

U.S. Industrial Production and Capacity Utilization — August

Factory Output Steady

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Unlike retail sales, **U.S. industrial production** came in largely as expected. Total output rose 0.4%, the third straight gain and is now up 4.9% y/y, the fastest rate since December 2010. But the **revisions were mixed**. **July** was revised from +0.1% to +0.4%, but was offset by a downward revision to **June**, from +1.0% to +0.6%.

Increased auto assemblies showed up in the data, but not enough to give manufacturing a significant boost. **Manufacturing** was, frankly, a bit of a letdown, rising just 0.2% in the month, the smallest gain since May. This industry makes up 74% of overall output. **Mining** climbed for the 7th consecutive month, up 0.7% while **utilities**, always a wildcard, were up 1.2%. Production of **business equipment** was still growing steadily, up 1.2% in August, or 4.2% y/y, suggesting the business investment was still being supportive, despite all of the trade uncertainty.



Industrial Production and Capacity Utilization

	United States (month/month % change)			(% change : a.r.)		
	Aug	Jul	Jun	3-mo.	12-mo.	
Total	0.4	0.4	0.6	5.7	4.9	
Manufacturing	0.3	0.4	0.8	5.8	3.4	
High-Tech ¹	0.4	-0.2	1.5	6.9	7.4	
Mfg. ex High-Tech	0.2	0.3	0.6	5.1	3.0	
Durables	1.0	0.1	1.3	10.0	4.5	
Motor Vehicles & Parts	4.0	-1.4	7.1	45.5	7.5	
Computers & Office Equip.	-1.6	-2.3	2.2	-6.6	6.1	
Non-Durables	-0.5	0.7	0.2	1.7	2.3	
Business Equipment	1.2	0.4	2.2	16.4	4.2	
Mining	0.7	0.7	1.8	13.1	14.1	
Utilities	1.2	0.1	-1.5	-1.2	4.8	
Capacity Utilization	(%)	78.1	77.9	77.8	77.4 ²	75.7 ³
Manufacturing	(%)	76.4	76.3	76.1	75.6 ²	74.9 ³

¹ computers, comm. equipment & semiconductors ² (3 mo. ago) ³ (12 mo. ago)

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