New York • London • Boston • Chicago
DECISION ECONOMICS, INC.
Information for Decisions™

New York: 212 884 9440
London: 011 44 20 7814 6706
Boston: 617 994 0500
Email: decisioneconomics@pdeeco.com

Pierre Ellis

September 15, 2011

Industrial Production

August industrial production is modestly firmer than expected, rising 0.2% (Consensus: +0.1%; Decision Economics: -0.2%), from a July level revised down by 0.3% (Though with the July increase unrevised at 0.9%).

The overall increase reflected a slid 0.5% rise in manufacturing production, a 1.2% jump in mining activity and a 3.0% drop in utility output (following on a 2.8% jump in July.

The manufacturing gain, which followed on a 0.6% rise last month, was not too heavily dominated by the reviving motor vehicle industry--with output outside that sector up 0.4%, following on a 0.3% rise in July.

Notably, however, individual non-auto industries are showing considerable month-to-month variation--which may partly reconcile the solid overall manufacturing results here with the much choppier pattern in the regional purchasing manager indexes lately.

That choppiness is probably transfixing FOMC doves at the moment--and promoting calls for further stimulus as insurance--while hawks, comfortable that no imbalances are developing, are content to wait for earlier stimulus to take hold, and to call for less Washington-driven disruption to the business environment.

© 2010 Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.