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Industrial Production

March industrial production jumps a more-than-expected 0.8% (Consensus: +0.5%; Decision Economics: +0.4%) from February level revised down by 0.2%.

Manufacturing output was up 0.7%, and 0.6% excluding motor vehicles, while utility production jumped 1.7% and mining activity rose 0.6%.

The manufacturing increase, while not absolutely uniform across product groups, was broad based--and certainly not suggesting that any special factor was operating. That has been the case for many months now--with the overall IP softness in February (+0.1%) and January (+0.1%) mainly accounted for by the weather-sensitive utility sector.

This result, like the Empire State numbers earlier, points to ongoing sturdy manufacturing-sector output growth, despite the lackluster recent manufacturers' orders data. That disconnect cannot persist indefinitely--and would become even more troubling if inventory numbers to come show accelerated accumulation.

But, for the moment, manufacturers do not seem to be concerned--and the Empire State numbers do hint at great confidence in the outlook.

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