from September and the lowest reading since January 2022.
- Thirty-five percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, up one point from September.
- Twenty-three percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), unchanged from September and remaining the top issue.

As reported in NFIB’s monthly jobs report, a seasonally adjusted 35% of all small business owners reported job openings they could not fill in October, up one point from September’s lowest reading since January 2021. Of the 53% of owners hiring or trying to hire in October, 87% reported few or no qualified applicants for the positions they were trying to fill.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

“Fifty-four percent of owners reported capital outlays in the last six months, up three points from September. Of those making expenditures, 35% reported spending on new equipment, 23% acquired vehicles, and 14% improved or expanded facilities. Eleven percent spent money on new fixtures and furniture and 5% acquired new buildings or land for expansion. Twenty-two percent (seasonally adjusted) plan capital outlays in the next six months, up three points from September.

A net negative 20% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down three points from September and the lowest reading since July 2020. The net percent of owners expecting higher real sales volumes rose five points to a net negative 4% (seasonally adjusted), the highest reading of this year.

The net percent of owners reporting inventory gains rose four points to a net negative 9%, seasonally adjusted. Not seasonally adjusted, 10% reported increases in stocks and 18% reported reductions.

A net negative 2% (seasonally adjusted) of owners viewed current inventory stocks as “too low” in October, up two points from September. A net negative 2% (seasonally adjusted) of owners plan inventory investment in the coming months, up one point from September.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

“Price hikes were the most frequent in the finance (53% higher, 9% lower), retail (38% higher, 11% lower), construction (35% higher, 9% lower), and services (35% higher, 13% lower) sectors. Seasonally adjusted, a net 26% plan price hikes in October.

Seasonally adjusted, a net 31% reported raising compensation, down one point from September. The last time it was this low was April 2021. A seasonally adjusted net 23% plan to raise compensation in the next three months, unchanged from September. Eight percent of owners cited labor costs as their top business problem, down one point from September and only five points below the highest reading of 13% reached in December 2021. Twenty percent said that labor quality was their top business problem, remaining behind inflation as the number one issue.

The frequency of reports of positive profit trends was a net negative 33% (seasonally adjusted), up one point from September. Among owners reporting lower profits, 39% blamed weaker sales, 16% blamed the rise in the cost of materials, 12% cited labor costs, and 7% cited lower selling prices. For owners reporting higher profits, 51% credited sales volumes, 13% cited usual seasonal change, and 13% cited higher selling prices.

The net percent of owners raising average selling prices fell one point from September to a net 21% seasonally adjusted. Twenty-three percent of owners reported that inflation was their single most important problem in operating their business, unchanged from September and remaining the top issue. Unadjusted, 13% reported lower average selling prices and 32% reported higher average prices.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

Small Business

“Two percent of owners reported that all their borrowing needs were not satisfied. Twenty-three percent reported all credit needs met and 64% said they were not interested in a loan. A net 6% reported their last loan was harder to get than in previous attempts. Three percent of owners reported that financing was their top business problem in October, down one point from September.

The **NFIB Research Center** has collected Small Business Economic Trends data with quarterly surveys since the fourth quarter of 1973 and monthly surveys since 1986. Survey respondents are randomly drawn from NFIB’s membership. The report is released on the second Tuesday of each month. This survey was conducted in September 2024.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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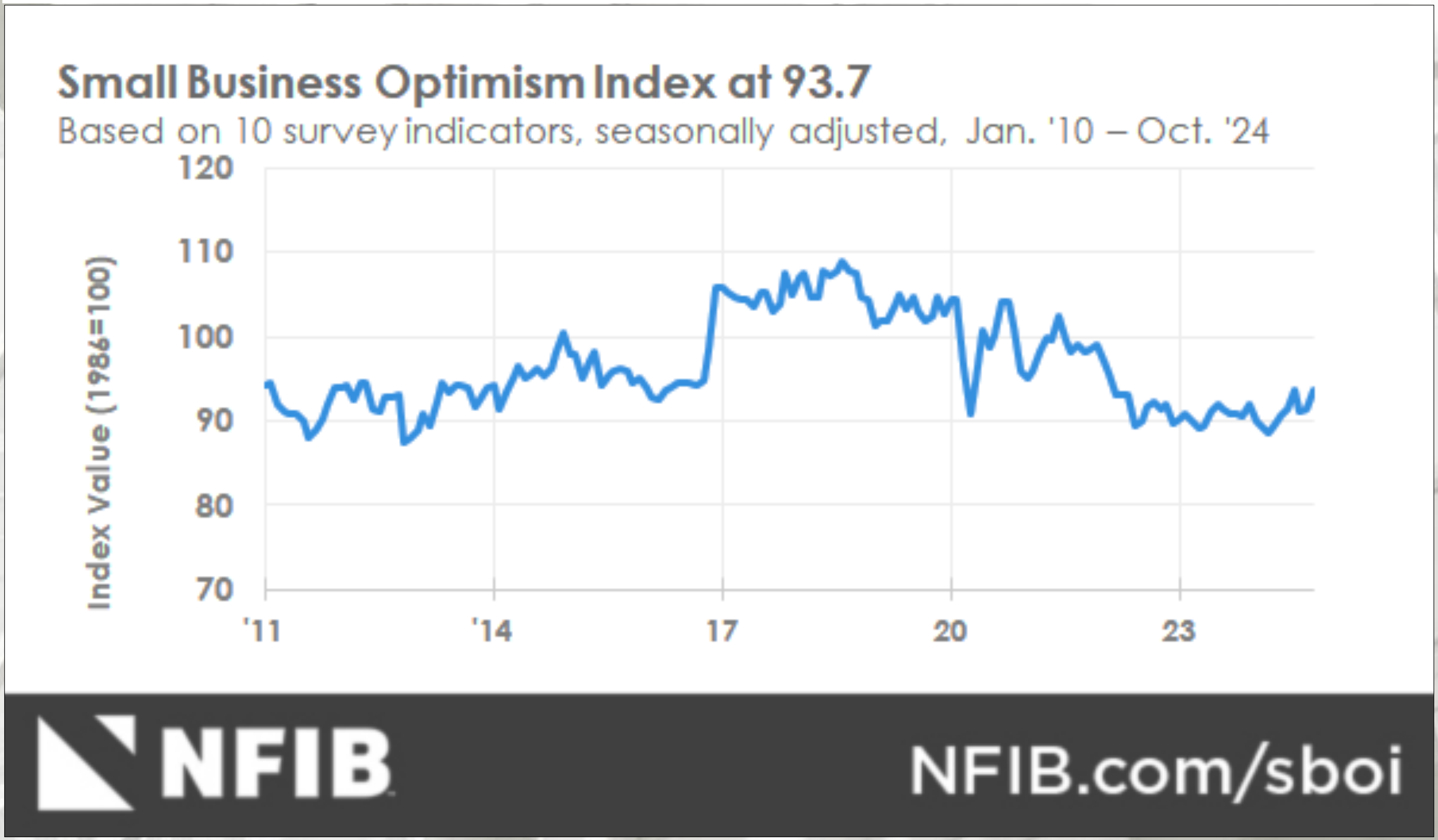
Private Indicators

National Federation of Independent Business (NFIB) September 2024 Report



Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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Private Indicators

National Federation of Independent Business (NFIB)
September 2024 Report

Small Business Optimism

Index Component	Net %	From Last Month	
Plans to Increase Employment	15%	—	0
Plans to Make Capital Outlays	22%	▲	3
Plans to Increase Inventories	-2%	▲	1
Expect Economy to Improve	-5%	▲	7
Expect Real Sales Higher	-4%	▲	5
Current Inventory	-2%	▲	2
Current Job Openings	35%	▼	1
Expected Credit Conditions	-6%	▲	2
Now a Good Time to Expand	6%	▲	2
Earnings Trends	-33%	▲	1

NFIB NFIB.com/sboi

Source: http://www.nfib.com/surveys/small-business-economic-trends; 11/12/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Small Businesses Continue to Show Moderate Job Growth in October

Paychex Small Business Employment Watch also shows the immediate impact of recent hurricanes in Florida and North Carolina

“The Paychex Small Business Employment Watch reported a national index level of 100.06 for small business job growth in the month of October. The jobs index has averaged 100.29 through the first 10 months of 2024, indicating modest job growth in U.S. small businesses with fewer than 50 employees. At the same time, hourly earnings growth in October was 3.02% and weekly earnings growth remained below three percent for the ninth-straight month, marking its lowest level since August 2021.

The October report was impacted by multiple hurricanes. The jobs index in Florida (99.62) fell below 100 for the first time since March 2021, including a 1.81 percentage-point decrease for Tampa (97.91), which ranked last among top U.S. metros for the month. North Carolina (99.80) dropped 1.13 percentage points and eleven spots in the state rankings for October.” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 10/29/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Small Businesses Continue to Show Moderate Job Growth in October

Paychex Small Business Employment Watch also shows the immediate impact of recent hurricanes in Florida and North Carolina

"Given the near real-time nature of our data collection, we can already see the unfortunate aftereffects of Hurricanes Milton and Helene on small businesses in Florida and North Carolina. The immediate devastation can clearly be seen in notable employment and hours worked growth drops in both states. However, we anticipate a rebound in local jobs and hours worked over the next several months, as well as an increase in job opportunities for workers in surrounding areas to assist in the rebuilding efforts.

As we enter the last quarter of 2024, we continue to see moderate, stable job growth for small businesses and earnings for their workers remaining steady. Employers are still facing challenges like finding qualified employees, controlling benefits costs, and accessing affordable growth capital, but we know from more than a half century of experience supporting small businesses that they are consistently resilient." – John Gibson, President and CEO, Paychex

Source: https://www.paychex.com/employment-watch; 10/29/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Jobs Index and Wage Data Highlights

- "The national small business jobs index has averaged 100.29 so far in 2024, representing modest employment growth.
- National hourly earnings growth increased marginally to 3.02% in October. Three-month annualized hourly earnings growth has been reported below three percent for the past six months.
- Weekly hours worked growth (-0.20%) across the U.S. remained negative year-over-year for the 19th consecutive month.
- The Midwest (100.79) gained 0.40 percentage points in October and remained the top region for small business employment growth for the fifth consecutive month. Strong gains in Education and Health Services across top-ranked Indiana, Michigan, Ohio, and Wisconsin contributed most to job growth in the region." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 10/29/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Small Business Jobs Index

Index

100.06

Historical Jobs Index Trend

Small Business Wage Data

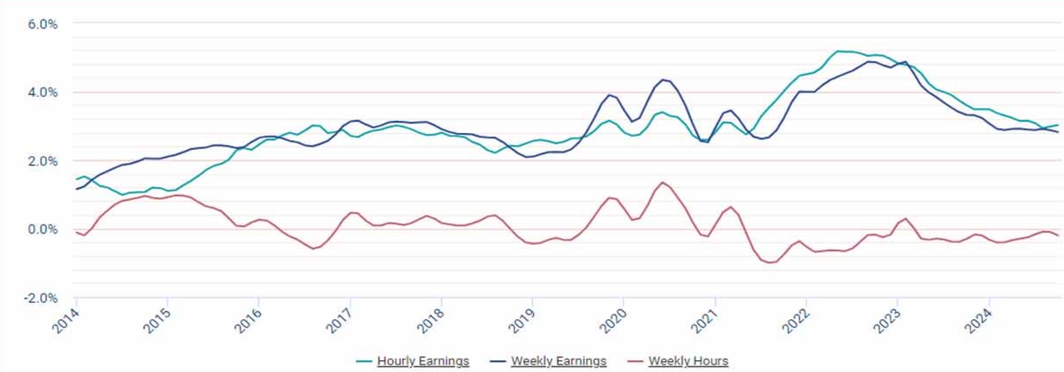
Hourly Earnings

$32.77

12-Month Growth

3.02% ($0.96)

Historical 12-Month Growth Trend



Source: https://www.paychex.com/employment-watch; 10/29/24

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

October 2024

Business Applications

“Business Applications for October 2024, adjusted for seasonal variation, 424,656, a decrease of 0.4 percent compared to September 2024.

Business Formations

Projected Business Formations (within 4-quarters) for October 2024, adjusted for seasonal variation, were 26,941, a decrease of 0.3 percent compared to September 2024. The projected business formations are forward looking, providing an estimate of the number of new business startups that will appear from the cohort of business applications in a given month. It does not provide an estimate of the total number of business startups that appeared within a specific month. In other words, the Census Bureau is projecting that 26,941 new business startups with payroll tax liabilities will form within 4-quarters of application from all the business applications filed during October 2024. The 0.4 percent decrease indicates that for October 2024 there will be 0.3 percent fewer businesses projected to form within 4-quarters of application, compared to the analogous projections for October 2024.” – Economic Indicators Division, Business Formation Statistics; U.S. Census Bureau

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 11/14/24

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

October 2024

BUSINESS APPLICATIONS

U.S. Business Applications:	OCT 2024	OCT 2024 / SEP 2024
Total	424,656	-0.4%°
High-Propensity	146,473	4.4%°
With Planned Wages	43,518	-3.6%°
From Corporations	58,264	20.4%°

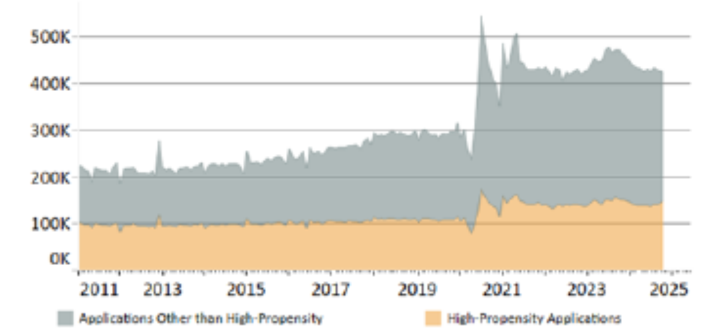
Next release: December 11, 2024

(°) Statistical significance is not applicable or not measurable.

Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, November 14, 2024

Monthly Business Applications
(Seasonally Adjusted)



Source: U.S. Census Bureau, Business Formation Statistics, November 14, 2024

Business Applications - At a Glance

		US	Northeast	Midwest	South	West
Total	OCT 2024	424,656	62,139	70,003	189,779	102,735
	OCT 2024 / SEP 2024	-0.4%	-0.6%	-1.5%	+0.2%	-0.7%
High-Propensity	OCT 2024	146,473	22,892	22,997	62,790	37,794
	OCT 2024 / SEP 2024	+4.4%	+1.6%	+2.3%	+5.2%	+6.1%
With Planned Wages	OCT 2024	43,518	6,202	7,695	18,552	11,069
	OCT 2024 / SEP 2024	-3.6%	-1.1%	-3.9%	-4.2%	-3.9%
From Corporations	OCT 2024	58,264	10,861	7,475	22,040	17,888
	OCT 2024 / SEP 2024	+20.4%	+1.0%	+27.5%	+37.1%	+13.8%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 11/14/24

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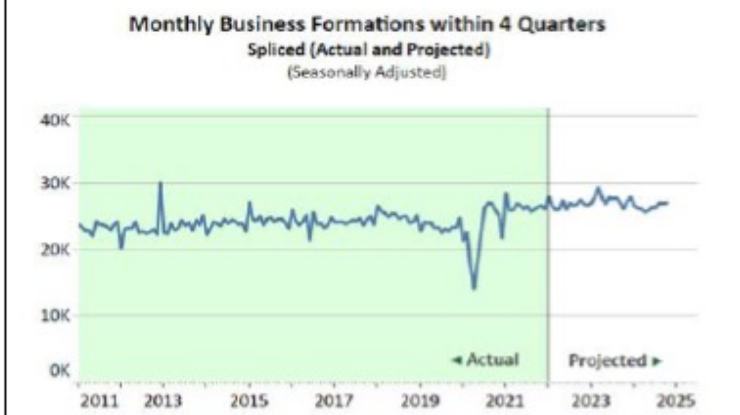
Economics

U.S. Census Bureau
October 2024

BUSINESS FORMATIONS

U.S. Total Projected Business Formations:	OCT 2024	OCT 2024 / SEP 2024
Within 4 Quarters	26,941	0.3%°
Within 8 Quarters	37,399	0.3%°

Next release: December 11, 2024
(°) Statistical significance is not applicable or not measurable.
Spliced - Data adjusted for seasonality.
Source: U.S. Census Bureau, Business Formation Statistics, November 14, 2024



Source: U.S. Census Bureau, Business Formation Statistics, November 14, 2024

Projected Business Formations - At a Glance

		US	Northeast	Midwest	South	West
Within 4 Quarters	OCT 2024	26,941	4,269	4,289	10,373	8,010
	OCT 2024 / SEP 2024	+0.3%	+1.1%	-1.2%	+0.4%	+0.5%
Within 8 Quarters	OCT 2024	37,399	5,872	5,857	14,740	10,930
	OCT 2024 / SEP 2024	+0.3%	+0.7%	-1.2%	+0.6%	+0.7%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 11/14/24

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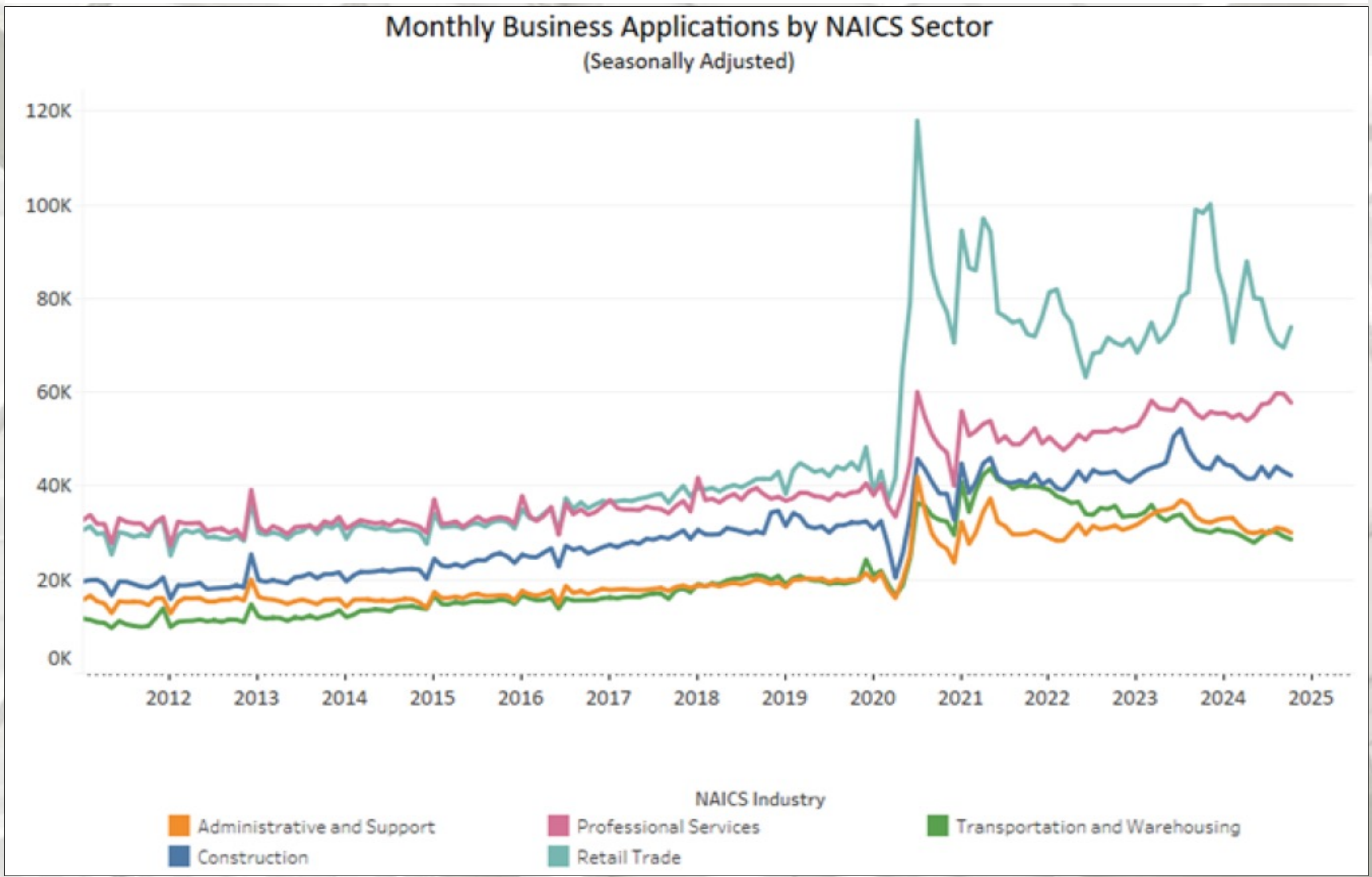
Economics

NEW Business Formation Statistics

October 2024



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Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 11/14/24

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