The Virginia Tech–USDA Forest Service Housing Commentary: Section II
December 2021

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2021 Virginia Polytechnic Institute and State University VCE-ANR

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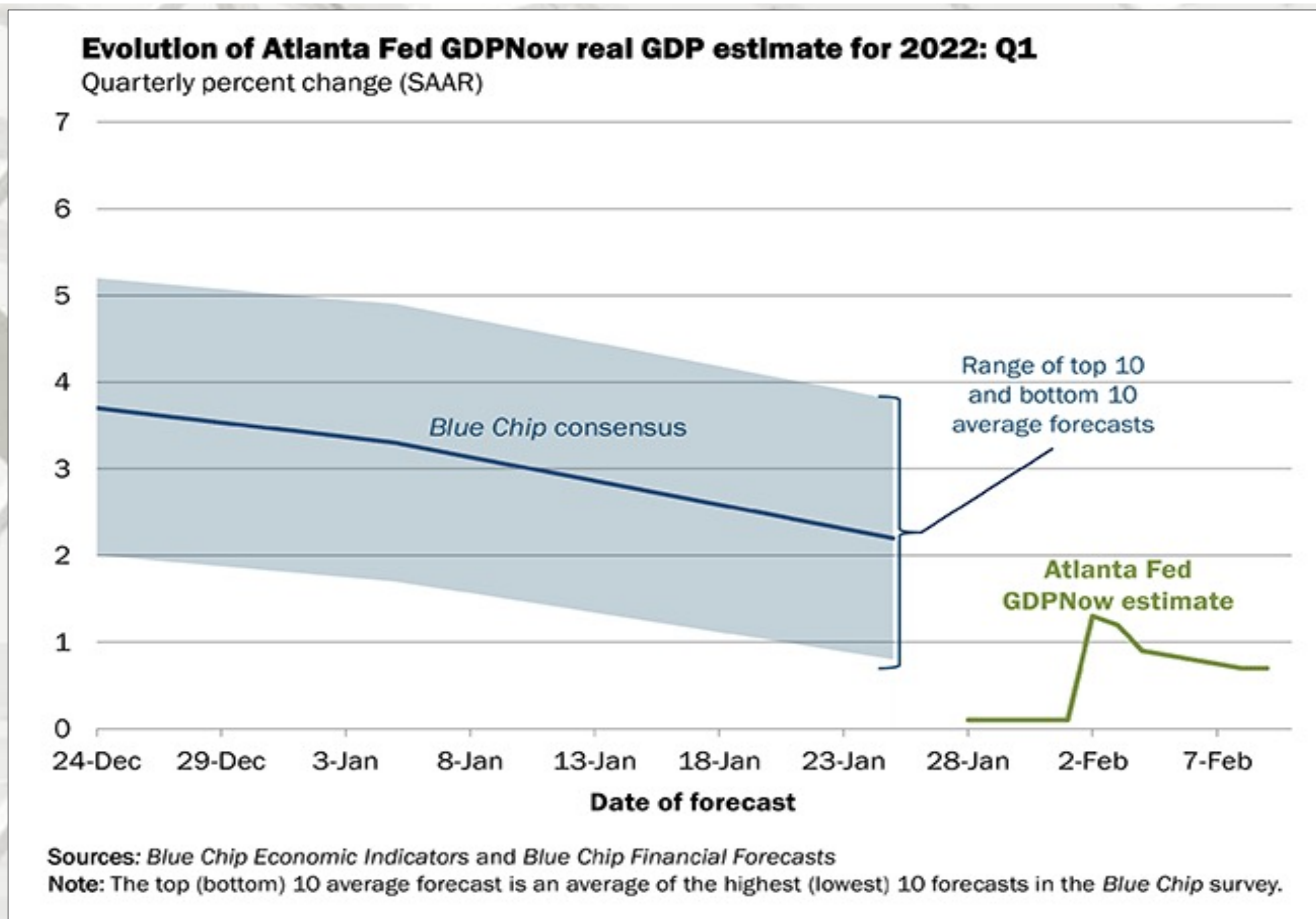
U.S. Economic Indicators



Atlanta Fed GDPNow™

Latest estimate: 5.0 percent — February 9, 2021

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2022 is 0.7 percent on February 9, unchanged from February 8 after rounding. After this morning's wholesale trade release from the US Census Bureau, the nowcast of the contribution of inventory investment to first-quarter real GDP growth decreased from -2.40 percentage points to -2.41 percentage points." – Pat Higgins, Economist, Federal Reserve Bank of Atlanta

Source: https://www.frbatlanta.org/cqer/research/gdpnow.aspx; 2/9/22

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

Index Suggests Economic Growth Declined in December

"Led by declines in production-related indicators, the Chicago Fed National Activity Index (CFNAI) fell to –0.15 in December from +0.44 in November. Two of the four broad categories of indicators used to construct the index made negative contributions in December, and all four categories deteriorated from November. The index's three-month moving average, CFNAI-MA3, moved down to +0.33 in December from +0.40 in November.

The CFNAI Diffusion Index, which is also a three-month moving average, edged down to +0.37 in December from +0.42 in November. Thirty-eight of the 85 individual indicators made positive contributions to the CFNAI in December, while 47 made negative contributions. Thirty-one indicators improved from November to December, while 54 indicators deteriorated. Of the indicators that improved, 13 made negative contributions.

Production-related indicators contributed –0.13 to the CFNAI in December, down from +0.25 in November. Manufacturing production decreased 0.3 percent in December after increasing 0.6 percent in November, and manufacturing capacity utilization moved down by 0.2 percentage points in December after increasing by 0.4 percentage points in the previous month. The contribution of the sales, orders, and inventories category to the CFNAI ticked down to +0.03 in December from +0.05 in November.

Employment-related indicators contributed +0.13 to the CFNAI in December, down slightly from +0.16 in November. Nonfarm payrolls moved up by 199,000 in December after increasing by 249,000 in November, but the unemployment rate decreased to 3.9 percent in December from 4.2 percent in the previous month. The contribution of the personal consumption and housing category to the CFNAI decreased to –0.19 in December from –0.02 in November." – Michael Adleman, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/publications/cfnai/index; 1/24/22

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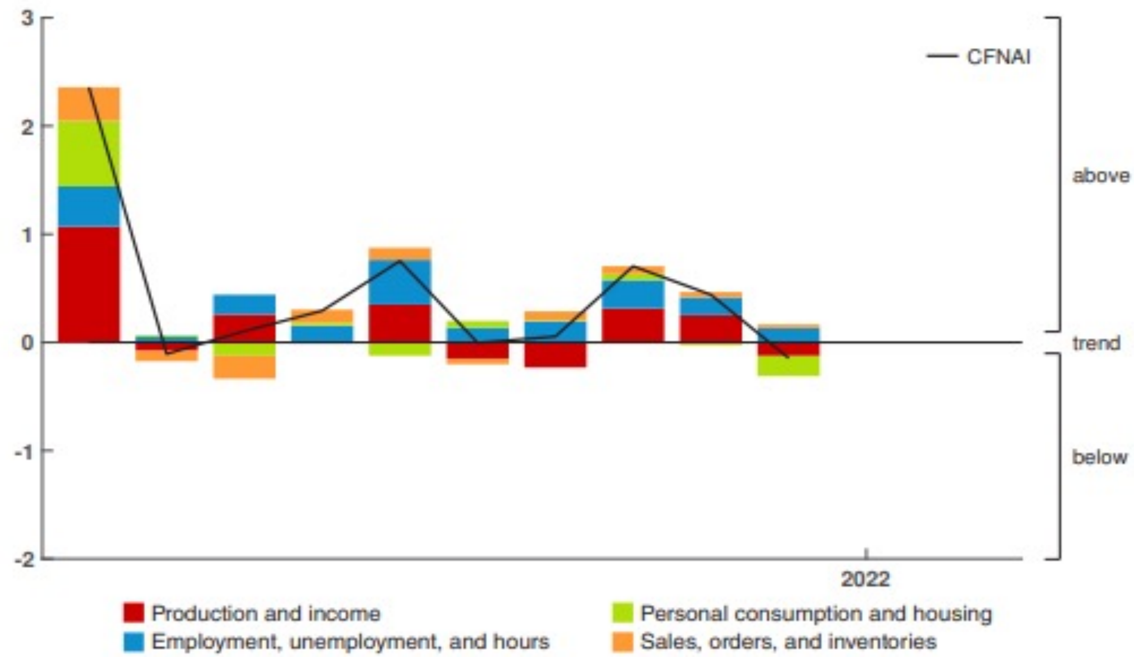
The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

Chicago Fed National Activity Index, by Categories



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

	Dec '21	Nov '21	Oct '21	Sep '21	Aug '21	Jul '21	Dec '20
CFNAI							
Current	−0.15	+0.44	+0.70	+0.05	0.00	+0.75	+0.30
Previous	N/A	+0.37	+0.75	−0.01	+0.02	+0.76	+0.30
CFNAI-MA3							
Current	+0.33	+0.40	+0.25	+0.27	+0.35	+0.38	+0.55
Previous	N/A	+0.37	+0.25	+0.26	+0.35	+0.38	+0.55
CFNAI Diffusion							
Current	+0.37	+0.42	+0.23	+0.19	+0.21	+0.36	+0.48
Previous	N/A	+0.35	+0.18	+0.15	+0.20	+0.35	+0.48

Current and Previous values reflect index values as of the January 24, 2022, release and December 22, 2021, release, respectively.
N/A indicates not applicable.

Source: https://www.chicagofed.org/publications/cfnai/index; 1/22/22

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The Federal Reserve Bank of Chicago: Survey of Business Conditions (CFSBC)

Survey Suggests Little Change in Growth in January

"The *Chicago Fed Survey of Business Conditions* (CFSBC) Activity Index increased to –14 in January from –17 in December, suggesting that economic growth was below trend. The CFSBC Manufacturing Activity Index increased to –15 in January from –28 in December, but the CFSBC Nonmanufacturing Activity Index decreased to –14 in January from –12 in the previous month.

- Respondents' outlooks for the U.S. economy for the next 12 months deteriorated slightly, but remained optimistic on balance. Fifty-six percent of respondents expected an increase in economic activity over the next 12 months.
- The pace of current hiring increased, but respondents' expectations for the pace of hiring over the next 12 months decreased. The hiring index remained negative, while the hiring expectations index remained positive.
- Respondents' expectations for the pace of capital spending over the next 12 months increased, and the capital spending expectations index turned positive.
- The labor cost pressures index increased, as did the nonlabor cost pressures index. Both cost pressures indexes remained positive." – Thomas Walstrum, Senior Business Economist, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/publications/cfsbc/index; 2/10/22

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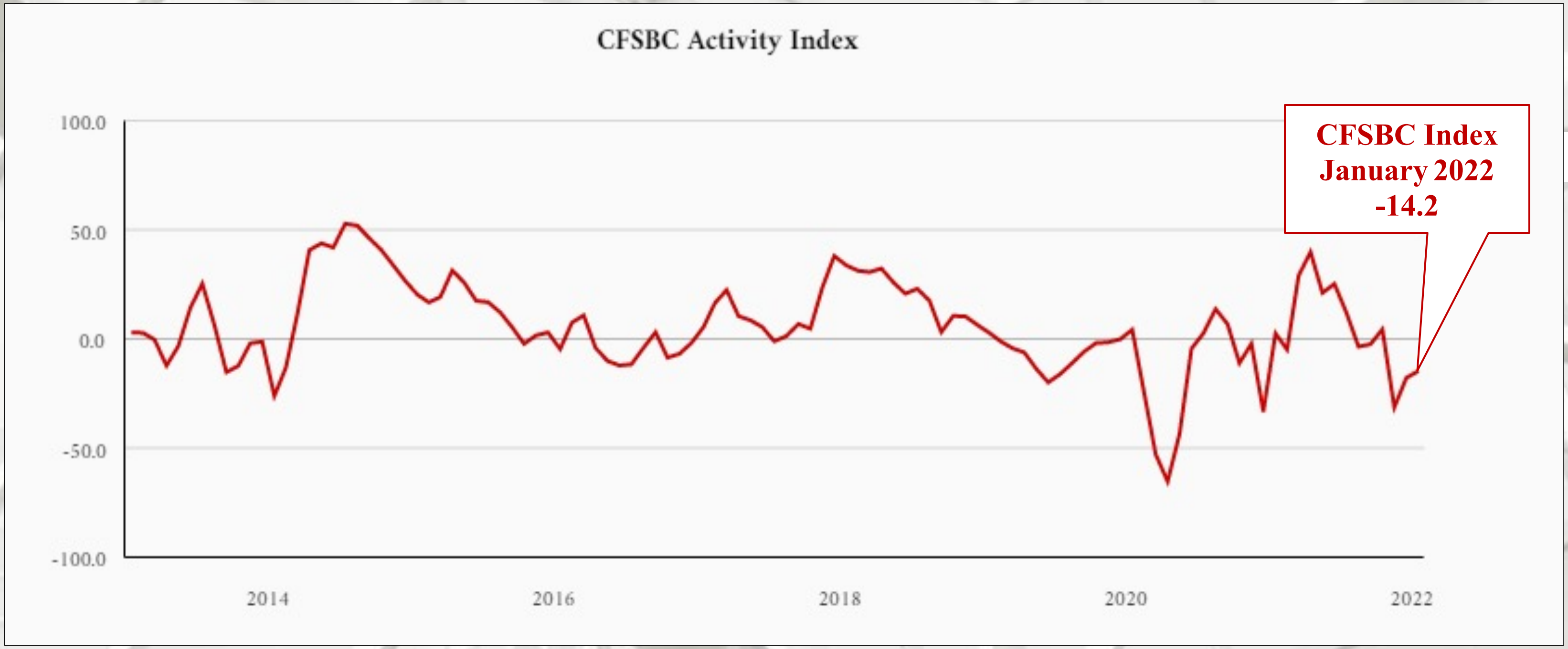
The Federal Reserve Bank of Chicago: Survey of Business Conditions (CFSBC)



Source: https://www.chicagofed.org/publications/cfsbc/index; 2/10/22

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The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey

Growth in Texas Manufacturing Activity Moderates, but Outlooks Remain Optimistic

"Texas factory activity continued to increase but at a slower pace in January, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, came in at 16.6, an eight-month low but a reading still indicative of above-average output growth.

Other measures of manufacturing activity also indicated continued growth. The new orders and growth rate of orders indexes held steady at 20.0 and 12.6, respectively, suggesting a continuation of elevated demand growth. The capacity utilization index fell 13 points to 12.0, and the shipments index fell 12 points to 8.6. While still suggestive of growth, these lower readings indicate a deceleration from December.

Perceptions of broader business conditions improved slightly in January. The general business activity index remained positive but eased six points to 2.0. Similarly, the company outlook index moved down six points to 2.2. Uncertainty regarding outlooks escalated further, with the index pushing up 12 points to 30.8, its highest reading since April 2020 after the initial onset of the pandemic.

Labor market measures indicated robust employment growth and longer workweeks. The employment index inched down to 27.7 but remained highly elevated. Thirty-four percent of firms noted net hiring, while 6 percent noted net layoffs. The hours worked index was largely steady at 21.3.

Prices and wages continued to increase strongly in January, though price pressures eased slightly. The raw materials prices index remained highly elevated but dropped five points to 62.1. The finished goods prices index also fell five points, coming in at 37.1, but still far exceeded its historical average of 7.9. The wages and benefits index pushed up from 46.5 to 49.6, reaching a series high." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 1/31/22

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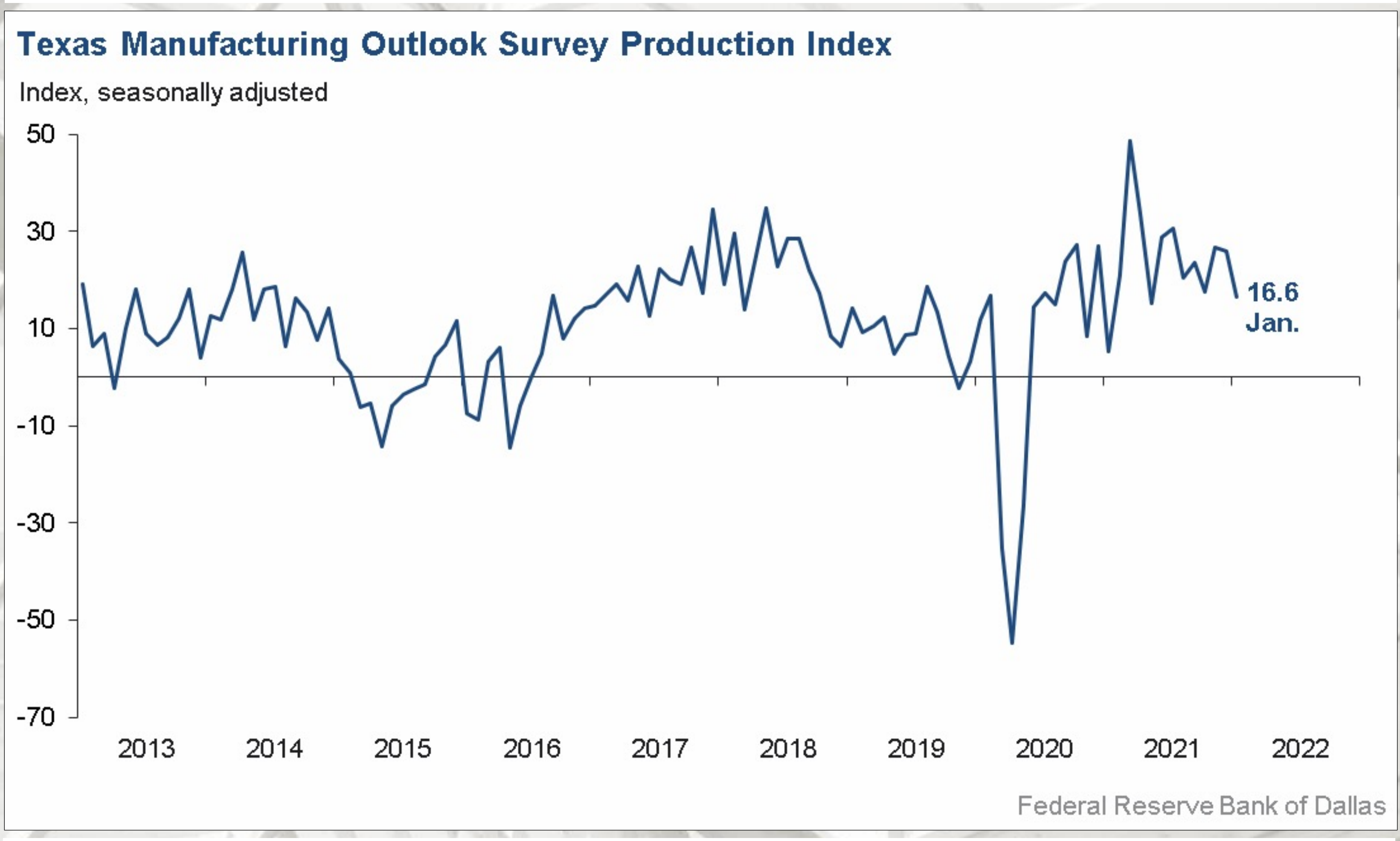
The Federal Reserve Bank of Dallas



"Expectations regarding future manufacturing activity remained highly positive. The future production index receded slightly to 38.0, and the future general business activity index was largely unchanged at 16.5. Other measures of future manufacturing activity such as capital expenditures and employment showed mixed movements but remained solidly in positive territory." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 1/31/22

The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

Texas Service Sector Activity Growth Steady

"The Texas service sector began 2020 growing at a similar pace as the end of 2019, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, was mostly unchanged at 18.8 in January, compared with 17.9 in December.

Labor market indicators reflected increased employment growth and slightly longer workweeks this month. The employment index ticked up from 5.5 to 8.4, suggesting a slight acceleration in hiring, although the part-time employment index fell to a near-zero reading. The hours worked index was generally unchanged at 3.3.

Perceptions of broader business conditions further improved in January. The general business activity index dipped from 13.5 to 11.1 but was still well above its 2019 average. The company outlook index increased from 11.3 to 12.5, its highest reading since 2018. The outlook uncertainty index increased over six points to 7.5, although it remains well below last year's average.

Price pressures increased in January, while wage pressures flattened out. The wages and benefits index was unchanged at 19.4, while the input prices index ticked up from 25.7 to 27.0. The selling prices index surged 10 points to 16.9, its highest reading since May 2018.

Respondents' expectations regarding future business conditions improved compared with December. The future company outlook index picked up over four points to 19.7, while the future general business activity index was unchanged at 17.6. Other indexes of future service sector activity, such as revenue and employment, increased notably and suggested expectations of further growth over the next six months." – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 1/28/22

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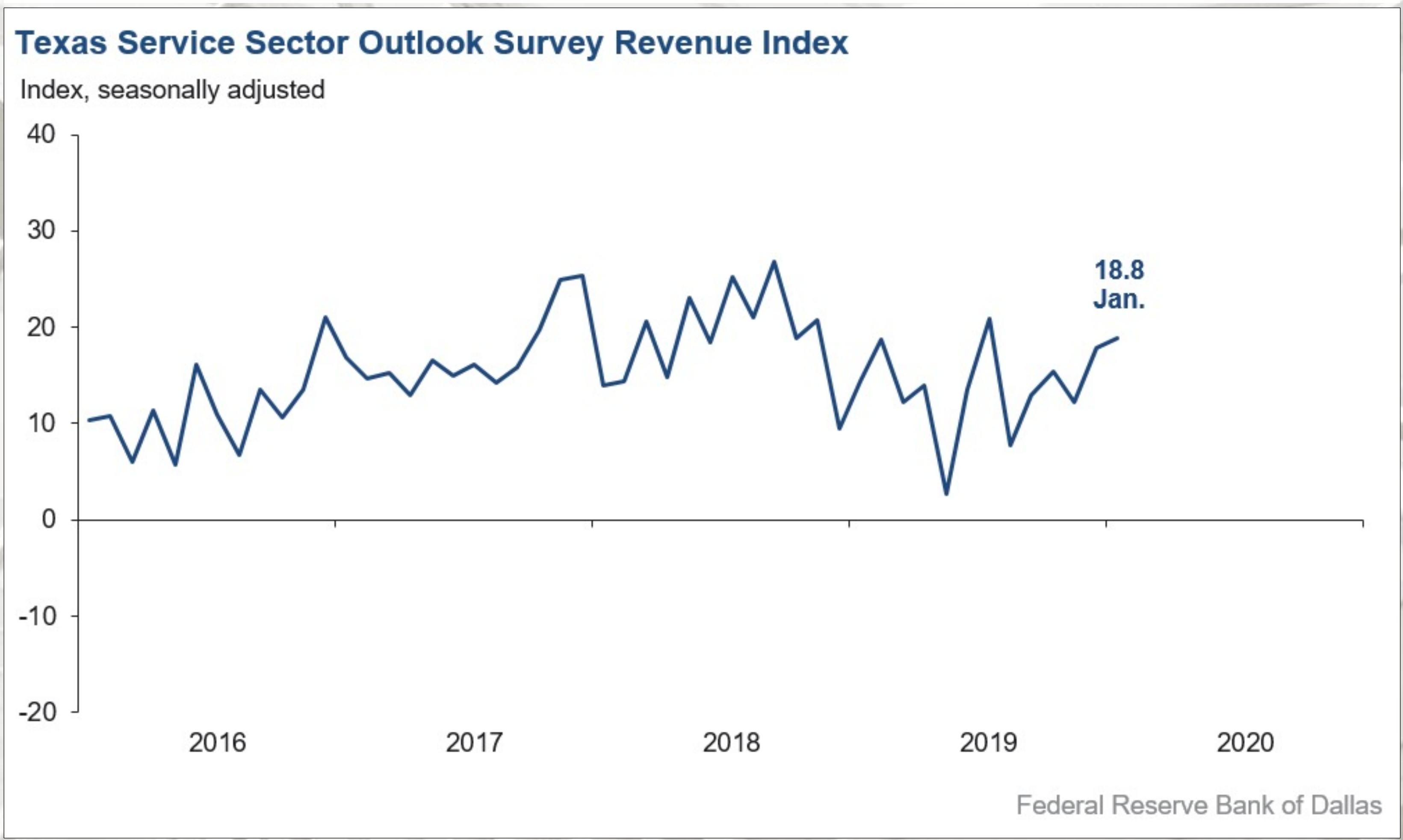
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 1/28/22

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The Federal Reserve Bank of Dallas

Texas Retail Outlook Survey

Growth in Texas Retail Sales Slows in December

"Retail sales activity grew at a slower pace than in November, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, fell from 23.0 in November to 13.4 in December, still well above its annual average of 4.8. Firms continued to see a net build of inventories as the index picked up from 10.6 to 15.1 — its highest reading in nearly three years.

Retail labor market indicators point to continued improvement in December. The employment index increased from 5.9 to 7.2, with 17 percent of respondents increasing their head count this month compared with 10 percent decreasing it. The hours worked index was roughly unchanged at 4.6.

Retailers' perceptions of broader business conditions, though mixed, continued to suggest overall improvement. The general business activity index declined from 14.9 to 8.5, while the company outlook index added two points to rise to 14.6 — its highest reading since April. Outlook uncertainty leveled off compared with last month, with the index falling from 16.0 to 2.4; the share of firms noting increased uncertainty fell from 20 percent in November to 10 percent.

Retail price and wage pressures eased in December, though the indexes remained elevated. The selling prices index declined 14 points from an all-time high to 45.6, while the input prices index fell 22 points to 44.3. The wages and benefits index dipped four points to 40.5.

Expectations for future retail activity remained robust. The future general business activity index fell from 18.3 to 10.6, while the future sales index increased eight points to 44.2. Other indexes of future retail activity remained strongly positive, suggesting stronger activity going into 2022." – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 1/28/22

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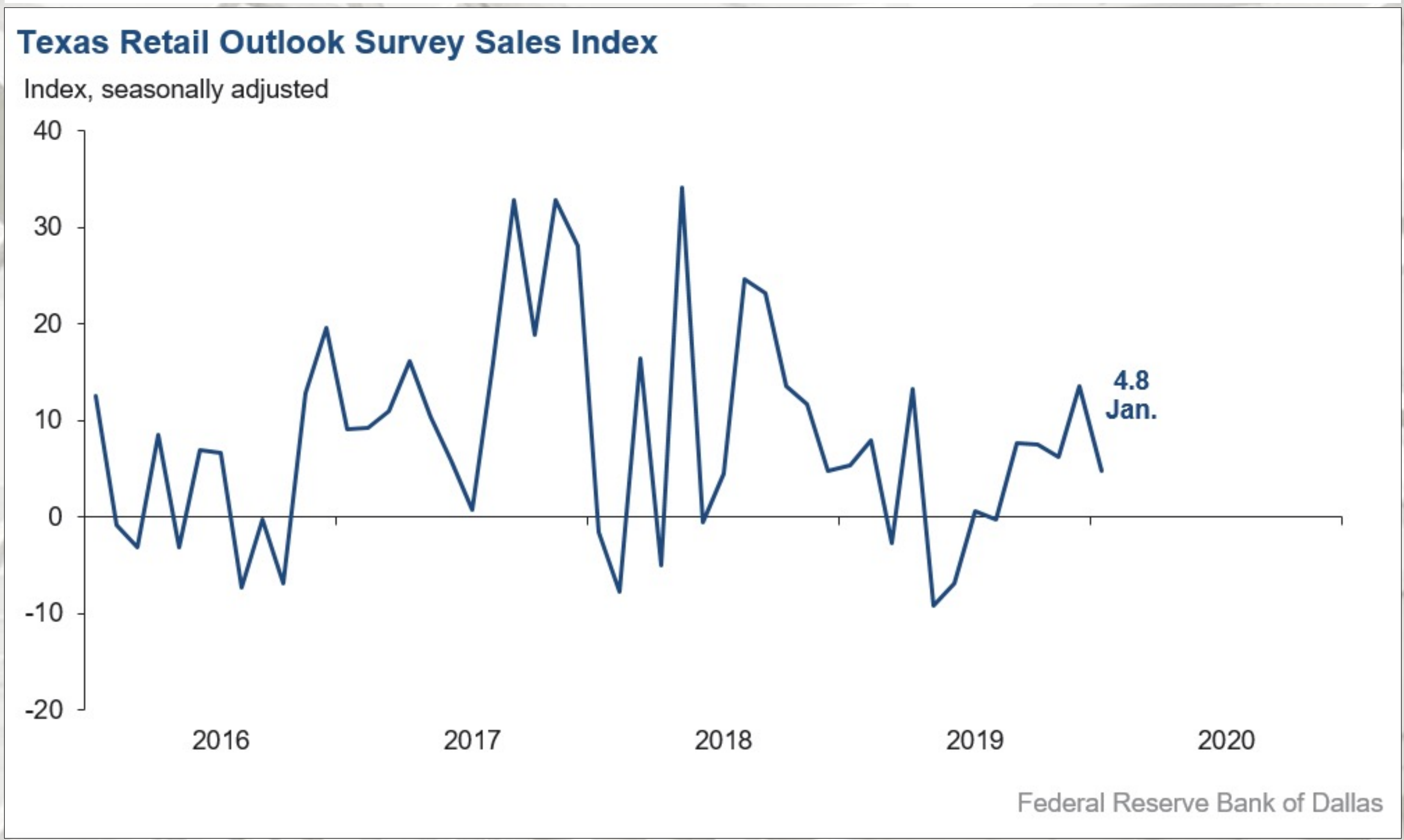
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 1/28/22

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Manufacturing Activity Continued to Grow Strongly

Regional factory activity expanded at a faster pace in January. However, over half of firms indicated that 10% or more of their workers were out at some point in January due to COVID. Expectations for future activity remained strong, despite firms reporting difficulties from COVID, labor shortages, and continued supply chain issues.

Factory Activity Continued to Grow Strongly

"Tenth District manufacturing activity continued to grow strongly, and expectations also increased further (Chart 1). The monthly index of raw materials prices continued to decline slightly from a month ago, although nearly all firms continued to report higher input prices compared to a year ago. Finished goods price indexes rose from a month ago and continued to increase steadily from a year ago. Expectations for future raw materials prices increased, and firms expected finished goods prices to expand at a faster rate over the next six months.

This month contacts were asked special questions about the recent COVID surge and how it has impacted their business so far in 2022. In January, 38% of firms reported a strong negative effect on business activity from this variant of COVID, and another 46% of firms reported a slight negative effect. More businesses reported negative impacts from this wave than when asked in December 2020 during a previous wave. Around 52% of firms reported that 10% or more of their workforce missed work in January due to COVID." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 1/27/22

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Factory Activity Continued to Grow Strongly

“Many firms commented on higher absenteeism with this strain with more workers testing positive and quarantining. Of the firms facing labor shortages, 69% of firms reported adding overtime for current staff and 65% of firms reported delaying orders in response to staffing issues. Moving forward, over a third of firms expected decreased business activity over the next six months due to the surge in COVID, while 57% of firms reported no change, and 9% expected increased activity. Expectations were marginally better from this strain compared to when this question was last asked in August 2021.” – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 1/27/22

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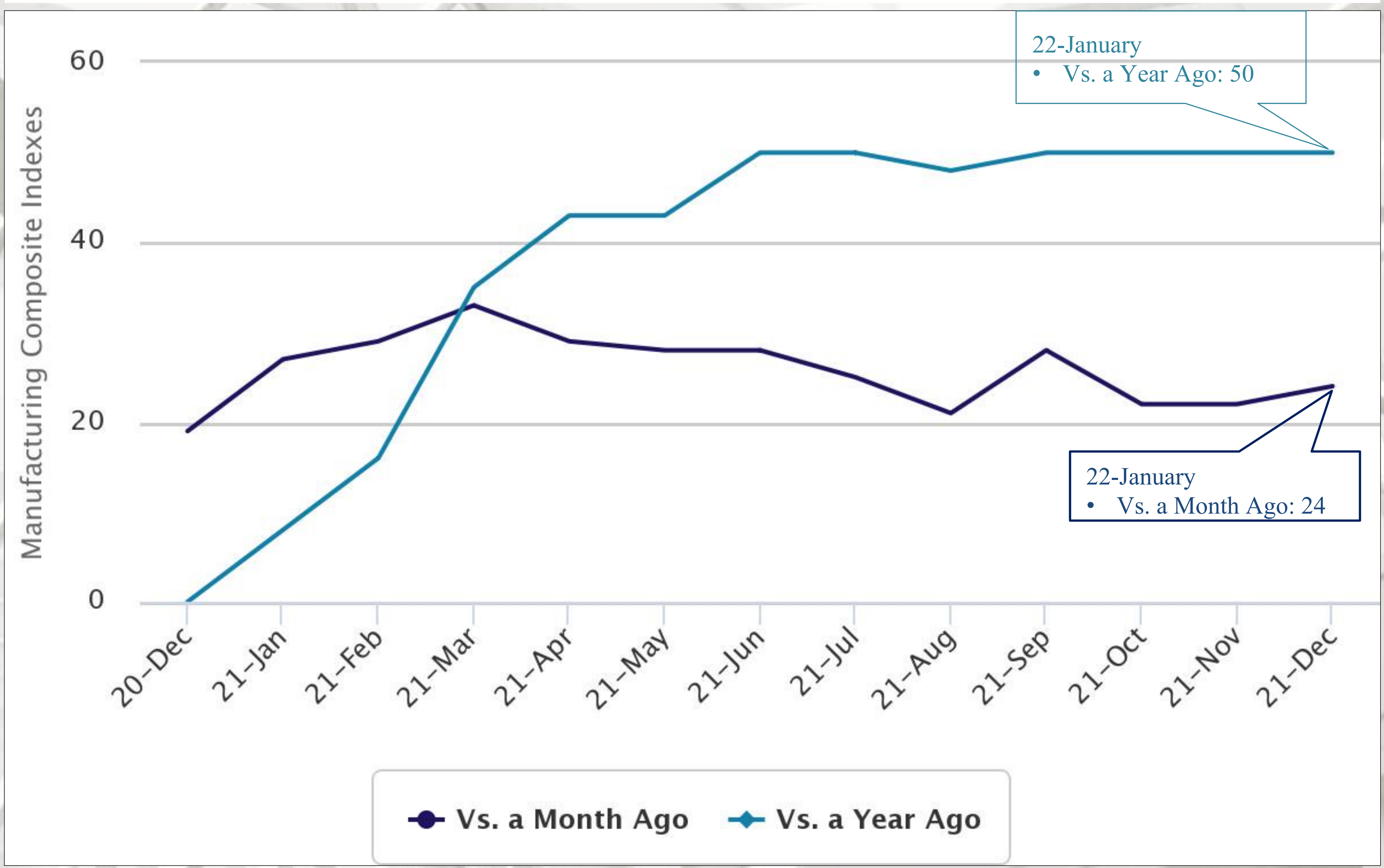
Chart 1

The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 1/27/22

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Services Activity Rose Slightly

Regional services activity expanded slightly in January. Nearly half of firms indicated that 10% or more of their workforce had been absent from work in January due to COVID. Despite more firms reporting negative effects from this wave of COVID than previous waves, sales remained strong for a number of industries, and expectations for future activity increased.

Business Activity Rose Slightly

"Tenth District services activity slightly in January with expectations for increased activity over the next six months (Chart 1). Indexes for input and selling prices grew at a slower pace in January compared to a month ago but prices remained above year-ago levels for most firms. Moving forward, firms expected input and selling prices to continue to increase over the next six months.

The month-over-month services composite index was 15 in January, up slightly from 11 in December and 10 in November. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. The increase in revenue and sales was driven by additional wholesale, some retail, transportation, professional and high-tech services, and healthcare activity. On the other hand, auto, real estate, tourism, and restaurant activity decreased in January. Month-over-month indexes increased in January, with more sales, hours worked, and higher wages and benefits. The inventory index also jumped back into positive territory, and credit conditions inched up. The year-over-year composite index grew from 30 to 37, as sales, inventories, and wages and benefits continued to expand compared to a year ago. Expectations for services activity increased further in January with the future composite index rising from 33 to 37, driven by higher expectations for sales and capital expenditures." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, The Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 1/28/22

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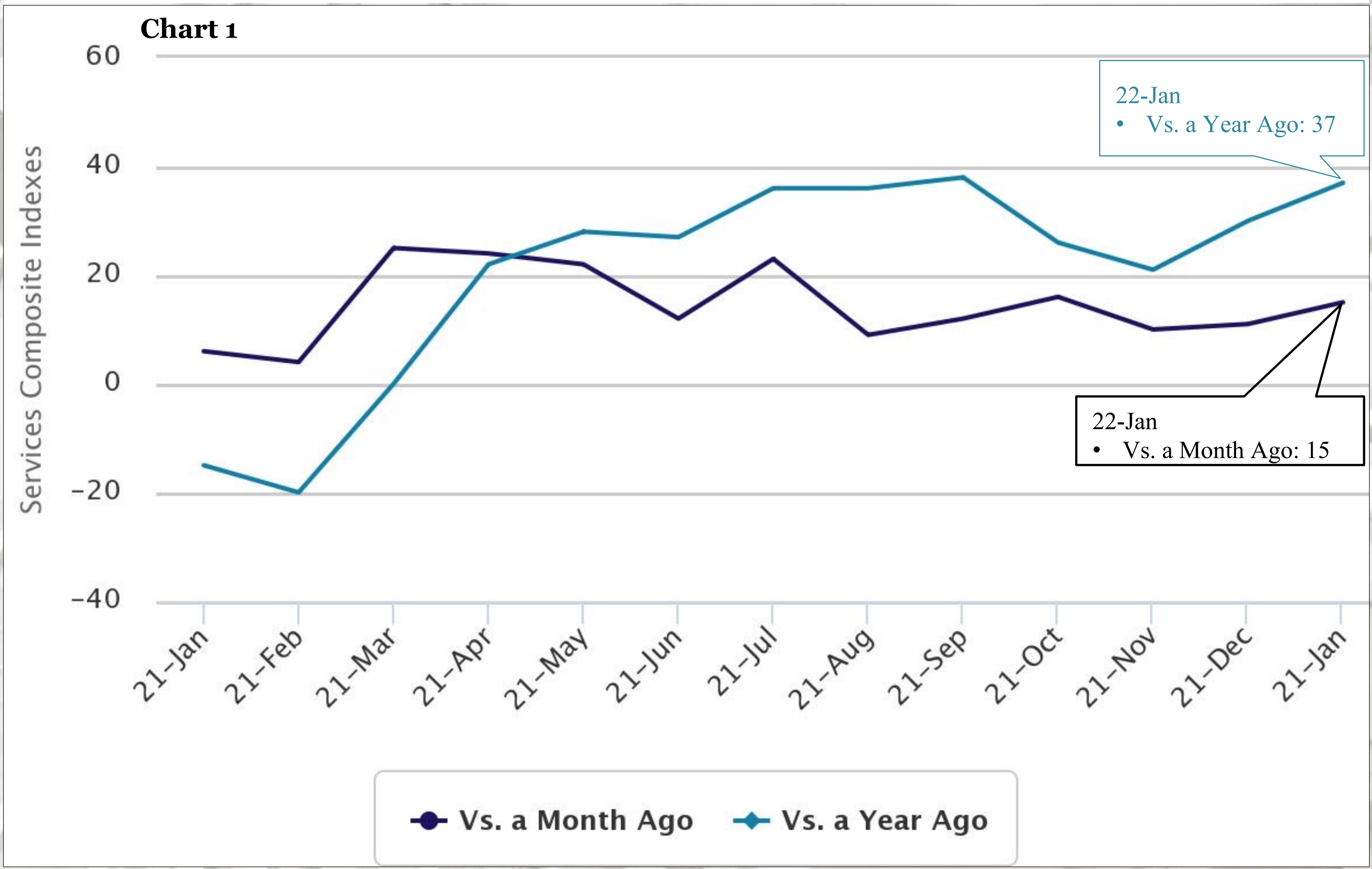
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 1/28/22

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The Federal Reserve Bank of New York

Empire State Manufacturing Survey

A Sharp Decline In The Headline Index

"Business activity abruptly leveled off in New York State, according to firms responding to the January 2022 *Empire State Manufacturing* Survey. The headline general business conditions index fell thirty-three points to -0.7. New orders declined slightly, while shipments held steady. Delivery times continued to lengthen, and unfilled orders increased. Labor market indicators pointed to a moderate increase in employment and a longer average workweek. Both price indexes moved lower, but remained elevated. Plans for capital and technology spending were strong. Looking ahead, firms remained optimistic that conditions would improve over the next six months.

Manufacturing activity was little changed in New York State according to the January survey, suggesting that growth stalled after a period of significant expansion. After eighteen months of positive readings, the general business conditions fell a steep thirty-three points to -0.7. Twenty-two percent of respondents reported that conditions had improved over the month, while 23 percent reported that conditions had worsened. The new orders index also posted a steep decline, falling thirty-two points to -5.0, pointing to a slight decline in orders. The shipments index fell to 1.0, indicating that shipments were little changed. The unfilled orders index came in at 12.1. The delivery times index held steady at 21.6, suggesting that delivery times continued to lengthen significantly, and inventories increased modestly." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 1/18/21

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The Federal Reserve Bank of New York

Empire State Manufacturing Survey

Price Increases Remain Substantial

"The index for number of employees fell five points to 16.1, and the average workweek index fell to 10.3, indicating that firms increased employment and hours worked. The prices paid index edged down four points to 76.7, and the prices received index fell eight points to 37.1, signaling ongoing substantial increases in both input prices and selling prices, though at a slower pace than last month.

Firms Remain Optimistic

Firms were generally optimistic about the six-month outlook. The index for future business conditions held steady at 35.1. The indexes for future prices paid and received both rose to record highs. The capital expenditures index climbed two points to 39.7, a multi-year high, and the technology spending index held steady at 31.9, suggesting that firms plan significant increases in both capital spending and technology spending in the months ahead." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 1/18/21

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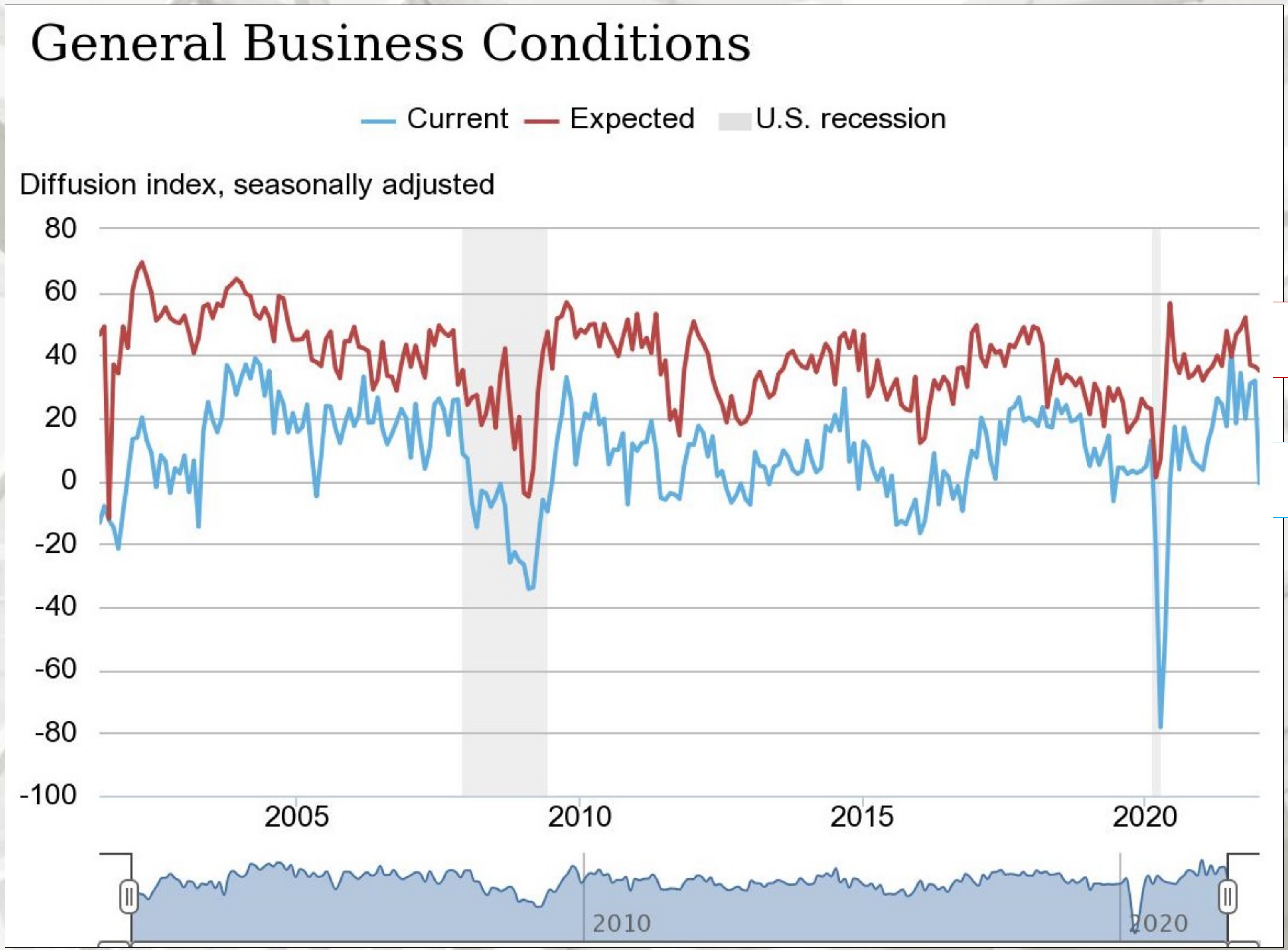
The Federal Reserve Bank of New York



January 2022
35.1

January 2022
-0.7

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 1/18/21

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The Federal Reserve Bank of New York

Business Leaders Survey (Services)

Growth Slows

"Business activity continued to grow modestly in the region's service sector, according to firms responding to the Federal Reserve Bank of New York's January 2022 *Business Leaders Survey*. The survey's headline business activity index fell five points to 9.2. The business climate index fell twelve points to -27.9, indicating that firms generally viewed the business climate as worse than normal for this time of year. Employment growth slowed to a modest pace, and wages continued to rise at a solid clip. Both the prices paid and prices received indexes edged slightly lower but remained near record highs. Looking ahead, most firms expect conditions to improve over the next six months.

Business activity increased in the region's service sector, but at its slowest pace since March of last year, according to the January survey. The headline business activity index moved down five points to 9.2. Thirty-five percent of respondents reported that conditions improved over the month, while 26 percent said that conditions worsened. The business climate index fell twelve points to -27.9, indicating that on net, firms continued to view the business climate as worse than normal for this time of year." – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 1/19/22

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The Federal Reserve Bank of New York

Business Leaders Survey (Services)

Price Increases Remain Substantial

"Both input prices and selling prices continued to increase at a near record pace in January, though the indexes were marginally lower than last month. The prices paid index ticked down three points to 77.3, and the prices received index fell three points to 39.4. The employment index dipped eleven points to 7.6, suggesting that employment growth slowed, and the wages index was unchanged at 52.3, signaling another month of strong wage growth. The capital spending index held steady at 9.8.

Firms Remain Optimistic

Firms generally expected that conditions would improve over the next six months. The index for future business activity increased nine points to 43.7, while the future business climate index rose sixteen points to 30.6, its highest level in several months. Strong gains in employment, wages, and prices are expected in the months ahead, and capital spending plans remained solid." – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 1/19/22

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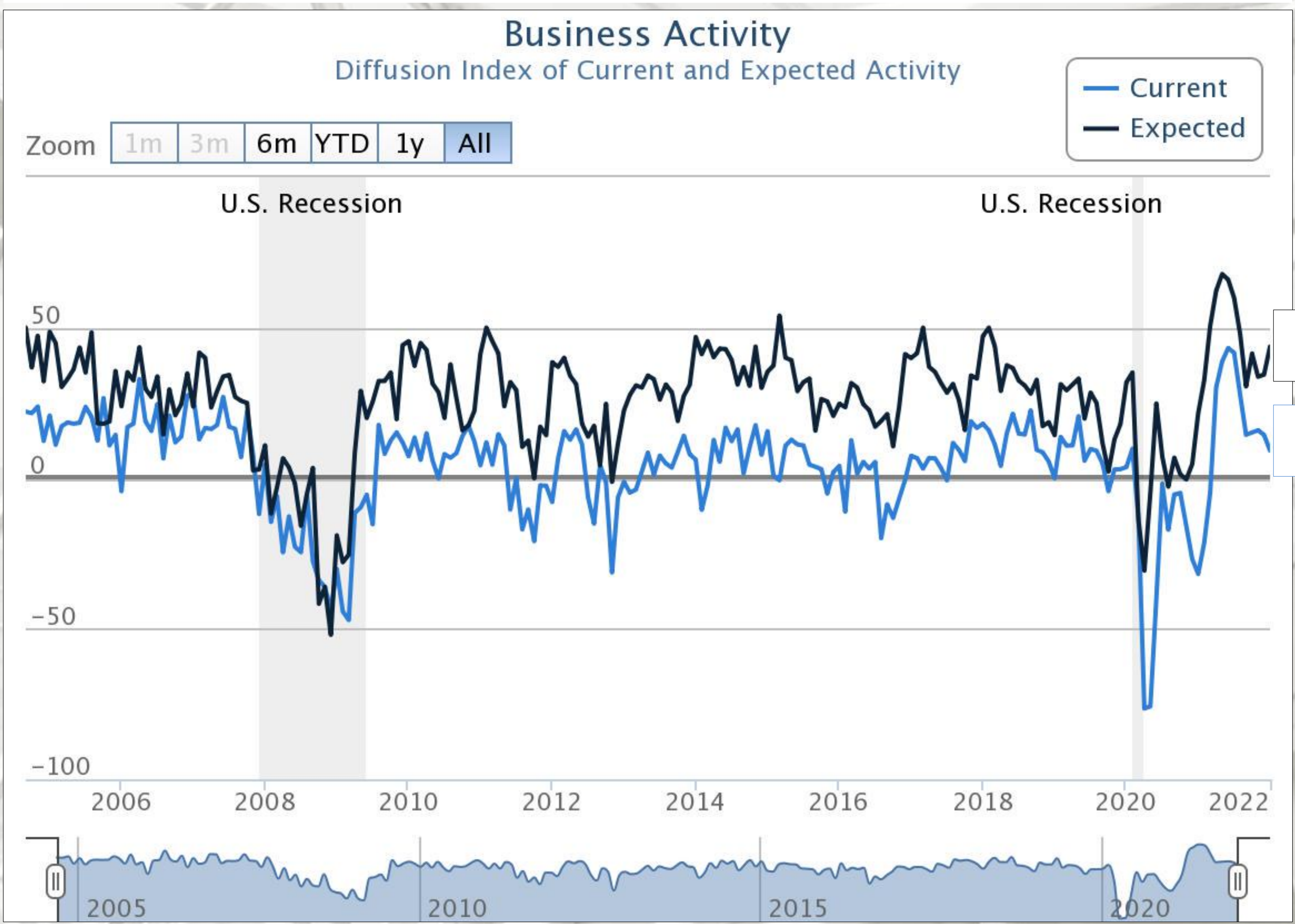
The Federal Reserve Bank of New York



January 2022
43.7

January 2022
9.2

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 1/19/22

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The Federal Reserve Bank of Philadelphia

January 2022 Manufacturing Business Outlook Survey

"Manufacturing growth in the region continued to grow, according to the firms responding to the January *Manufacturing Business Outlook Survey*. The survey's indicators for general activity, shipments, and new orders posted modest increases after falling sharply last month. The employment index remained positive but decreased. The price indexes remained elevated. Responding firms remained generally optimistic about growth over the next six months.

Current Indicators Recover Somewhat

The diffusion index for current general activity climbed 8 points to 23.2 in January after falling 24 points in December (see Chart 1). Almost 31 percent of the firms reported increases in current activity this month, while 7 percent reported decreases; most (60 percent) reported no change. The current shipments index increased 6 points to 20.8. The share of firms reporting increases in shipments (39 percent) exceeded the share of firms reporting decreases (19 percent). The index for new orders, which had fallen 34 points last month, rose 4 points to 17.9 this month. More than 36 percent of the firms reported increases in new orders this month compared with 18 percent that reported decreases.

On balance, the firms continued to report increases in employment, but the employment index declined from 33.9 in December to 26.1 this month. The majority of responding firms (63 percent) reported steady employment levels, and the share reporting increases (31 percent) exceeded the share reporting decreases (5 percent). The average workweek index dropped from 30.4 to 9.6, its lowest reading since September 2020." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2022-1; 1/20/22

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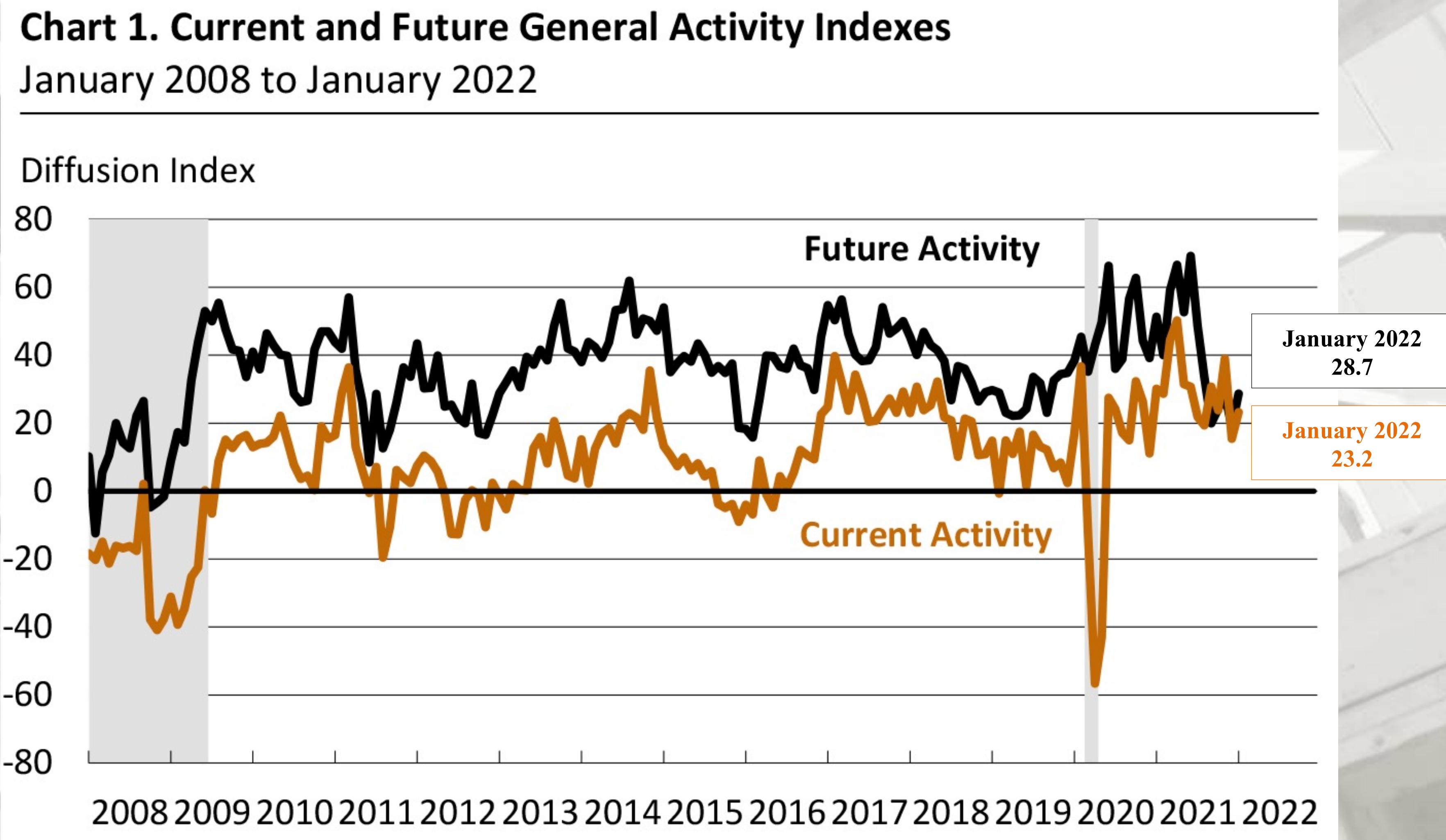
The Federal Reserve Bank of Philadelphia



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/mbos-2022-1; 1/20/22

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The Federal Reserve Bank of Philadelphia

January 2022 Manufacturing Business Outlook Survey

Price Increases Remain Widespread

"The indicators for prices paid and prices received moved in different directions this month but remained elevated. The prices paid index increased 6 points to 72.5. Almost 73 percent of the firms reported increases in input prices, while none reported decreases; 27 percent of the firms reported no change. The current prices received index declined 4 points to 46.4, its second consecutive decrease. Just over half of the firms reported increases in prices received for their own goods this month, 4 percent reported decreases, and 45 percent reported no change.

Firms Expect Highest Cost Increases for Raw Materials

In this month's special questions, the firms were asked about their expectations for changes in various input and labor costs for the coming year. Responses indicate an expected average increase of 8.9 percent for raw materials, followed by energy, intermediate goods, health benefits, and total compensation (wages plus benefits), which are all expected to increase 6.4 percent on average. The firms also expect wages to rise an average of 4.9 percent in 2022. The respondents were also asked how the expected costs for 2022 will compare with the previous year's costs. On balance, the forecasts indicated increases across all categories of expenses relative to 2021." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2022-1; 1/20/22

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The Federal Reserve Bank of Philadelphia

January 2022 Manufacturing Business Outlook Survey

Future Indicators Remain Positive

"The diffusion index for future general activity rose from 19.0 to 28.7, recovering its 10 point decline from last month (see Chart 1). More than 44 percent of the firms expect increases in future activity, 16 percent expect decreases, and 39 percent expect no change. The future new orders and future shipments indexes rose 5 points and 14 points, respectively. The future employment index fell 19 points to 38.4 but continues to suggest that firms expect overall increases in employment over the next six months. Half of the firms expect steady employment levels, 41 percent of the firms expect to increase employment in their manufacturing plants over the next six months, and 2 percent expect employment declines. Future price indexes suggest that firms expect price increases to remain widespread over the next six months: The future prices paid index rose 23 points to 76.4, its highest reading since August 1988, and the future prices received index rose 8 points to 62.6.

Summary

Responses to the January *Manufacturing Business Outlook Survey* suggest continued expansion in regional manufacturing conditions this month. The indicators for current activity, shipments, and new orders improved from their December readings. The price indexes continue to suggest widespread increases in prices and remain elevated. The survey's future indexes indicated that respondents continue to expect overall 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/mbos-2022-1; 1/20/22

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The Federal Reserve Bank of Philadelphia

January 2022 Nonmanufacturing Business Outlook Survey

"Responses to the January *Nonmanufacturing Business Outlook Survey* suggest weakened nonmanufacturing activity in the region. The indexes for general activity at the firm level, sales/revenues, and new orders all posted sharp declines but remained slightly positive. Additionally, the index for full-time employment decreased. The firms continued to report overall increases in the prices of both their own goods and their inputs. The respondents continue to anticipate growth over the next six months..

Current Indicators Deteriorate

The diffusion index for current general activity at the firm level fell sharply from a revised reading of 25.9 in December to 2.6 this month, its lowest reading since January 2021 (see Chart 1).* Almost 32 percent of the firms reported increases in activity, while 29 percent reported decreases. The new orders index fell 15 points to 0.6 in January. Thirty percent of the respondents reported steady new orders, and equal shares (23 percent) reported increases or decreases. The sales/revenues index fell 23 points to 4.6 in January. Nearly 35 percent of the responding firms reported increases in sales/revenues, while 30 percent reported decreases. The regional general activity index plummeted to -16.2.

Employment Indexes Contract

The firms reported overall increases in full-time and part-time employment, but both indexes fell from their readings last month. The full-time employment index fell 8 points to a reading of 5.7 in January. More than 58 percent of the firms reported steady full-time employment levels, while the share of firms reporting increases (21 percent) was higher than the share reporting decreases (15 percent). The part-time employment index fell 4 points to 2.5." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2022-1; 1/25/22

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The Federal Reserve Bank of Philadelphia

January 2022 Nonmanufacturing Business Outlook Survey

Firms Continue to Report Overall Price Increases

"The prices paid index increased 12 points to 63.0. Sixty-three percent of the respondents reported increased input prices, while 25 percent of the respondents reported steady input prices. None of the responding firms reported decreases in prices paid. Regarding prices for the firms' own goods and services, the prices received index increased from 29.9 to 37.9. The share reporting increases in prices received (41 percent) far exceeded the share reporting decreases (3 percent). More than 44 percent of the firms reported no change in prices for their own goods and services.

Firms Expect Higher Cost Increases This Year

In this month's special questions, the firms were asked about their expectations for changes in various input and labor costs for the coming year. Responses indicate an expected average increase of 7.3 percent for raw materials, followed by total compensation (wages plus benefits), intermediate goods, and energy, which are all expected to increase between 5 and 6 percent on average. The firms also expect wages to rise an average of 4.5 percent in 2022. Comparing the expected change in costs for 2022 with 2021, the respondents indicated increases across all categories of expenses." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2022-1; 1/25/22

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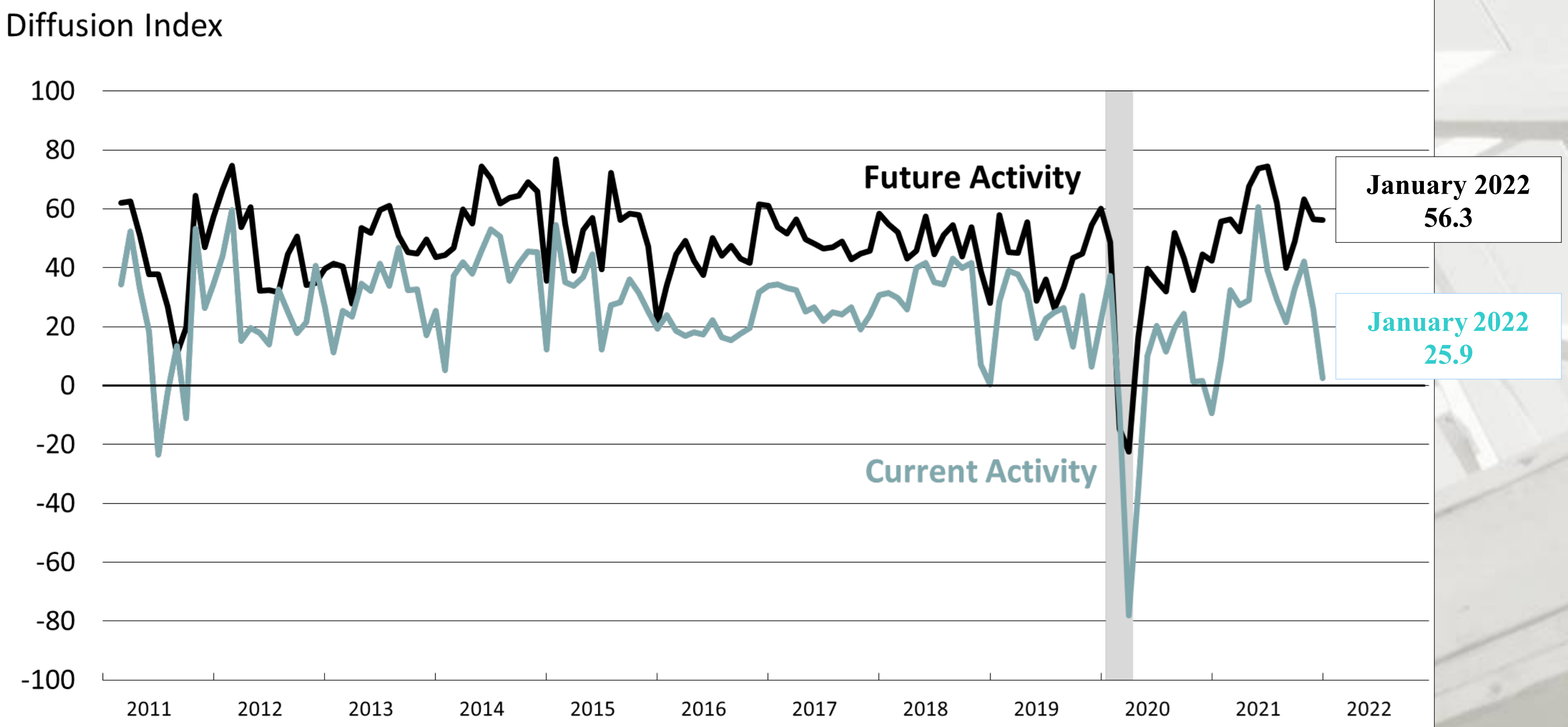
The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes for Firms

March 2011 to January 2022



Note: The diffusion index is computed s 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-2022-1; 1/25/22

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The Federal Reserve Bank of Philadelphia

January 2022 Nonmanufacturing Business Outlook Survey

Future Continue to Anticipate Growth

"Both future activity indexes suggest that firms continue to anticipate growth over the next six months. The diffusion index for future activity at the firm level remained mostly steady at a reading of 56.3 this month (see Chart 1). Over 68 percent of the firms expect an increase in activity at their firms over the next six months, compared with 12 percent that expect decreases and 20 percent that expect no change. The future regional activity index increased 6 points to 47.1.

Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest weakened nonmanufacturing activity in the region. The indicators for firm-level general activity, new orders, and sales/revenues all fell substantially. The indexes for full-time and part-time employment declined. Both the indexes for prices paid and prices received remained elevated and increased further. Overall, the responding firms continue to expect growth over the next six months in their own firms and in the region." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2022-1; 1/25/22

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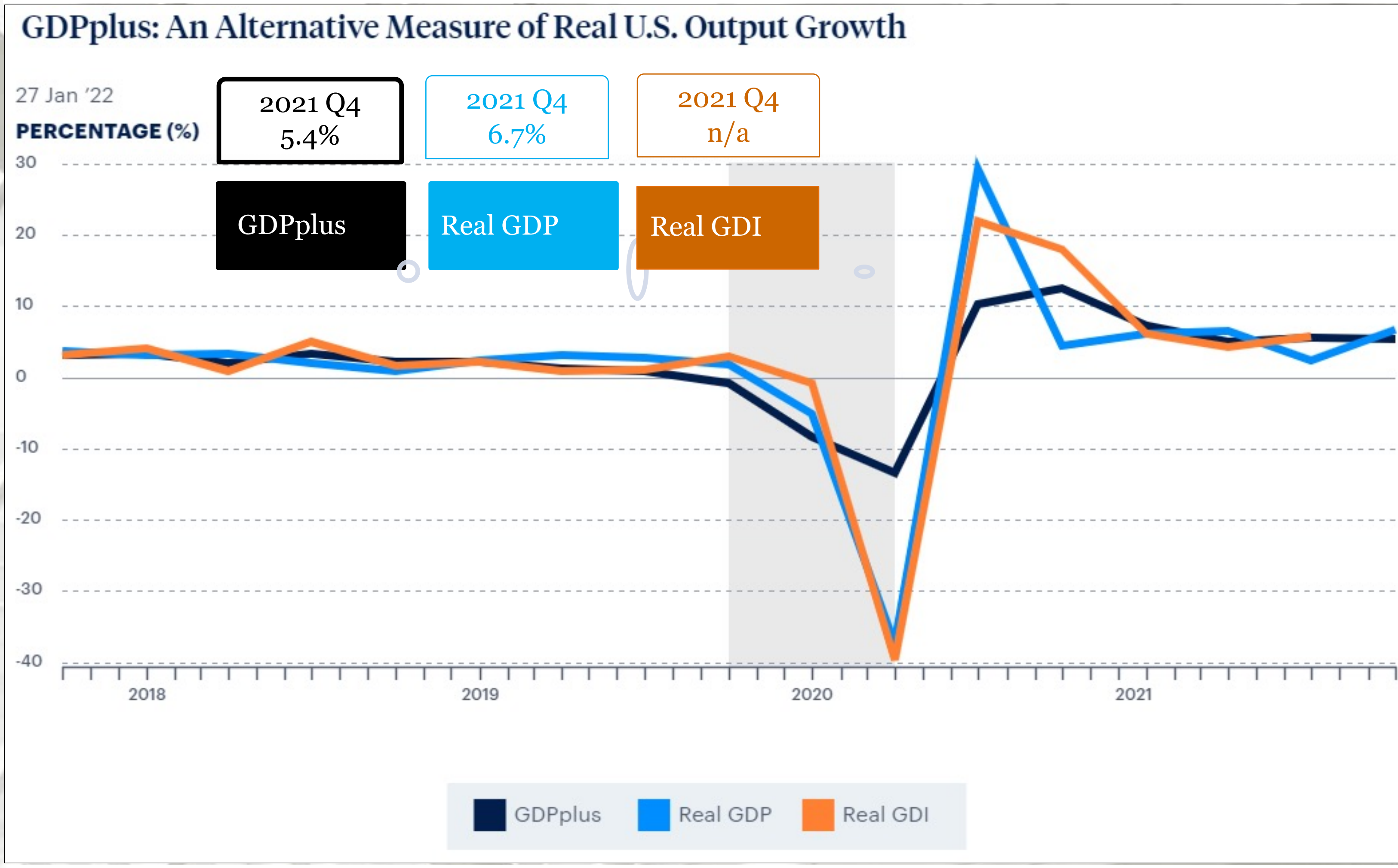
The Federal Reserve Bank of Philadelphia: GDPplus



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; 1/27/22

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U.S. Economic Indicators

The Federal Reserve Bank of Richmond

Manufacturing Activity Softened Somewhat in January

"Fifth District manufacturing activity softened somewhat in January, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite index fell from 16 in December to 8 in January, due to declines in the indexes for new orders and employment. The third component in the composite index, the index for shipments, increased slightly to 14 in January from 12 in December. The backlog of orders index dropped considerably in January, while the index for vendor lead time remained high and inventories indexes remained near historic lows. Firms' perceptions about changes in local business conditions remained slightly negative; however, firms are optimistic about future conditions.

Reported hiring moderated in January as fewer manufacturing firms increased employment compared to December. Additionally, firms continued to report challenges finding the skills that they need. The wage index increased to 40, which is the second highest value on record. Firms expect wages to continue increasing, with the expected wage index remaining firmly in expansionary territory.

The average growth rate of prices paid and prices received by survey participants increased in January." – Jeannette Plamp, Economic Analyst, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 1/25/22

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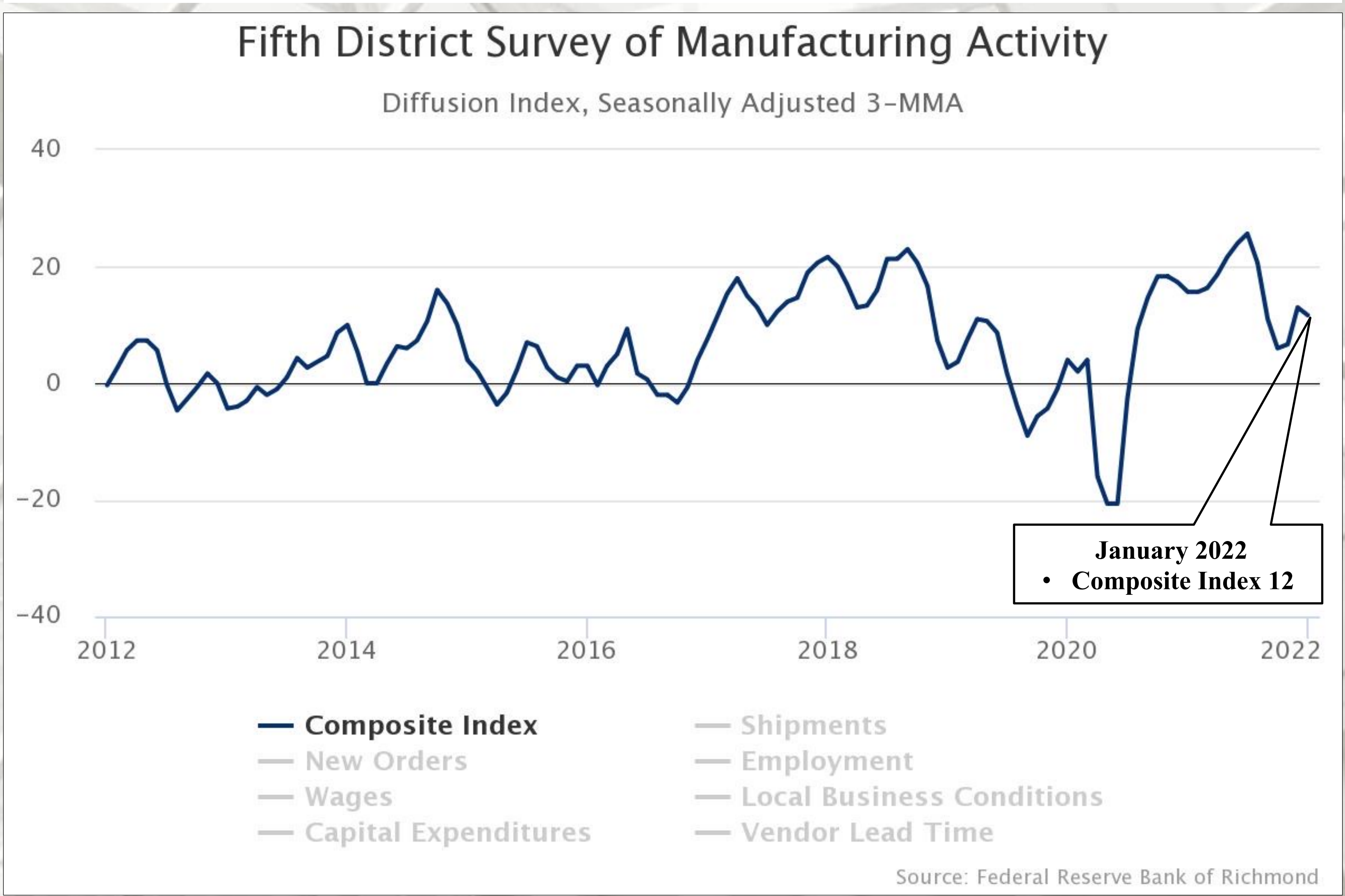
U.S. Economic Indicators



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 1/25/22

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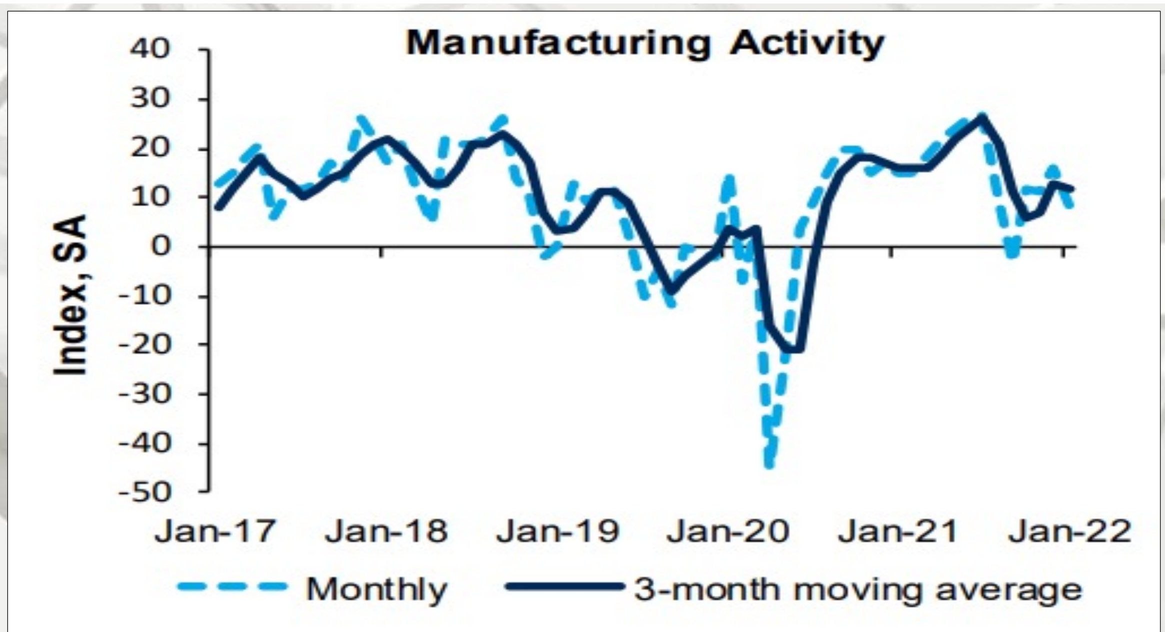
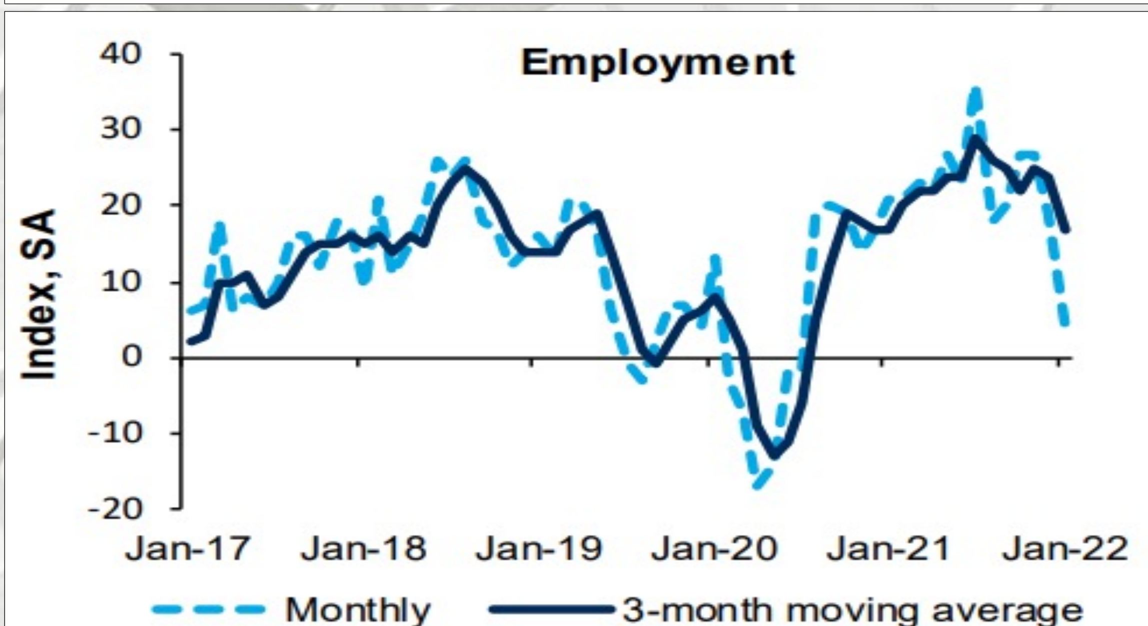
U.S. Economic Indicators





Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 1/25/22

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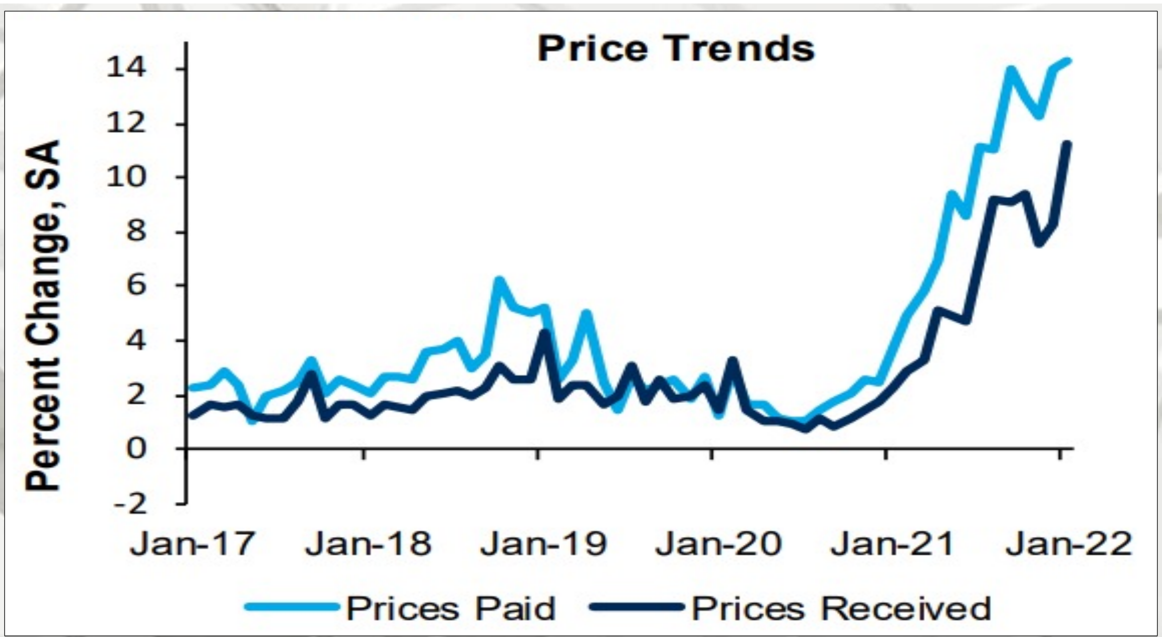
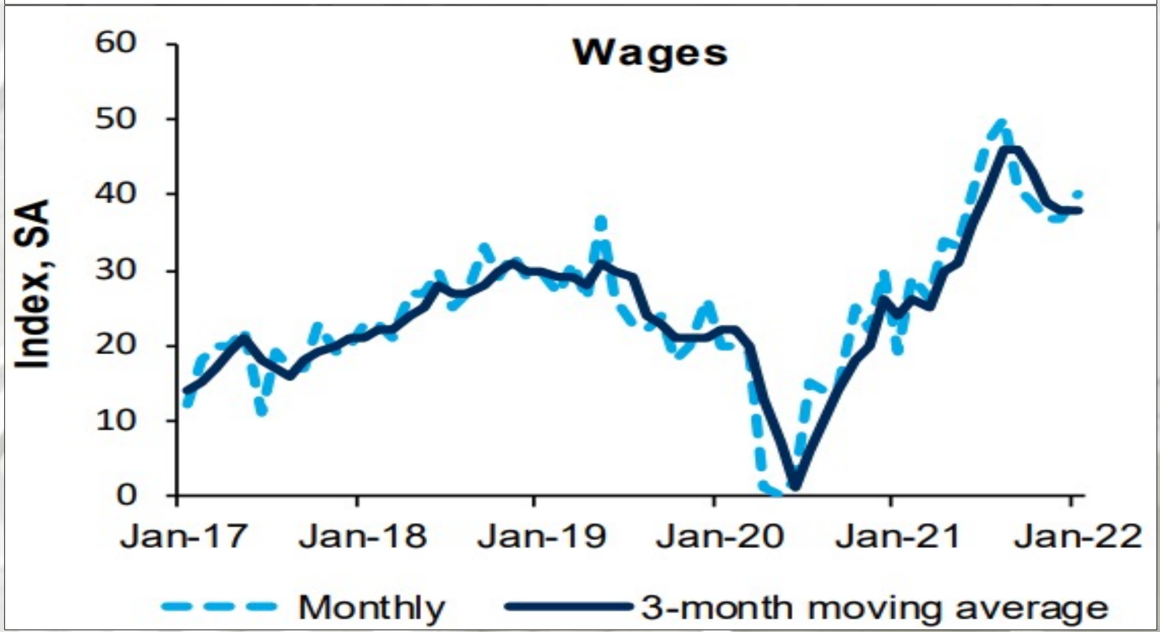
U.S. Economic Indicators





Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 1/25/22

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U.S. Economic Indicators

The Federal Reserve Bank of Richmond

Fifth District Survey of Service Sector Activity

Service Sector Activity Moderated in January

"Fifth District service sector activity moderated in January, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenue index declined from 12 in December to 4 in January. The demand index increased to 26 from 21 in December. Our indexes for business spending – capital expenditures, services expenditures, and equipment and software spending – declined in January but remained in expansionary territory. More firms reported deteriorating local business conditions this month than in December. However, firms are optimistic about future business conditions as our expected local business conditions index increased to 29.

There was little change in hiring reported in January, as our index nudged down slightly to 12 from 14 in December. Wages remained firmly in growth territory at an index value of 41, and firms expect to continue increasing wages in the next six months as the index for expected wages was 68 in January. Firms continued to report trouble finding workers with the necessary skills and don't expect the difficulty to ease in the near term.

The average growth rate of prices paid and priced received by survey participants declined in January, with the decline in prices received outpacing prices paid. The growth of prices paid over the next 12 months is expected to moderate, while growth in prices received is expected to increase slightly." – Roisin McCord, Economic Analyst, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 1/25/22

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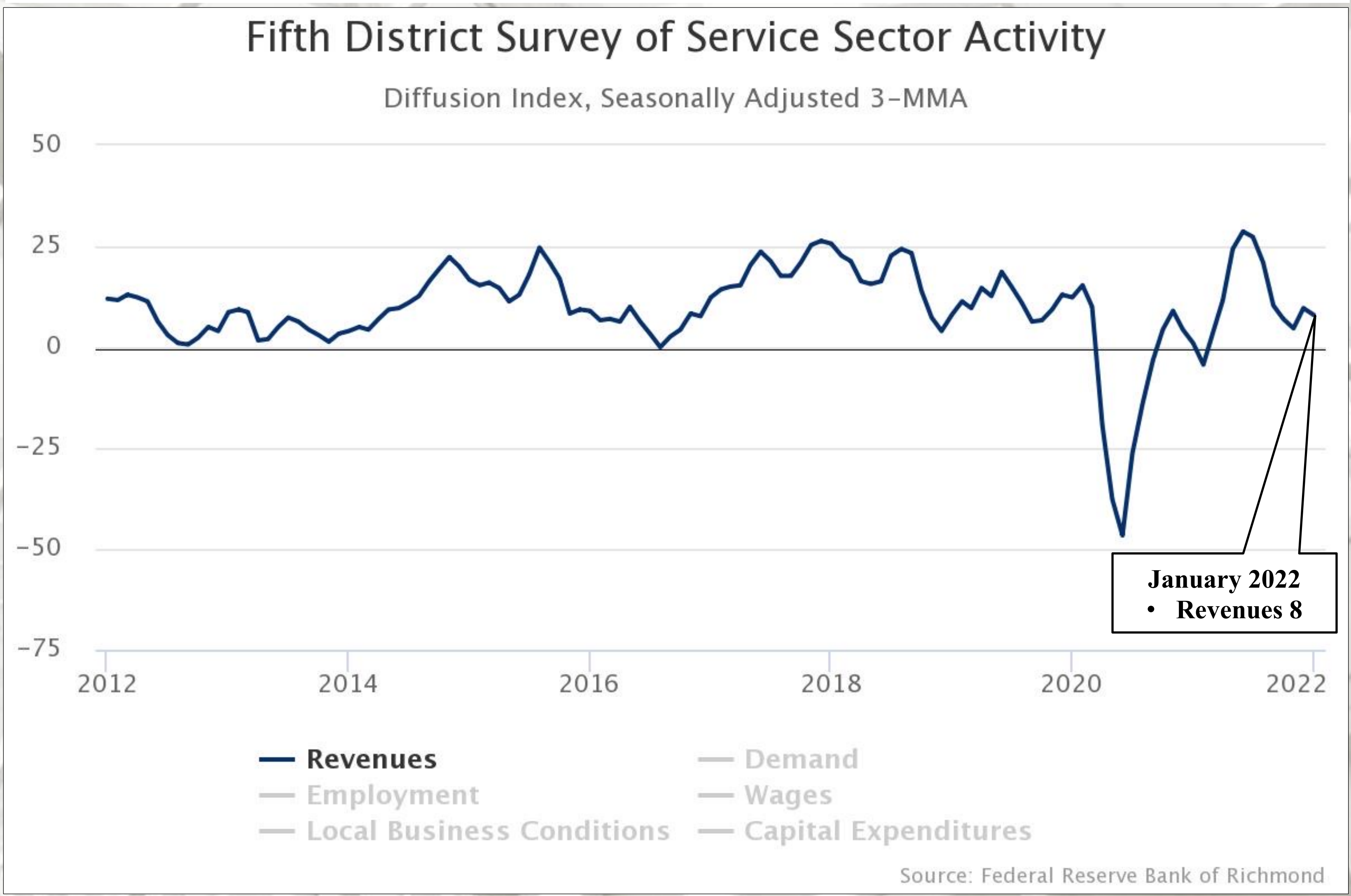
U.S. Economic Indicators



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 1/25/22

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U.S. Global Economic Indicators

The Federal Reserve Bank of Dallas

México Economic Update

México's Economy Contracts at End of 2021

México's GDP contracted an annualized 0.4 percent in fourth quarter 2021 after falling 1.7 percent in the third quarter, resulting in a preliminary estimate of 1.6 percent for 2021 GDP growth (fourth quarter/fourth quarter). The consensus forecast for GDP growth in 2022, compiled by Banco de México, ticked up from 2.5 percent in December to 2.6 percent in January (fourth quarter/fourth quarter).

The latest data available show that exports, retail sales and employment grew, while industrial production was largely unchanged. The peso recovered some in January, while inflation remained elevated, prompting the central bank to further raise the policy rate.

As in the rest of the world, new COVID-19 cases in México rose strongly in recent months. In January, the number of new infections was more than double its previous peak in mid-August. New cases per day have started to decline in recent weeks but remain elevated. The vaccination rate has improved to encompass 60 percent of the population.

Output Falls in Fourth Quarter

According to preliminary estimates, México's fourth-quarter GDP fell 0.4 percent, largely due to a contraction in service sector output, which represents 62 percent of the economy (*Chart 1*). The goods-producing sector (manufacturing, construction, utilities and mining) grew 0.4 percent, but output from service-related activities (wholesale and retail trade, transportation and business services) contracted 0.7 percent. Agriculture increased 0.3 percent in the fourth quarter. …" – Jesus Cañas, Senior Business Economist, and Juliette Coia, Research Analyst; Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2022/2201.aspx; 2/10/22

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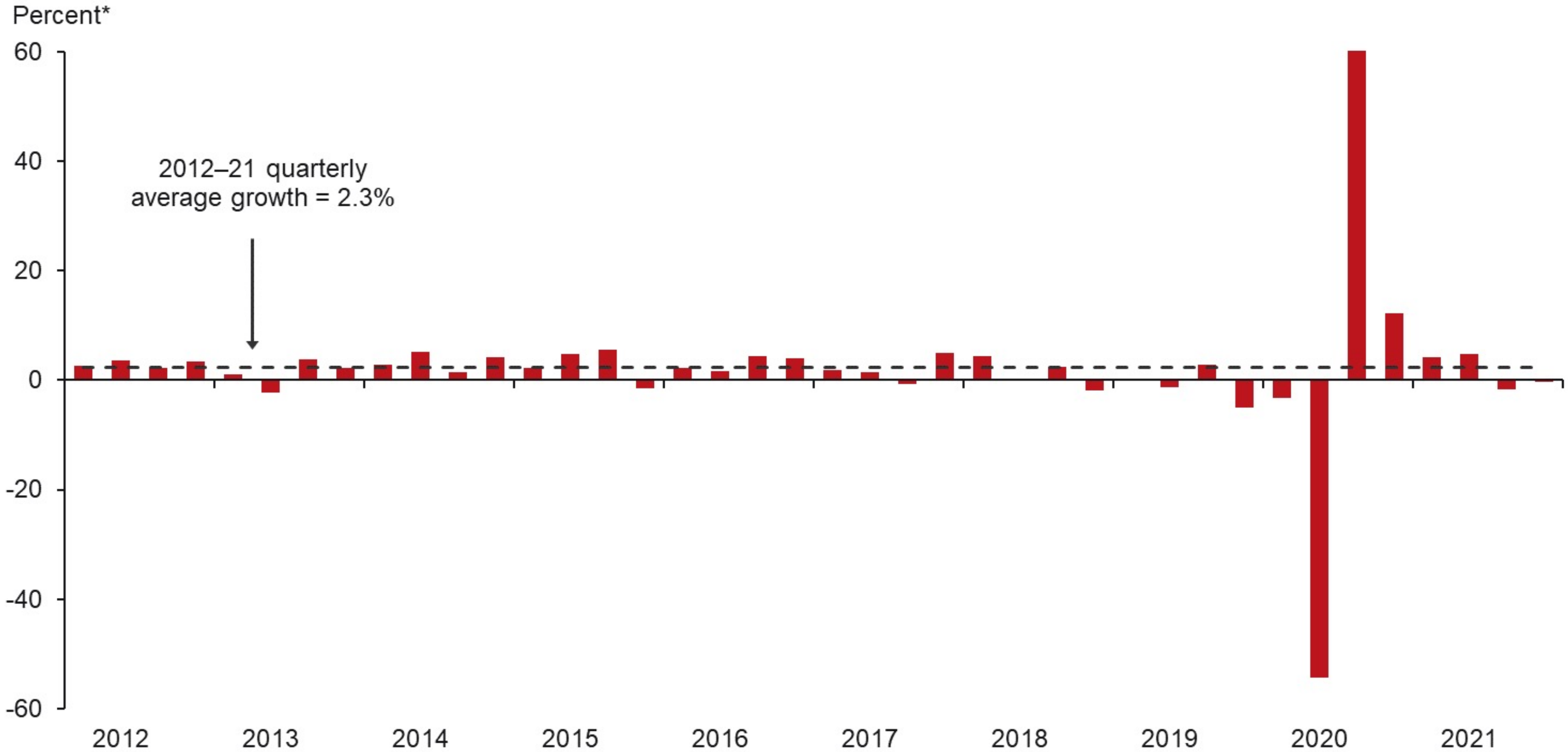
U.S. Global Economic Indicators

Chart 1
GDP Growth Falls for Second Consecutive Quarter



*Quarter/quarter, real pesos; seasonally adjusted, annualized rate.
NOTE: Data are through fourth quarter 2021.
SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

Source: https://www.dallasfed.org/research/update/mex/2022/2201.aspx; 2/10/22

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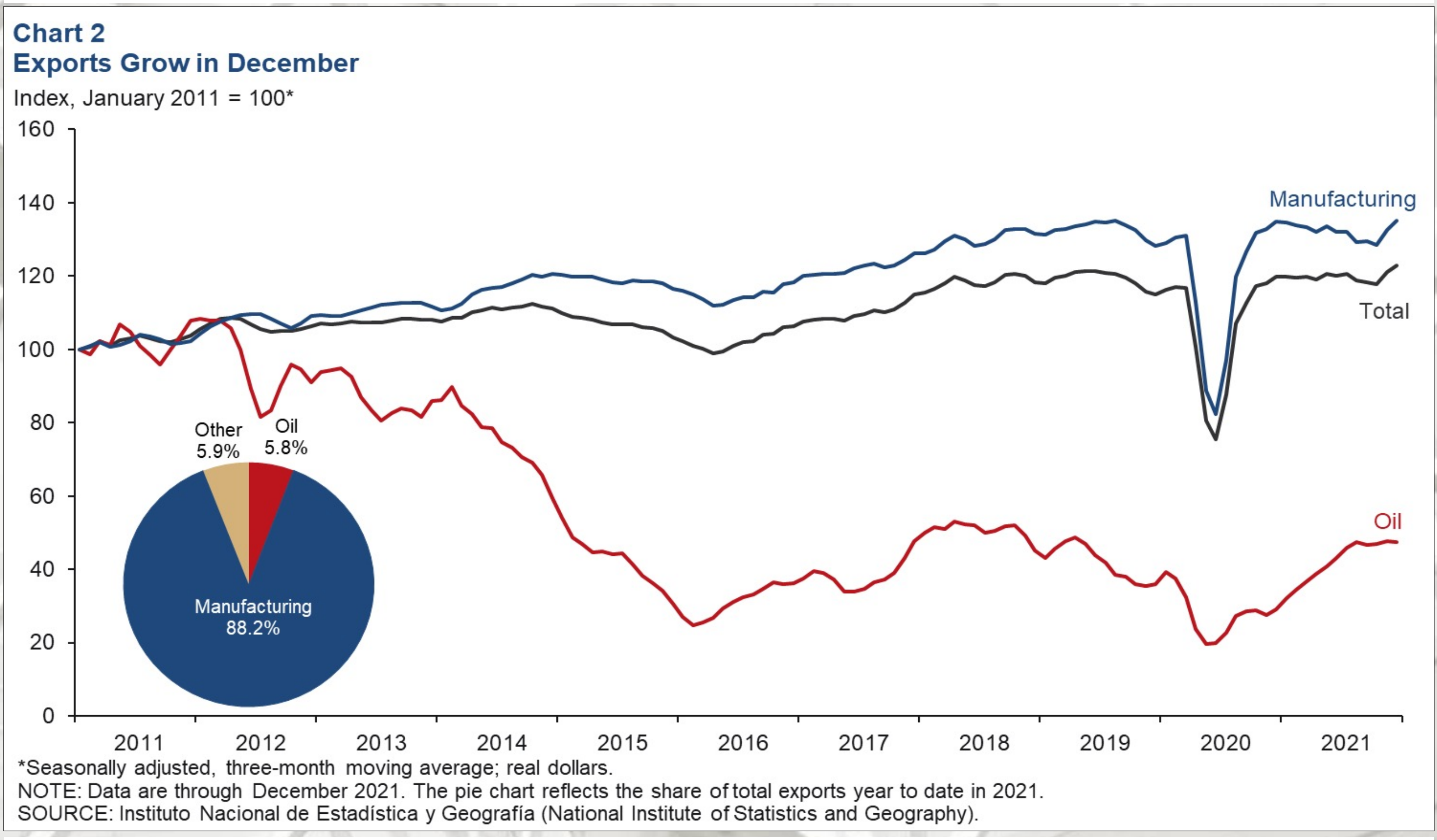
U.S. Global Economic Indicators



Exports Continue to Improve

The three-month moving average of total exports grew 1.6 percent in December as oil exports fell 0.8 percent, but the dominant manufacturing category increased 1.9 percent (*Chart 2*). On a month-over-month basis, total exports contracted 0.6 percent in December; oil exports fell 8.5 percent, and manufacturing exports were flat. México's total monthly exports in December were 14.9 percent higher than prepandemic levels in February 2020." – Jesus Cañas, Senior Business Economist, and Juliette Coia, Research Analyst; Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2022/2201.aspx; 2/10/22

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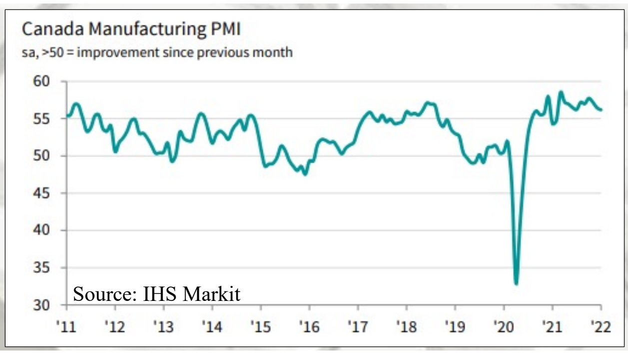
Private Indicators: Global



Markit Canada Manufacturing PMI™

"The headline seasonally adjusted IHS Markit Canada Manufacturing Purchasing Managers' Index® (PMI®) registered at 56.2 in January, down slightly from 56.5 in December. This signalled a sharp overall expansion, albeit the joint-weakest for 11 months. Growth has been seen in each month since July 2020.

Rising COVID-19 cases and material shortages weigh on output growth in January

Growth in Canada's manufacturing sector continued into the new year with operating conditions improving sharply in January. Output, new orders, purchases and employment all expanded while sentiment improved. However, delivery delays, port congestions and a rise in Omicron cases swept the nation. Vendor performance deteriorated sharply, resulting in poor input availability and weaker output growth. Disrupted supply chains paired with materials shortages continued to cause sharp price pressures. That said, both input and output price inflation moderated in January.

Central to the moderation was a slowdown in output growth. Output rose at the softest pace for over a year-and-a-half amid weak input availability and increased disruption from COVID-19. While output growth softened, domestic demand for Canadian manufactured goods accelerated during the start of the year. Panel comments suggested that despite the presence of virus related restrictions, demand remained strong. Similarly, sales to international markets rose – albeit at a slower pace in January.

Another robust improvement in operating conditions was recorded in Canada's manufacturing sector with the PMI at 56.2 at the start of the year. The headline figure reflected favourable demand conditions, rising employment levels and growth in inventories. Additionally, price pressures showed further signs of easing, with rates of output and input price inflation moderating to ten- and 11-months lows, respectively.

That said, COVID-19 yet again hit performance with output growth slowing notably. Tighter restrictions, among other issues, led to weak input availability and poor transportation conditions. Nevertheless, there is a further indication that restrictions will start to ease across the provinces in the months ahead. Fortunately, Canada boasts a high vaccination rate, which has allowed for growth to continue in the manufacturing sector despite a resurgence in cases." – Shreeya Patel, Economist, IHS Markit

Source: https://www.markiteconomics.com/Public/Home/PressRelease/819a4beb9ae248ce83036d8bf1ec1edf; 2/1/22

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Private Indicators: Global

Caixin China General Manufacturing PMI™

Manufacturing sector performance dampened by latest wave of COVID-19

"The headline seasonally adjusted *Purchasing Managers' Index™ (PMI™)* – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – fell from 50.9 in December to 49.1 in January. This signalled the second deterioration in overall business conditions in the past three months, though the rate of decline was only slight.

The recent uptick in COVID-19 cases in China, and subsequent round of fresh restrictions, weighed on manufacturing performance at the start of 2022. Companies registered renewed falls in output and new orders during January, though in both cases rates of reduction were only modest. New export business meanwhile fell at the quickest pace since May 2020, and supply chain delays worsened. Average input prices rose at a slightly quicker, but modest rate. Prices charged meanwhile increased following a slight reduction in December. Manufacturers were confident that output would increase over the next 12 months, often due to forecasts that market conditions will strengthen as the pandemic is brought under control.

After rising in the prior two months, manufacturing production across China fell during January. Though modest, the rate of reduction was the quickest seen since last August, with a number of firms linking the fall to lower sales amid the recent uptick in COVID-19 cases both at home and overseas. Total new orders fell modestly at the start of the year, with weaker external demand a key factor weighing on overall sales. Moreover, new export orders fell at a solid pace that was the quickest seen since May 2020. Lower intakes of new work led to a renewed, albeit marginal fall in purchasing activity during January. Inventories at manufacturing companies also declined, with both stocks of inputs and finished items falling for the first time in three months.

The rise in COVID-19 cases and fresh restrictions to contain the virus contributed to a further deterioration in supplier performance. The rate at which average delivery times lengthened was the most marked for three months. " – Dr. Wang Zhe, Senior Economist, Caixin Insight Group

Source: https://www.markiteconomics.com/Public/Home/PressRelease/1f73eaf4a96d42f990ab6e69417e568a; 1/30/22

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Private Indicators: Global

Caixin China General Manufacturing PMI™

"As has been the case since August 2021, employment across China's manufacturing sector fell in January. Though modest, the rate of job shedding was the quickest seen since April 2020. Lower workforce numbers were often the result of company down-sizing and cost-cutting efforts, though there were also reports of difficulties finding staff to fill vacant roles.

Latest data indicated that overall capacity pressure eased, with backlogs of work falling for the first time in 11 months. The rate of depletion, though modest, was the quickest seen since July 2013. Although input prices rose at the fastest pace for three months, the rate of inflation was mild overall and much slower than that seen on average in 2021. Output prices rose at an identically mild pace, following a slight reduction in December.

Despite ongoing COVID-19 related disruption, manufacturers were highly upbeat regarding the 12-month outlook for output. Notably, the level the optimism strengthened from December, buoyed by forecasts of improving market conditions and reduced supply chain disruption once the pandemic recedes.

The Caixin China General Manufacturing PMI fell to 49.1 in January, down from 50.9 the previous month. The index slumped into negative territory for the fourth time since February 2020, with January's reading being the lowest in 23 months. Over the past month, there were Covid-19 flare-ups in several regions in China, underscoring the downward pressure on the economy.

Both supply and demand in the manufacturing sector weakened. Several regions tightened epidemic control measures following the resurgence, which impacted production and sales of manufactured goods. Both the subindexes for output and total new orders in January fell to their lowest since August. Overseas demand shrank at an even faster pace. The spread of the omicron variant of Covid-19 overseas dampened China's external demand, with the gauge for new export orders in January being the lowest in 20 months.

Pressure on the job market intensified. The measure for employment fell to its lowest since April 2020, marking its sixth straight month in contractionary territory. Because market demand was subdued, manufacturers reduced hiring to keep costs down. Meanwhile, some companies said they had trouble recruiting staff." – Dr. Wang Zhe, Senior Economist, Caixin Insight Group

Source: https://www.markiteconomics.com/Public/Home/PressRelease/1f73eaf4a96d42f990ab6e69417e568a; 1/30/22

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Private Indicators: Global

Caixin China General Manufacturing PMI™

"Both stocks and quantity of purchases fell due to subdued market demand. Logistics times lengthened. The gauges for the quantity of purchases, stocks of purchases and stocks of finished goods all fell into negative territory. Backlogs of work declined for the first time in 11 months. Meanwhile, due to tightening epidemic control measures, suppliers' delivery times got longer.

Inflationary pressure remained stable in January. The gauges for both manufacturers' input costs and output prices rose from the previous month — which was mainly because prices of some raw materials remained high — but the growth rates were stable. The gauges' January readings were well below their 2021 average.

Manufacturers retained a positive business outlook. The measure of future output expectations, remaining in positive territory, rose from the previous month. Surveyed companies said they were confident China will be able to get Covid under control and market demand and logistics will further recover.

Overall, manufacturing activity contracted in January. Supply shrank, and demand, especially external demand, was under pressure. Employment remained weak. Stocks and purchases of raw materials fell. Meanwhile, inflationary pressure eased, with the gauges of input costs and output prices remaining stable. The level of manufacturers' optimism held to its long-term average.

From December to January, the resurgence of Covid-19 in several regions including Xi'an and Beijing forced local governments to tighten epidemic control measures, which restricted production, transportation and sales of manufactured goods. It became more evident that China's economy is straining under the triple pressures of contracting demand, supply shocks and weakening expectations.

This year, policymakers should make stability their focus. They should prioritize improvements to employment and optimize the structure of the economy. The government should also enhance support for small and micro enterprises, lower the financing costs of businesses, enhance the predictability of policies and respond to market concerns in a timely manner." – Dr. Wang Zhe, Senior Economist, Caixin Insight Group

Source: https://www.markiteconomics.com/Public/Home/PressRelease/1f73eaf4a96d42f990ab6e69417e568a; 1/30/22

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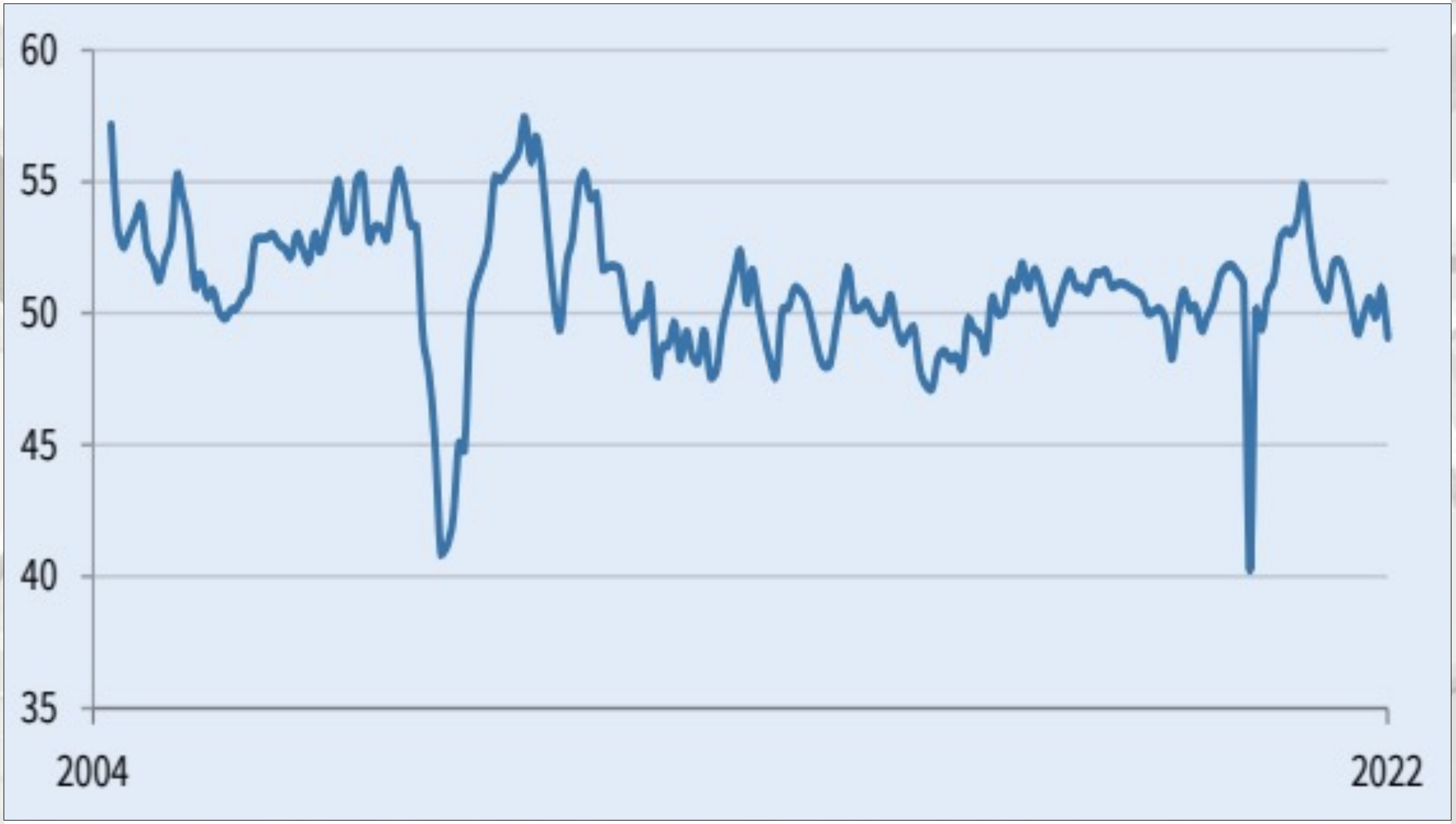
Private Indicators: Global

China General Manufacturing PMI



sa, > 50 = improvement since previous month
Sources: Caixin, IHS Markit

Source: https://www.markiteconomics.com/Public/Home/PressRelease/1f73eaf4a96d42f990ab6e69417e568a; 1/30/22

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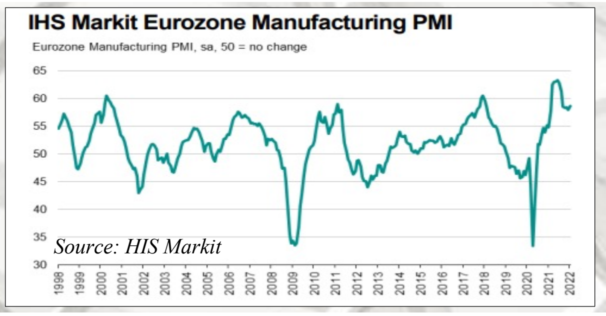
Private Indicators: Global



Markit Eurozone Manufacturing PMI®

"The IHS Markit Eurozone Manufacturing PMI® rose to 58.7 in January, up from 58.0 in December and its highest level since last August. Furthermore, the latest data was also indicative of stronger growth momentum after the headline index slumped to a ten-month low previously.

PMI rises to five-month high as manufacturers regain momentum

Latest IHS PMI® data showed the eurozone manufacturing sector regaining some momentum at the beginning of 2022, with production, new orders and employment all registering faster increases. Improvements on these fronts also came amid further tentative signs of supply chain issues starting to abate, as vendor performance deteriorated to the weakest extent in a year. The rate of input price inflation also eased, to the weakest in nine months, but factory gate charges were increased to the second-fastest extent in almost 20 years of data collection. …

Eurozone manufacturers appear to be weathering the Omicron storm better than prior COVID-19 waves so far, with firms reporting the largest production and order book improvements for four months in January. Prospects have also brightened, with a further easing in the number of supply chain delays playing a key role in prompting producers to revise up their expectations for growth in the coming year to the highest since last June. The improvement is by no means evenly spread across the eurozone, however, with resurgent growth in Germany, the Netherlands and Austria contrasting with slowdowns in Italy, Spain and Greece and near-stalled production in France.

Furthermore, although the number of supply delays has fallen from the peak last year, lead-times remain stretched for many critical inputs and for a wide variety of capital equipment, constraining output and resulting in sustained high price pressures. Average prices charged for goods leaving the factory gate rose at the second-highest rate in almost two decades, which points to inflation remaining elevated in coming months.

Escalating tensions surrounding Ukraine, the energy price crisis and prospect of global central bank policy tightening meanwhile create additional headwinds to the outlook, which suggest that – although the global supply crunch may be easing – demand conditions may be less supportive to manufacturers in coming months." – Chris Williamson, Chief Business Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/63e4c89a30364910a25a41cb12b4da57; 2/1/22

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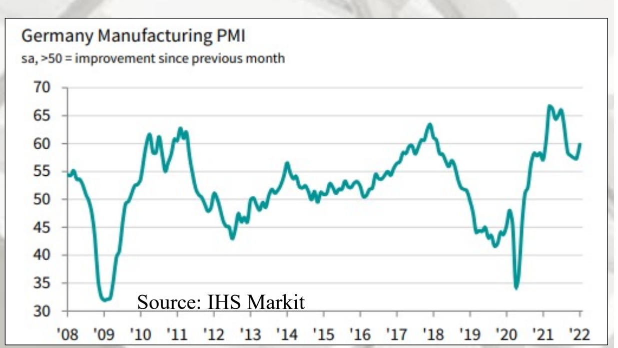
Private Indicators: Global



IHS Markit/BME
Germany Manufacturing PMI®

"At 57.4 in December, the headline IHS Markit/BME Germany Manufacturing PMI® – a weighted aggregate of measures of new orders, output, employment, suppliers' delivery times and stock of purchases – ticked up for first time in six months in January. The index registered at a five-month high of 59.8, following successive readings of 57.4 in November and December.

Manufacturing sector regains growth momentum at the start of 2022

Latest PMI® survey data showed an encouraging start to 2022 for the German manufacturing sector, with goods producers reporting faster increases in output, new orders and employment. Although supply chains remained stretched, there was a further easing of pressures on this front, which in turn contributed to a softening of cost inflation to a nine-month low. These developments were reflected in improved confidence among goods producers towards the year-ahead growth outlook. …

January saw output growth regain more momentum following a slowdown throughout much of the second half of 2021. The rise in output was the strongest for five-months, and coincided with signs of firmer demand and an easing in supply-side constraints. The German manufacturing sector started 2022 on the front foot, with the PMI showing a long-awaited upturn in performance following the slowdown throughout much of the second half of last year.

There were encouraging developments on multiple fronts in January, including a further easing of supply chain pressures and a slowdown in the rate of inflation of goods producers' costs to a nine-month low. Progress on the supply side is slow, however, and cost pressures remain stubbornly high by historical standards as a result, not helped by the recent surge in energy prices. Still, it was a much better month for factory production and new orders, which in turn strengthened manufacturers' willingness to take on new workers as job creation regained momentum to a six-month high.

Strong optimism has returned to the manufacturing sector, reflecting hopes that we'll see further improvements in demand and in the supply situation as 2022 progresses." – Phil Smith, Principal Economist, IHSMarkit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/efd6f7d06a2747b2918420995eac84f1; 2/1/22

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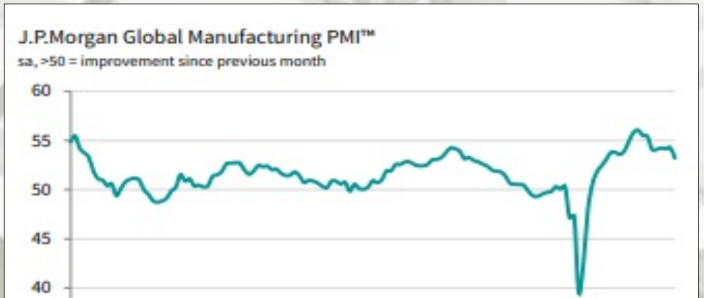
Private Indicators: Global



Sources: J.P. Morgan, IHS Markit

J.P. Morgan Global Manufacturing PMI™

"The J.P. Morgan Global Manufacturing PMI™ – a composite index produced by J.P. Morgan and IHS Markit in association with ISM and IFPSM – posted a 15-month low of 53.2 in January, down from December's five-month high of 54.3. The PMI has signalled growth for 19 successive months.

Global manufacturing output and new order growth slow at the start of 2022

The start of 2022 saw the rate of expansion in global manufacturing production ease to its weakest pace during the current 19-month upturn. The slowdown reflected weaker growth of incoming new work, declining international trade volumes, supply chain disruptions and rising COVID-19 infections (in part due to the Omicron variant). Global manufacturing production expanded at the slowest pace since the current upturn began in July 2020. Although expansions were again seen across the consumer, intermediate and investment goods industries, rates of growth decelerated in all three (as was also the case for trends in new work received).

The increase in new business was the weakest registered for one-and-a-half years, in part reflecting the drag of the first decrease in international trade volumes since August 2020. New export business contracted in both the consumer and intermediate goods sectors, more than offsetting a slight increase at investment goods producers. The outlook for global manufacturing nonetheless remained positive overall at the start of 2022. Manufacturers reported (on average) that they expect output to be higher one year from now, with the overall degree of optimism hitting a seven-month high. The forward-looking new orders-to-finished goods inventory ratio was also in line with its long-run average. …

The large drop in the January mfg output PMI to an expansion low of 51.4 is a disappointment and suggests the sector is seeing a drag. It is hard to decipher how much of the January weakness owes to demand vs. supply. One positive from the report is that the future output PMI increased last month suggesting the recent weakness is temporary. Regionally we saw pronounced weakness in the US and China PMI data" – Olya Borichevska, Global Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/cf935a11f8924311ac475a039bf10a7d; 2/1/22

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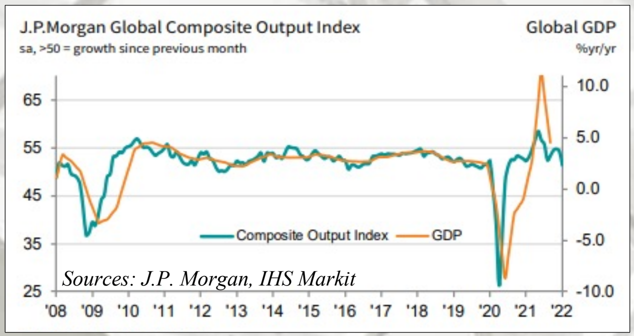
Private Indicators: Global



J.P. Morgan Global Composite PMI™

"The start of 2022 saw the rate of global economic expansion slow sharply to a one-and-a-half year low. At 51.4 in January, down from 54.3 in December, the J.P. Morgan Global Composite Output Index – produced by J.P. Morgan and IHS Markit in association with ISM and IFPSM – remained in growth territory for the nineteenth month in a row.

Global economic growth eases to one-and-a-half year low

The slowdown impacted both the manufacturing and services sub-sectors. Manufacturing output rose at the weakest pace during its current 19-month sequence of expansion. Service sector business activity increased to the lowest extent since July 2020. Of the six narrower sector definitions covered by the survey – consumer, intermediate and investment goods manufacturers and business, consumer and financial service providers – five registered output growth in January.

Consumer-facing companies were most affected by the slowdown. Consumer services activity contracted for the first time in nine months, while output growth at consumer goods manufacturers eased to near stagnation (and was the weakest performer among those industries seeing expansions). The remaining sub-sectors also all saw output rise at slower rates during the latest survey month. …

Demand growth remained sufficient to test capacity, however, as highlighted by a further increase in backlogs of work. Growth of new orders and outstanding business, alongside continued company confidence, encouraged further job creation during January. Employment rose for the seventeenth successive month, with growth registered in the US, the euro area, Japan, the UK, Brazil and Australia. Price inflation remained elevated in January. That said, the rate of increase in input costs eased to a five-month low. A reciprocal easing was not seen in the trend in output charges, however, which rose at the quickest pace in three months.

Today's news from the January global all-industry PMI is a large hit to the services sector. This is not surprising amid significant virus deterioration. One positive development from today's report is that the decline in new orders and future output was less than current output. Normally, this would suggest that the hit to output is short-lived. However, we think developments on the virus might be a better near-term guide." – Olya Borichevska, Global Economic Research, J.P. Morgan

Source: https://www.markiteconomics.com/Public/Home/PressRelease/c5a63156a6d64447bb113806c6b54798; 1/3/22

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Private Indicators
Associated Builders and Contractors

Nonresidential Construction Spending Declines in December

"National nonresidential construction spending fell 0.7% in December 2021, 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 $820.7 billion for the month.

Spending was down on a monthly basis in 11 of the 16 nonresidential subcategories. Private nonresidential spending was virtually unchanged, but public nonresidential construction spending declined 1.6% in December. Overall nonresidential construction spending was up 3.9% from a year ago. Residential construction spending rose 14.7% over that timespan.

"Much of the increase in nonresidential construction spending is attributable to inflationary pressures, not actual increases in physical output," said ABC Chief Economist Anirban Basu. "The fact that nonresidential spending was down in December despite rising labor costs and elevated materials prices does not bode well for near-term profitability.

"A few segments continue to create a disproportionate share of contractor opportunities," said Basu. "Among those are the commercial segment, which includes construction of fulfillment centers and manufacturing, a segment in which construction spending has expanded more than 30% during the past year. Residential construction also continues to be a hot spot in an environment characterized by scant inventory of unsold homes and rapidly rising rents, and the strength of multifamily construction is arguably one of the most surprising aspects of the economic recovery. Overall, contractors remain confident about the next six months, according to ABC's Construction Confidence Index." – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/entryid/19223/nonresidential-construction-spending-declines-in-december-says-abc; 2/1/22

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Private Indicators
Associated Builders and Contractors

Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate					
	December 2021	November 2021	December 2020	1-Month % Change	12-Month % Change
Total Construction	$1,639,864	$1,636,525	$1,504,188	0.2%	9.0%
Residential	$819,135	$810,106	$713,995	1.1%	14.7%
Nonresidential	$820,729	$826,419	$790,192	-0.7%	3.9%
Lodging	$17,979	$17,652	$23,984	1.9%	-25.0%
Amusement and recreation	$25,999	$25,825	$25,762	0.7%	0.9%
Office	$83,827	$83,484	$79,991	0.4%	4.8%
Highway and street	$104,257	$103,925	$102,812	0.3%	1.4%
Power	$115,026	$114,957	$106,826	0.1%	7.7%
Commercial	$94,808	$94,898	$81,144	-0.1%	16.8%
Communication	$21,962	$22,047	$21,937	-0.4%	0.1%
Water supply	$19,206	$19,359	$17,778	-0.8%	8.0%
Educational	$97,927	$98,947	$105,219	-1.0%	-6.9%
Religious	$3,122	$3,161	$3,379	-1.2%	-7.6%
Conservation and development	$7,921	$8,031	$7,969	-1.4%	-0.6%
Health care	$49,445	$50,158	$46,263	-1.4%	6.9%
Manufacturing	$86,414	$88,062	$66,229	-1.9%	30.5%
Transportation	$55,976	$57,261	$58,985	-2.2%	-5.1%
Sewage and waste disposal	$26,843	$27,930	$26,440	-3.9%	1.5%
Public safety	$10,017	$10,723	$15,475	-6.6%	-35.3%
Private Nonresidential	$482,570	$482,651	$442,157	0.0%	9.1%
Public Nonresidential	$338,159	$343,767	$348,035	-1.6%	-2.8%

Source: U.S. Census Bureau

Nonresidential Construction Spending Declines in December

"""Public construction was responsible for much of the weakness in December," said Basu. "The expectation among many is that, as infrastructure monies begin to flow, the second half of the year will be better than the first. It is possible that infrastructure dollars will not begin to forcefully affect the marketplace until 2023. Time will tell."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/entryid/19223/nonresidential-construction-spending-declines-in-december-says-abc; 2/1/22

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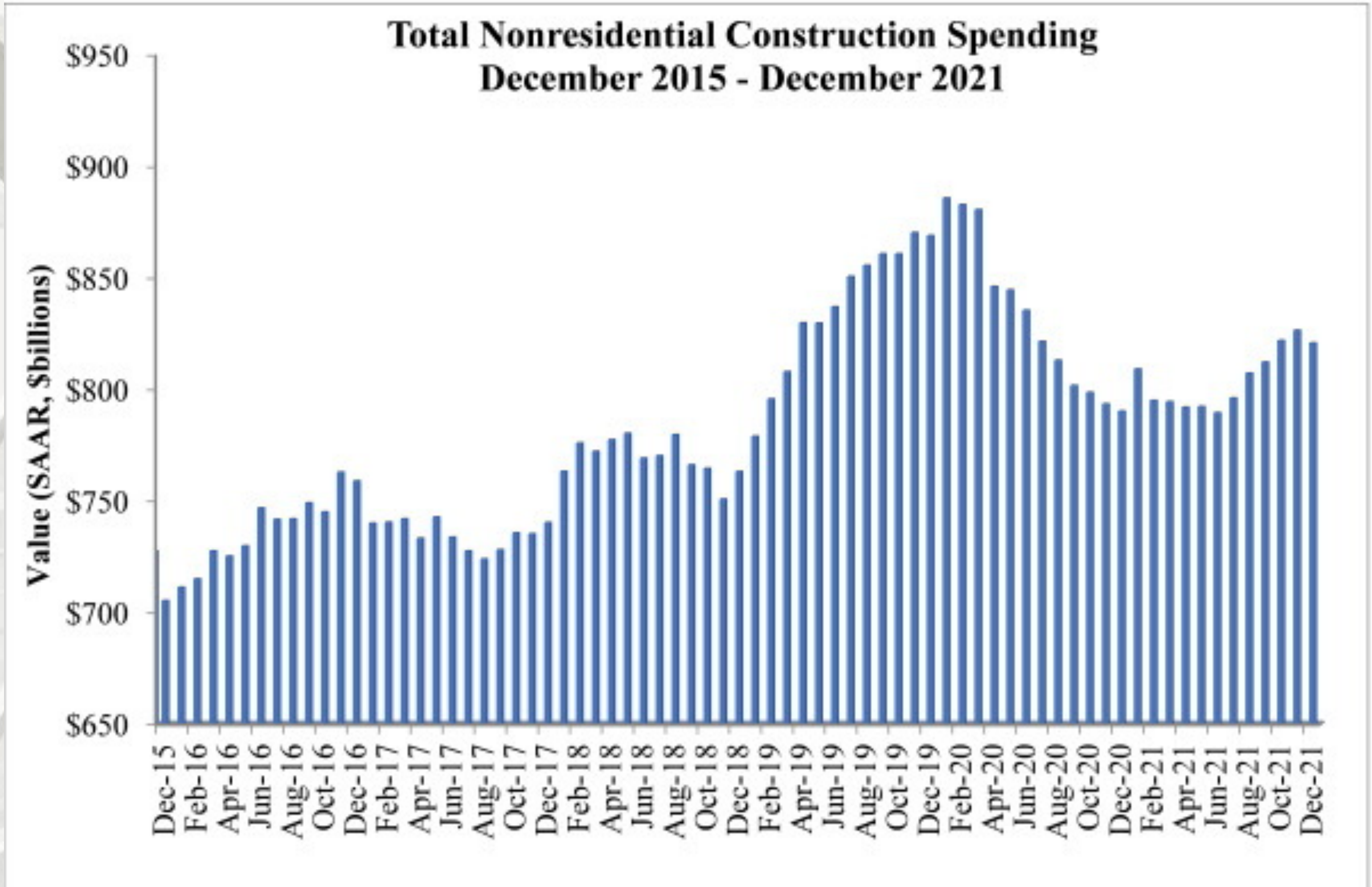
Private Indicators
Associated Builders and Contractors

Nonresidential Construction Spending Declines in December



Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/entryid/19223/nonresidential-construction-spending-declines-in-december-says-abc; 2/1/22

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Private Indicators
Associated Builders and Contractors

ABC's Construction Backlog Slips Again in January; Contractor Confidence Inches Lower

"Associated Builders and Contractors reported today that its Construction Backlog Indicator declined to 8.0 months in January, according to an ABC member survey conducted Jan. 20 to Feb. 4. The reading is down 0.2 months from December 2021, but up 0.5 months from January 2021.

ABC's Construction Confidence Index readings for sales, profit margins and staffing levels all inched lower in January. All three indices remain above the threshold of 50, indicating expectations of growth over the next six months.

View ABC's Construction Backlog Indicator and Construction Confidence Index tables for January 2022.

"Despite the omicron variant, ongoing supply chain issues, elevated energy and materials prices and rampant staffing shortages, the average nonresidential contractor remains upbeat," said ABC Chief Economist Anirban Basu. "Perhaps the most remarkable aspect of the survey findings is the expectation that industry profit margins will expand during coming months, implying that contractors expect to pass along enough price increases to project owners to countervail the rising costs of construction service delivery.

"The last two months have indicated declining backlog, but the dips are not cause for particular concern," said Basu. "Declining backlog indicates that some projects are postponed or canceled in response to rising costs and/or extended delivery timelines. The principal challenge for contractors remains a lack of sufficiently skilled labor, a structural issue that will not go away soon and a circumstance contractors have dealt with for years. The situation is likely to deteriorate further as federal infrastructure dollars begin affecting the economy more forcefully in the near future."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/entryid/19238/abc-s-construction-backlog-slips-again-in-january-contractor-confidence-inches-lower; 2/15/22

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Private Indicators
Associated Builders and Contractors

Construction Backlog Indicator

	Jan. 2022	Dec. 2021	Jan. 2021	1-Month Net Change	12-Month Net Change
Total	**8.0**	**8.2**	**7.5**	**-0.2**	**0.5**
Industry					
Commercial & Institutional	8.2	8.5	7.7	-0.3	0.5
Heavy Industrial	7.6	7.7	6.5	-0.1	1.1
Infrastructure	8.7	7.3	7.0	1.4	1.7
Region					
Middle States	7.4	8.2	5.9	-0.8	1.5
Northeast	7.1	7.5	8.1	-0.4	-1.0
South	9.8	9.0	8.0	0.8	1.8
West	7.4	8.4	8.0	-1.0	-0.6
Company Size					
<$30 Million	7.4	7.6	6.6	-0.2	0.8
$30-$50 Million	7.7	8.7	7.9	-1.0	-0.2
$50-$100 Million	12.4	11.3	8.8	1.1	3.6
>$100 Million	11.9	10.7	12.4	1.2	-0.5

Source: https://www.abc.org/News-Media/News-Releases/entryid/19238/abc-s-construction-backlog-slips-again-in-january-contractor-confidence-inches-lower; 2/15/22

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Private Indicators
Associated Builders and Contractors

Construction Confidence Index

Response	January 2022	December 2021	January 2021
	CCI Reading		
Sales	66.2	66.3	58.4
Profit Margins	56.9	57.4	47.5
Staffing	63.9	64.6	58.1
	Sales Expectations		
Up Big	11.1%	11.5%	8.4%
Up Small	55.3%	53.6%	47.8%
No Change	21.2%	25.1%	19.9%
Down Small	12.5%	8.2%	16.8%
Down Big	0.0%	1.6%	7.1%
	Profit Margin Expectations		
Up Big	2.9%	2.7%	2.2%
Up Small	45.7%	45.4%	28.8%
No Change	30.8%	33.3%	34.5%
Down Small	17.3%	15.8%	25.7%
Down Big	3.4%	2.7%	8.8%
	Staffing Level Expectations		
Up Big	7.7%	7.7%	3.5%
Up Small	51.9%	53.0%	45.1%
No Change	30.8%	31.1%	35.8%
Down Small	7.7%	6.6%	11.1%
Down Big	1.9%	1.6%	4.4%

Source: https://www.abc.org/News-Media/News-Releases/entryid/19238/abc-s-construction-backlog-slips-again-in-january-contractor-confidence-inches-lower; 2/15/22

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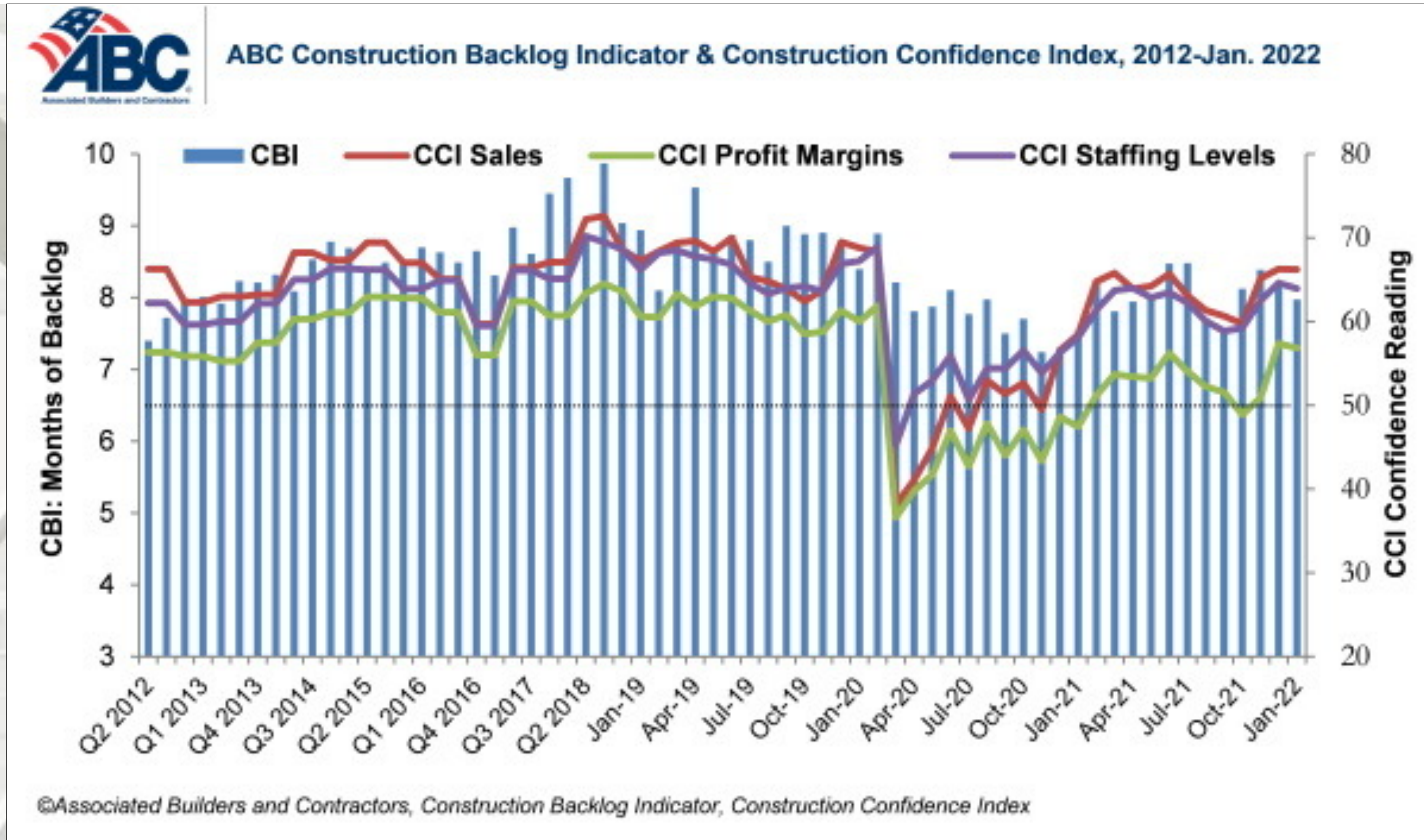
Private Indicators
Associated Builders and Contractors



Source: https://www.abc.org/News-Media/News-Releases/entryid/19238/abc-s-construction-backlog-slips-again-in-january-contractor-confidence-inches-lower; 2/15/22

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Private Indicators
American Institute of Architects (AIA)

Architecture Billings Index December 2021

Business conditions at architecture firms end the year on a strong note

"Business conditions at architecture firms ended 2021 on a high note, with an Architecture Billings Index (ABI) score of 52.0 in December (any score over 50 indicates billings growth). Firm billings increased every month of the year except for January, as most firms experienced a strong rebound from the 2020 downturn. And despite a variety of concerns related to the omicron variant; prices/availability of construction materials; and labor shortages, firms also continued to report a robust supply of work in the pipeline, with inquiries into new work and the value of new design contracts both remaining strong, and backlogs remaining near the highest levels ever reported since we started collecting this data in 2010, at an average of 6.5 months. However, conditions were more variable by both region of the country and firm specialization in December. There is always some softness in firm billings at the end of the year, due to the holiday season and colder weather, but seasonal adjustment of the data typically smooths much of that out. But because of that, it is too early to say whether this is just a seasonal blip, or the start of a more concerning trend." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

"The 8-month streak in elevated billings scores seems to be winding down for this cycle. Ongoing external challenges like labor shortages, supply chain disruptions, spiking inflation, and prospects for rising interest rates will likely continue to slow the growth in firm billings in the coming months. Since demand for design projects has been healthy over the last year, recruiting architectural staff to keep up with project workloads has been a growing concern for firms. Architecture is one of the few industries where payrolls have already surpassed their pre-pandemic high, meeting future staffing needs is a challenge that most firms will need to confront." – Kermit Baker, Chief Economist, AIA

Source: https://www.aia.org/pages/6462667-abi-December-2021-most-architecture-firms-; 1/19/22

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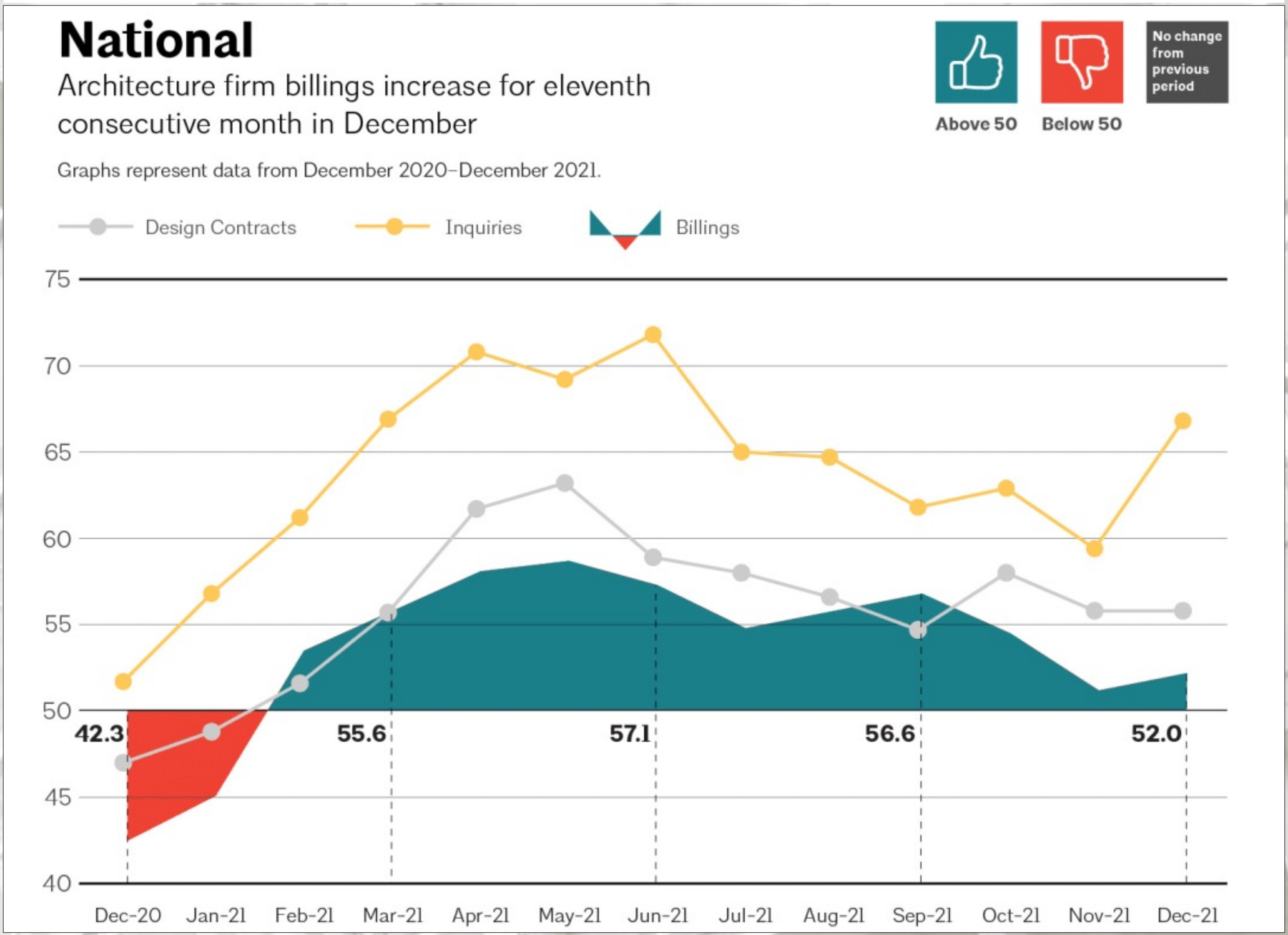
Private Indicators
American Institute of Architects (AIA)



Source: https://www.aia.org/pages/6462667-abi-December-2021-most-architecture-firms-; 1/19/22

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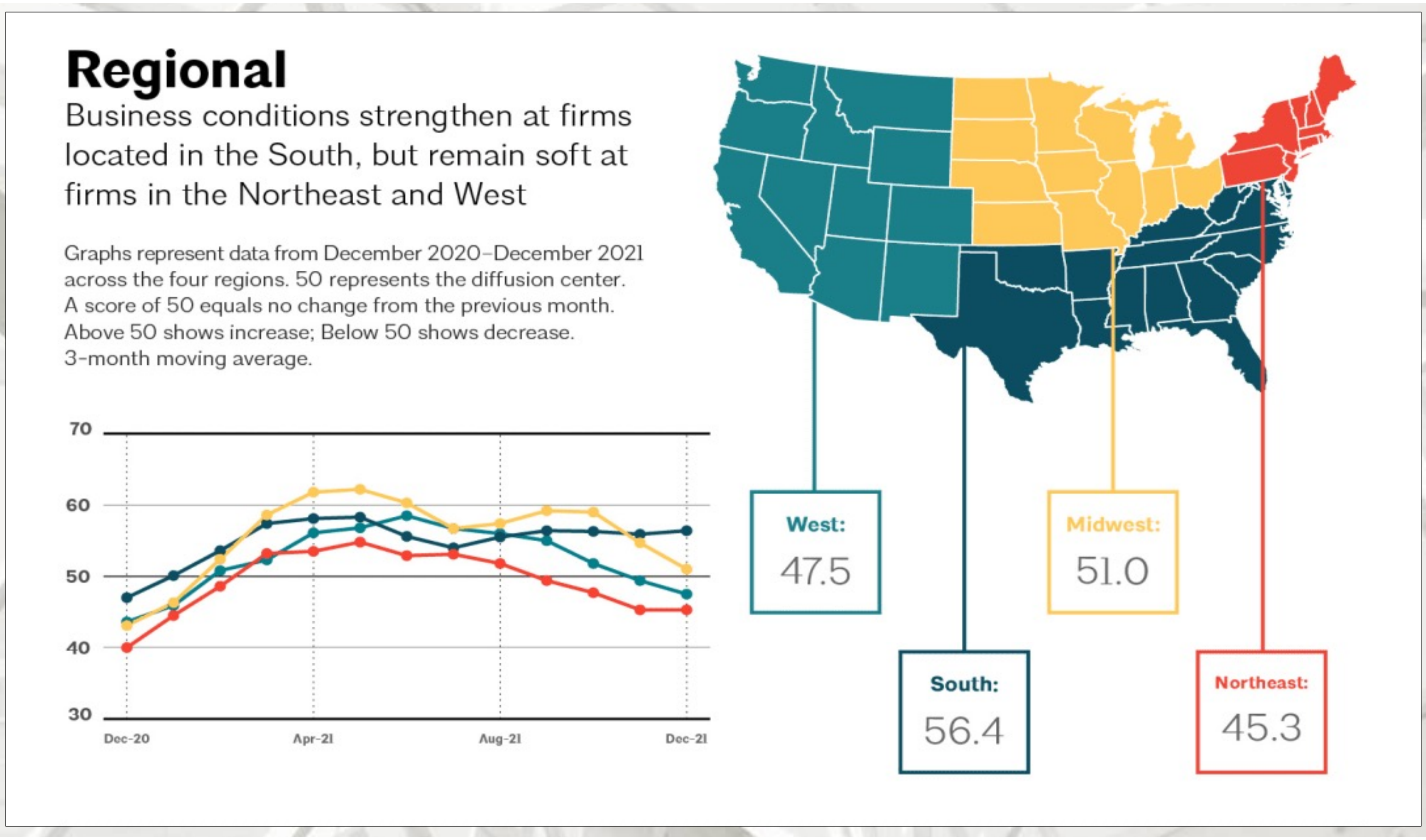
Private Indicators: AIA



Region

"Firms located in the Northeast experienced their fourth consecutive month of declining billings, while firms located in the West saw billings decrease for the second month in a row. Firms located in the Midwest and South continued to report an increase in billings, but the pace of growth has slowed substantially at firms in the Midwest in recent months. Only firms located in the South have continued to report a consistently high level of billings recently." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/pages/6462667-abi-December-2021-most-architecture-firms-; 1/19/22

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Private Indicators: AIA

Sector

"However, firms of all specialization reported a decline in firm billings in December, with only those with a mixed specialization (defined as those firms not having at least 50% of their billings in one of the other three categories: multifamily residential, commercial/industrial, or institutional) experiencing growth. Even firms with a multifamily residential specialization experienced a decline in billings for the first time in nearly a year, while firms with an institutional specialization reported their second straight month of softness." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

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Private Indicators

Dodge Data & Analytics

Total Construction Falls Sharply In December

Absence of large projects pushes nonresidential starts lower; underlying trend remains positive

“Total construction starts fell 14% in December to a seasonally adjusted annual rate of $867.8 billion, according to Dodge Construction Network. Nonbuilding and nonresidential building starts bore the brunt of the decline, falling 30% and 21% respectively after seeing sharp increases in October as three large projects broke ground. Residential starts gained a modest 3%. Without October’s large projects, total construction starts in December would have increased by 5%.

“Large projects aside, the underlying trend continues to point to a modest recovery in construction starts,” stated Richard Branch, chief economist for Dodge Construction Network. “However, even as projects continue to move forward, the short-term outlook remains cloudy due to continued escalation in material prices and labor shortages. While construction should see some reprieve in 2022, these challenges will restrain the industry’s ability to fully capitalize on both the large number of projects in planning and funding resulting from the infrastructure package. The result will be moderate growth in construction starts over the near-term.”” – Nicole Sullivan, Public Relations & Social Media, AFFECT

Source: https://www.construction.com/news/Total-Construction-Falls-Sharply-In-December-2021; 12/16/21

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Private Indicators

Dodge Data & Analytics

"**Residential building starts** rose 3% in December to a seasonally adjusted annual rate of $398.6 billion. Multifamily starts moved 16% higher, while single family starts slipped 2%. Through the first 11 months of 2021, residential starts were up 20% over the same period one year ago. Single family starts gained 20%, and multifamily start rose 23%.

The largest multifamily structures to break ground in December were the $300 million first phase of the High St. Atlanta mixed-use projects in Dunwoody, GA, the $237 million North Loop Green 3 Project in Minneapolis, MN, and the $200 million 60 Kilmarnock St. residential building in Boston, MA.

Regionally, total construction starts improved in the Northeast and Midwest regions but fell in the South Atlantic, South Central, and West regions.

Nonresidential building starts lost 21% in December, falling to a seasonally adjusted annual rate of $281.1 billion. This decline is due to the start of two large manufacturing projects beginning in the previous month. Without these two projects in the data, nonresidential building projects would have increased 5% in December. In December, commercial building starts fell 10%, with only parking structures and warehouses showing small gains. Manufacturing fell by a sharp 96%. Institutional starts, by contrast, gained 28%, with all categories rising. In the first 11 months of 2021, nonresidential building starts were 11% higher. Commercial starts increased 7%, manufacturing starts were 86% higher, and institutional starts were up 5%. …" – Richard Branch, Chief Economist, Dodge Data & Analytics

Source: https://www.construction.com/news/Total-Construction-Falls-Sharply-In-December-2021; 12/16/21

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Private Indicators

MONTHLY CONSTRUCTION STARTS

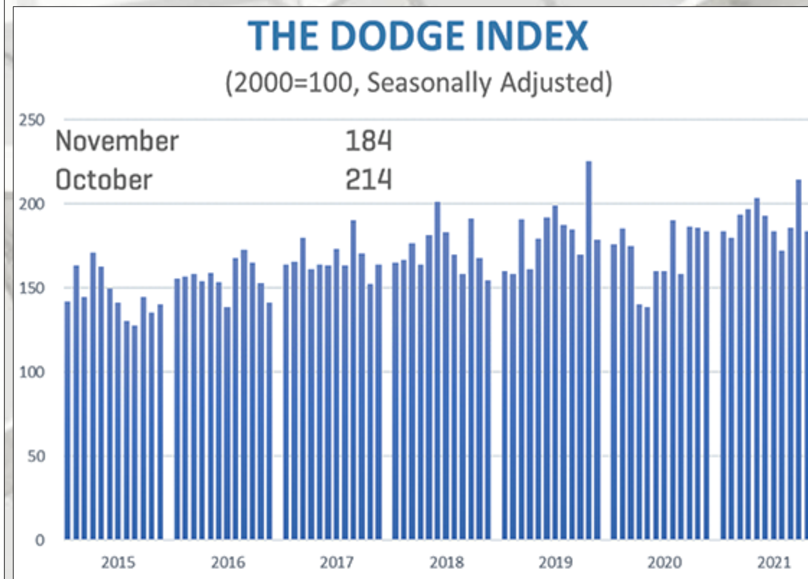
(Millions of Dollars, Seasonally Adjusted Annual Rate)

	Nov 2021	Oct 2021	% Change
Nonresidential Building	$281,090	$355,335	-21
Residential Building	398,570	388,386	3
Nonbuilding Construction	188,140	268,532	-30
Total Construction	$867,800	$1,012,253	-14

YEAR-TO-DATE CONSTRUCTION STARTS

Unadjusted Totals, in Millions of Dollars

	11 Mos. 2021	11 Mos. 2020	% Change
Nonresidential Building	$261,969	$235,997	11
Residential Building	386,086	320,518	20
Nonbuilding Construction	180,649	178,101	1
Total Construction	$828,704	$734,616	13



Source: Dodge Data & Analytics

Source: https://www.construction.com/news/Total-Construction-Falls-Sharply-In-December-2021; 12/16/21

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Private Indicators

MNI Chicago

"The Chicago Business Barometer™, produced with MNI, rose to 63.1 in December, picking up again after last month's decline. Inventories hit a four-year high as firms created buffers for longer lead times. Among the main five indicators, Production and New Orders and were higher. Order Backlogs, Employment and Supplier Deliveries fell across the month.

Chicago Business Barometer™ – Rose to 63.1 in December

In December, Production continued to increase, rising modestly by 0.4 point to the highest reading since July 2021. Employment dipped again for the second month in a row, dropping 7.0 points to the lowest since June 2021. Firms stated that finding new hires to fill empty positions is challenging.

After the sharp December fall, New Orders recovered almost to October's level, picking up 8.2 points to stand at 66.5. Supplier Deliveries dropped through December to 80.5, with firms again reporting port congestion and trucking issues. Deliveries were slow, due to labour and raw material shortages.

Order Backlogs dropped 5.2 points to the lowest reading this year. Inventories rose for the third consecutive month, rising 3.0 points to 62.7. Firms expressed the importance of stocking up due to persistent supply chain disruptions. Prices Paid dropped 4.2 points to a seven-month low of 89.6 in December. This is still above the 12-month average of 88.0, as shortages of certain materials led to inflated costs.

This month we asked firms what they anticipated was "the biggest challenge to executing plans for the holiday season?" The largest share (36.4%) said global shortages, followed by logistics (25.0%) and staff shortages (22.7%). " – Les Commons, Senior Economist and Irene Prihoda, Economist, MNI Indicators

Source: https://www.ism-chicago.org/index.cfm; 12/30/21

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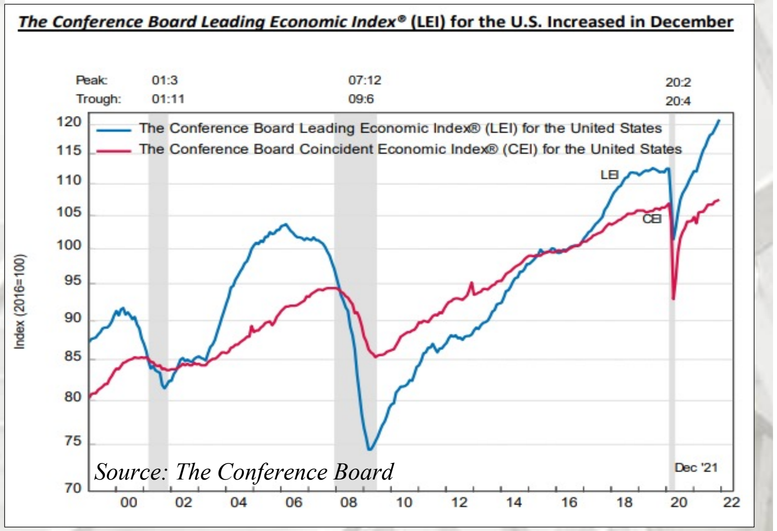
Private Indicators

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

"**The Conference Board Leading Economic Index®** (LEI) for the U.S. increased by 0.8 percent in December to 120.8 (2016 = 100), following a 0.7 percent increase in November and a 0.7 percent increase in October."

U.S. Composite Economic Indexes (2016 = 110)



"The U.S. LEI ended 2021 on a rising trajectory, suggesting the economy will continue to expand well into the spring. For the first quarter, headwinds from the Omicron variant, labor shortages, and inflationary pressures – as well as the Federal Reserve's expected interest rate hikes – may moderate economic growth. The Conference Board forecasts GDP growth for Q1 2022 to slow to a relatively healthy 2.2 percent (annualized). Still, for all of 2022, we forecast the US economy will expand by a robust 3.5 percent – well above the pre-pandemic trend growth." – Ataman Ozyildirim, Senior Director of Economic Research, The Conference Board

"**The Conference Board Coincident Economic Index®** (CEI) for the U.S. increased by 0.2 percent in December to 107.4 (2016 = 100), following a 0.1 percent increase in November and a 0.5 percent increase in October.

The Conference Board Lagging Economic Index® (LAG) for the U.S. decreased by 0.2[C] percent in December to 109.4 (2016 = 100), following a 0.1 percent increase in November and a 0.3[C] percent increase in October."

[C] – Corrected

Source: https://www.conference-board.org/data/bcicountry.cfm; 1/20/22

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Private Indicators

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

December New Business Volume Down 3 Percent Year-over-year, Up 49 Percent Month-to-month, and Up Almost 9 Percent at Year-End

"The **Equipment Leasing and Finance Association's** (ELFA) **Monthly Leasing and Finance Index (MLFI-25)**, which reports economic activity from 25 companies representing a cross section of the $900 billion equipment finance sector, showed their overall new business volume for December was $11.8 billion, down 3 percent year-over-year from new business volume in December 2020. Volume was up 49 percent month-to-month from $7.9 billion in November in a typical end-of-year spike. Cumulative new business volume for 2021 was up almost 9 percent compared to 2020.

Receivables over 30 days were 2.0 percent, down from 2.2 percent the previous month and down from 2.2 percent in the same period in 2020. Charge-offs were 0.25 percent, up from 0.20 percent the previous month and down from 0.59 percent in the year-earlier period.

Credit approvals totaled 78.6 percent, up from 77.2 percent in November. Total headcount for equipment finance companies was down 7.9 percent year-over-year, a decrease due to significant downsizing at an MLFI reporting company.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in January is 63.9, unchanged from the December index." – Amy Vogt, Vice President, Communications and Marketing, ELFA

"The association's Q4 MLFI-25 equipment finance industry metrics show responding organizations reporting robust growth in new business activity as well as healthy portfolios, indicative of another solid year. Cumulative 2021 originations grew about 9 percent when compared to 2020, the first year impacted by the COVID-19 pandemic. Businesses in many industry sectors grew and expanded during the past 12 months, reflecting a favorable low interest rate environment, healthy corporate earnings and strong balance sheets. The outlook for the industry, and indeed overall economy, is somewhat cloudy, with unabated inflation, the Fed poised to increase interest rates, equities markets in a recent tailspin, and the Omicron variant remaining a concerning health factor in the U.S." – Ralph Petta, President and CEO, ELFA

Source: https://www.elfaonline.org/news/press-room/press-releases/details/2022/01/26/equipment-leasing-and-finance-association-s-survey-of-economic-activity-monthly-leasing-and-finance-index; 1/26/22

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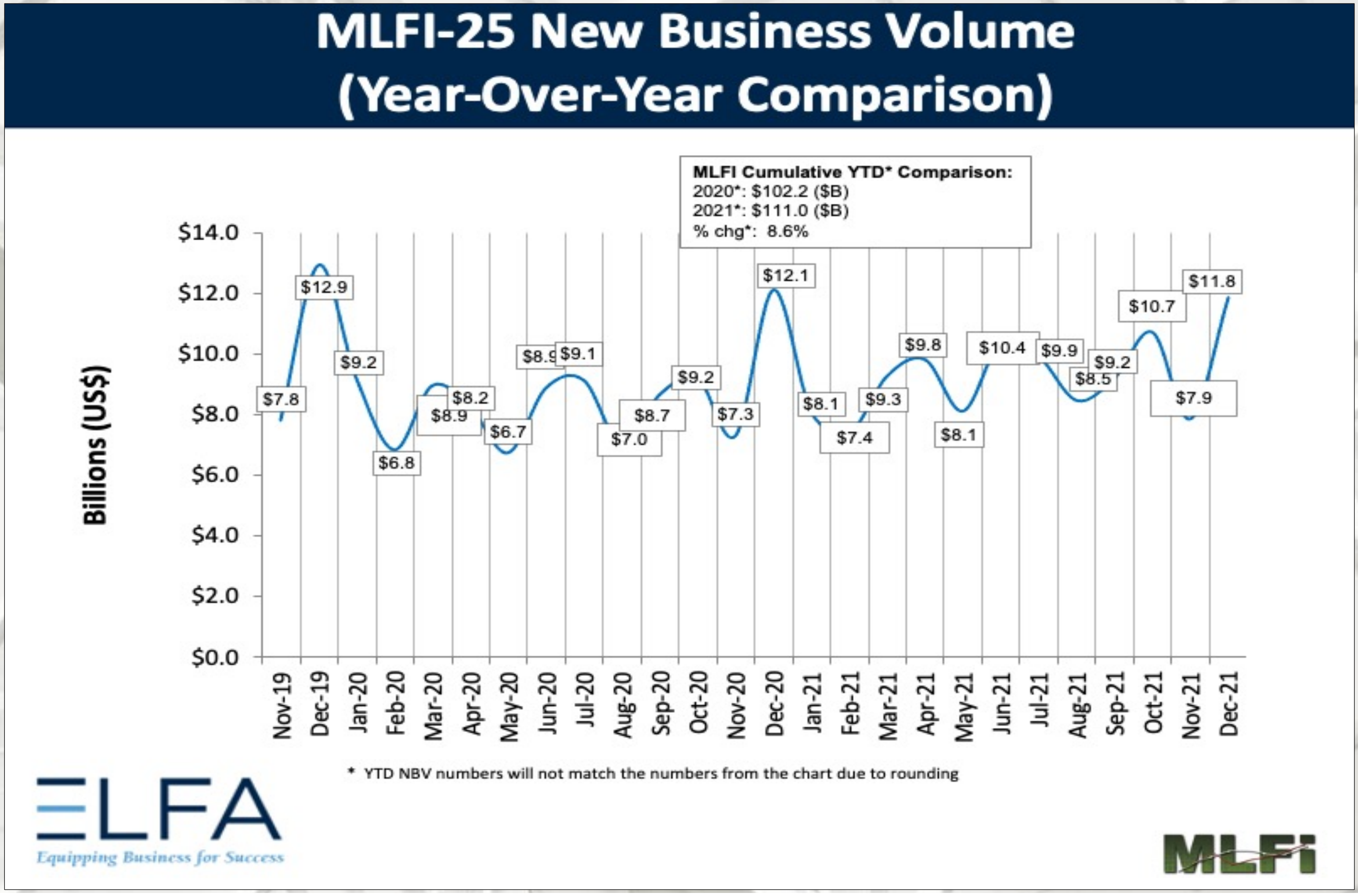
Private Indicators



Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

"Supply constraints, strong economic growth, and the early innings of the American Jobs Plan augur well for the equipment finance sector in 2022. That said, rising Omicron cases have prolonged the price inflation and supply chain troubles across the country. As well, the jump in medium term rates over the last few weeks may challenge margins for lenders." – Kalyan Makam, Executive Vice President, Amur Equipment Finance

Source: https://www.elfaonline.org/news/press-room/press-releases/details/2022/01/26/equipment-leasing-and-finance-association-s-survey-of-economic-activity-monthly-leasing-and-finance-index; 1/26/22

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Private Indicators

Markit U.S. Manufacturing PMI™

PMI drops to lowest since October 2020 amid soft demand conditions and labor shortages

"The seasonally adjusted IHS Markit US Manufacturing Purchasing Managers' Index™ (PMI™) posted 55.5 in January, down from 57.7 in December, but higher than the earlier released 'flash' estimate of 55.0. The overall upturn was the slowest seen for 15 months and muted in the context of the substantial expansions seen in 2021.

January PMI™ data from IHS Markit indicated a relatively subdued improvement in operating conditions across the US manufacturing sector. The headline figure dropped to the lowest since October 2020, as output growth was muted. Demand conditions also softened further, with new orders rising at the slowest pace since September 2020. Muted client demand was reflected in only a fractional increase in employment. The softer rise in new orders allowed firms to partially work through backlogs of work, which expanded at the slowest pace for 11 months. Nonetheless, firms were at their most upbeat regarding the outlook for output since November 2020. Meanwhile, inflationary pressures remained marked. The rate of cost inflation eased to the softest for eight months, however, as firms also moderated the pace at which selling prices increased.

Output rose only fractionally at the start of the year, following substantial increases through most of 2021. Weighing on the upturn was the impact of the Omicron COVID-19 variant, raw material and labor shortages, and a reluctance among some clients to place orders amid hikes in selling prices and longer lead times. The rise in production was the slowest in the current 19-month sequence of expansion.

Contributing to the slower output increase were softer demand conditions. The rate of new order growth slowed to a 16-month low as domestic and foreign client demand weakened. New export orders fell for the first time since October 2020, as delays dampened interest from foreign customers." – Chris Williamson, Chief Business Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/bf918b3070924443a24ab187a76d0d81; 2/1/22

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Private Indicators

Markit U.S. Manufacturing PMI™

“Mirroring softer demand conditions, firms expanded their workforce numbers at the slowest pace in the current 18-month sequence of job creation. Panellists often mentioned that growth of employment was hampered by challenges retaining staff and labor shortages, however.

Although still sharp, the rate of expansion in backlogs of work eased to the slowest since February 2021. Slower new order growth partially enabled firms to process work-in-hand, but material and labor shortages continued to push backlogs up. Meanwhile, business confidence regarding the outlook for output over the coming year improved and reached a 14-month high in January. Firms noted that optimism stemmed from hopes of reduced supply-chain disruption, easing labor market difficulties and greater client demand.

Prices pressures eased at the start of the year, as the rate of cost inflation eased to the slowest since May 2021. The pace of increase was still marked, as firms sought to pass on higher costs to clients. Similarly, the rate of charge inflation softened and was the slowest for nine months. At the same time, vendor performance deteriorated markedly. The extent to which lead times lengthened worsened from that seen in December, but was less severe than the substantial delays in mid-2021. Further hikes in input costs led to firms reining in their purchasing activity. Input buying rose at the slowest pace since February 2021 as firms utilised stocks of purchases in production. As such, the rate of growth in pre-production inventories eased to the slowest for ten months. Stocks of finished goods declined further, albeit at the softest pace in four months.

The Omicron outbreak has hit manufacturing hard, exacerbating existing headwinds by subduing demand, creating further supply chain issues and causing widespread staff shortages, often through absenteeism due to the surge in COVID-19 infections. The steep downturn in the survey data are indicative of manufacturing production falling in January.

However, the overall impact on supply chains from Omicron has been less marked than in prior covid waves, and raw material price pressures have come down as the global supply crunch appears to be improving. Hence manufacturers are upbeat about the outlook, with future output expectations rising to the highest for over a year to suggest that the current downturn may prove short-lived” – Chris Williamson, Chief Business Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/bf918b3070924443a24ab187a76d0d81; 2/1/22

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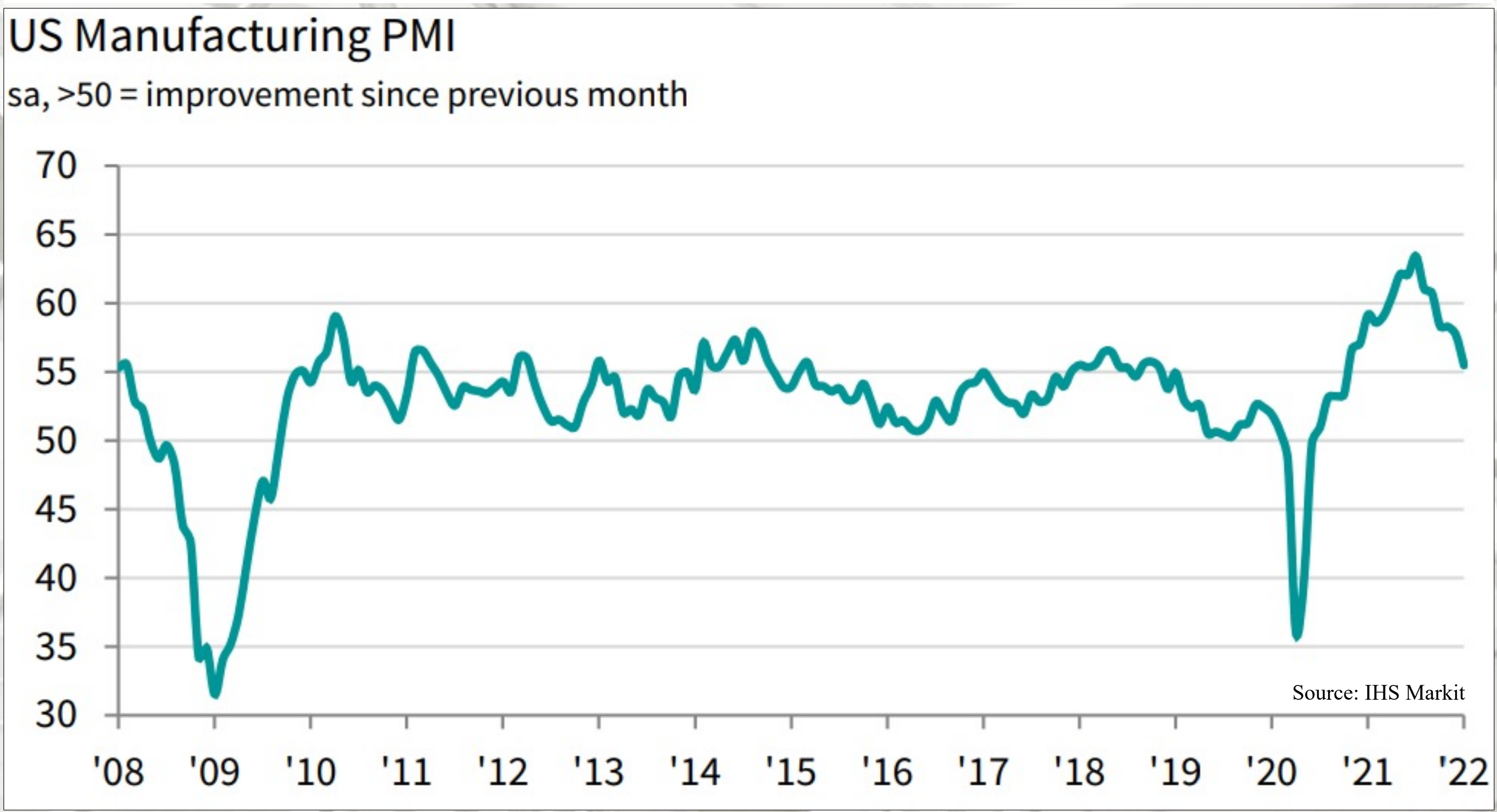

Source: https://www.markiteconomics.com/Public/Home/PressRelease/51d060f7a3314d1b8bb8d948e035d4c7; 1/3/22

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Private Indicators

IHS Markit U.S. Services PMI™

Business activity growth slows notably amid Omicron outbreak and softer demand conditions

"The seasonally adjusted final IHS Markit US Services PMI Business Activity Index registered 51.2 at the start of the year, down notably from 57.6 in December, but up slightly on the earlier released 'flash' figure of 50.9. The upturn in business activity was muted in the context of marked expansions seen throughout 2021, as the spread of the Omicron variant of COVID-19 hampered business operations and demand conditions weakened. The rise in output was the slowest in the current sequence of growth which began in August 2020.

US service providers signalled only a marginal expansion in business activity at the start of 2022, according to the latest PMI™ data, as growth momentum waned notably. The rate of increase in output was the slowest in the current 18-month sequence of growth. The spread of the Omicron variant hampered the upturn in new business as well, as domestic and foreign demand conditions weakened. Firms were able to expand their workforce numbers further, however, which helped to soften the degree of pressure on business capacity. As a result, backlogs of work rose at the slowest pace since August 2021. Although there were signs that cost pressures eased during January, companies were able to pass on higher costs to clients through the fastest rise in output charges for three months.

Although to a lesser extent than activity, incoming new business also lost growth momentum in January. Service providers indicated the softest increase in new orders for four months, as companies mentioned that demand was dampened by renewed COVID-19 restrictions and customer cancellations.

At the same time, new export orders increased for the third month running. Despite easing slightly, the rate of growth in new business from abroad was modest overall." – Chris Williamson, Chief Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/2749313cb0624bd3a201ec015f6d6b83; 2/3/22

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Private Indicators

IHS Markit U.S. Services PMI™

"Service sector businesses recorded a faster rise in employment in January. The increase in workforce numbers was solid overall as firms hired more staff due to a further upturn in new orders. Companies noted, however, that the spread of the Omicron variant of COVID-19 added to the challenges faced in hiring staff. Additional staff helped firms work though their outstanding business, as the rate of growth in backlogs of work slowed to the softest in five months. Nonetheless, the rise in incomplete business was solid overall and still among the fastest on record (since October 2009).

Meanwhile, input costs rose markedly at the start of 2022. Service providers stated that higher input prices stemmed from upticks in logistics, labor and material costs. There were signs that overall price pressures eased, however, as the rate of cost inflation softened to the slowest for three months. Firms continued to pass-through higher costs to clients where possible. Moreover, the pace of charge inflation quickened to the second-sharpest on record. Business confidence regarding the outlook for output remained strongly upbeat in January. Although the level of sentiment slipped from December, it was the second-highest since June 2021. Optimism was commonly linked to hopes of a further uptick in client demand and a reduction in disruption caused by new COVID-19 variants.

Private sector output growth drops to slowest for 18 months in January

The IHS Markit US Composite PMI Output Index posted 51.1 in January, down notably from 57.0 in December. The upturn was the slowest since July 2020 as manufacturers and service providers registered a considerable slowdown in growth momentum. The expansion in new business also softened, but remained solid overall. The rate of increase was the slowest since December 2020 as the Omicron wave weighed on demand conditions. A decline in manufacturing export orders dampened private sector growth in new business from abroad.

Cost pressures eased in January, as the pace of input price inflation softened to the slowest since March 2021. The rate of output charge inflation, however, was broadly unchanged from December, and marked overall. Despite reports of challenges retaining and finding staff, private sector firms continued to add to their workforce numbers during January. Subsequently, the rate of growth in backlogs of work eased to the slowest since June 2021." – Chris Williamson, Chief Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/2749313cb0624bd3a201ec015f6d6b83; 2/3/22

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Private Indicators

IHS Markit U.S. Services PMI™

Comment

"The US economy has been hit hard by the Omicron variant at the start of 2022, with growth faltering to the weakest for 18 months to signal a near-stalling of the recovery. All broad sectors of the economy reported business activity to have been adversely affected by the surge in virus cases, though the slowdown was led by the sharpest drop in activity for consumer services recorded since December 2020 as virus related health protection measures were tightened to the highest since May of last year.

As well as the demand-dampening effect of the virus, businesses are facing multiple headwinds, including labor shortages, supply chain issues, rising costs and soaring inflation, combined with concerns over the future resilience of demand amid rising interest rates and reduced fiscal support, all of which point to economic growth slowing sharply in the first quarter.''" – Chris Williamson, Chief Economist, Markit®

Source: https://www.markiteconomics.com/Public/Home/PressRelease/2749313cb0624bd3a201ec015f6d6b83; 2/3/22

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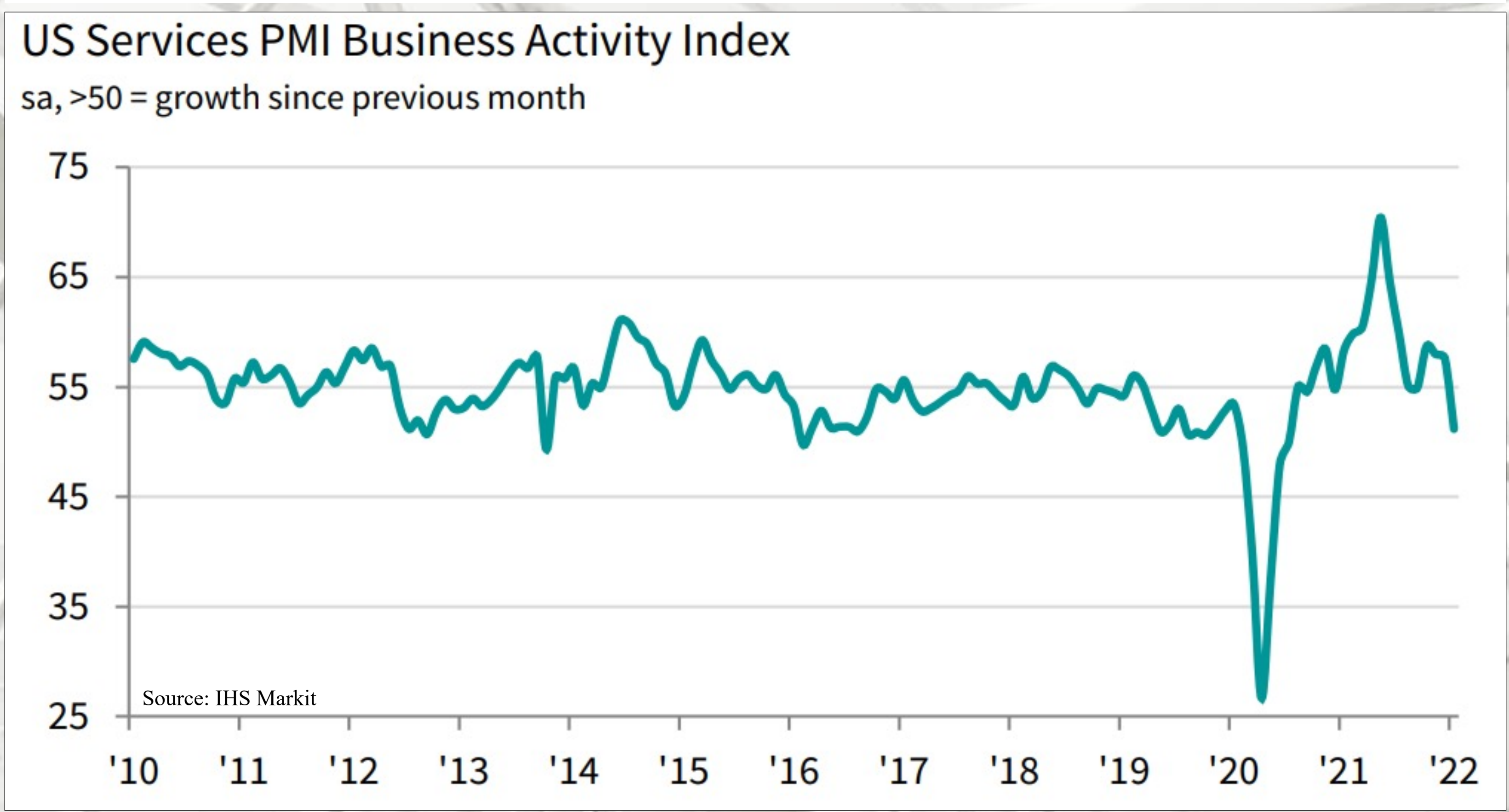

Source: https://www.markiteconomics.com/Public/Home/PressRelease/2749313cb0624bd3a201ec015f6d6b83; 2/3/22

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for January 2022: Combined Sectors

"Managers' Index is continuing to reflect some of the best credit conditions of the past two decades. The year 2021 ended with the strongest December reading for the index since its inception. The combined reading for the CMI fell to 56.9 in January from the 58.7 seen in December. The January index is about two-tenths of a point better than the average for September through November, a level that would be the best since the early years of the index absent the higher readings earlier in the pandemic period, said NACM Economist Amy Crews Cutts, Ph.D., CBE, based on her analysis of the January CMI. For reference, the January 2020 combined CMI was 55.3.

The monthly volatility in the index reflects global supply-chain and logistics issues that continue to plague commerce and the spike in COVID cases arising from the Omicron variant affecting labor supply. "None of these issues has easy or quick solutions, and thus 2022 is likely to be another wild ride for businesses," Crews Cutts, said. "Inflation is rearing its ugly head as insufficient supply is up against strong demand and those who are willing are paying high prices to get desired goods or services today.

"Producers are having to choose which items to deliver, and the choice seems to be tilting more and more to higher-margin, higher-priced lines, exacerbating inflation perceptions among consumers," Crews Cutts explained. "In addition, high demand globally is driving up input commodity prices, leading to pricing uncertainty in the delivery of finished goods. The Federal Reserve Board of Governors may feel compelled to reverse some of the monetary easing done in the early months of the pandemic, but this is unlikely to have a material impact on inflation or demand, at least initially. However, we may soon start to see effects from the ending of the child tax credit advance payments in December, one of the last large fiscal stimuli directed at households."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 1/31/22

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for January 2022: Combined Sectors

"This robustness, and volatility, in the combined CMI is dominated by contributions from favorable factors in the index – which fell this month to 65.2 from 69.2. The readings for the unfavorable factors also declined, but by a smaller margin, from 56.9 from 57.8. Among favorable factors, the combined sales index remains high at 71.3, down from 75.1 at the end of the year. The index for new credit applications fell sharply in the January survey with a 7.2-point decline to 60.2, its lowest reading since May 2020. The index for dollar collections had a modest decline of 1.1 points to 62.4, in line with recent months. The index for amount of credit extended also shows a notable decline, falling 4.7 points to 67.0, just a bit below the autumnal average.

The combined CMI unfavorable factors index had a mixed showing in January, with some factor indexes improving and others declining, with a resulting small decline in January to 51.4 from 51.6. Noting that a value above 50 for a negative factor index means more than half of respondents are seeing a lower incidence in this part of their business, two indexes stand out due to values below 50 for the last four months: customer disputes and the dollar amount of customer deductions. These may be driven by delivery issues relating to supply-chain and labor supply issues (for example, goods not arriving on time or delayed services) driving clients to demand concessions. The January disputes index improved to 48.5, three-tenths of a point higher than in December, and the deductions index, at 49.5, rose to its highest level since September. Among the other unfavorable factors indexes, accounts placed for collections fell a full point to 51.1, filings for bankruptcy fell 0.6 points to 55.0, and rejections of credit applications fell 0.2 points to 51.5. A slightly stronger reading was reported in the dollar amount beyond terms index, now at 53.0 from 52.9 in December." – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 1/31/22

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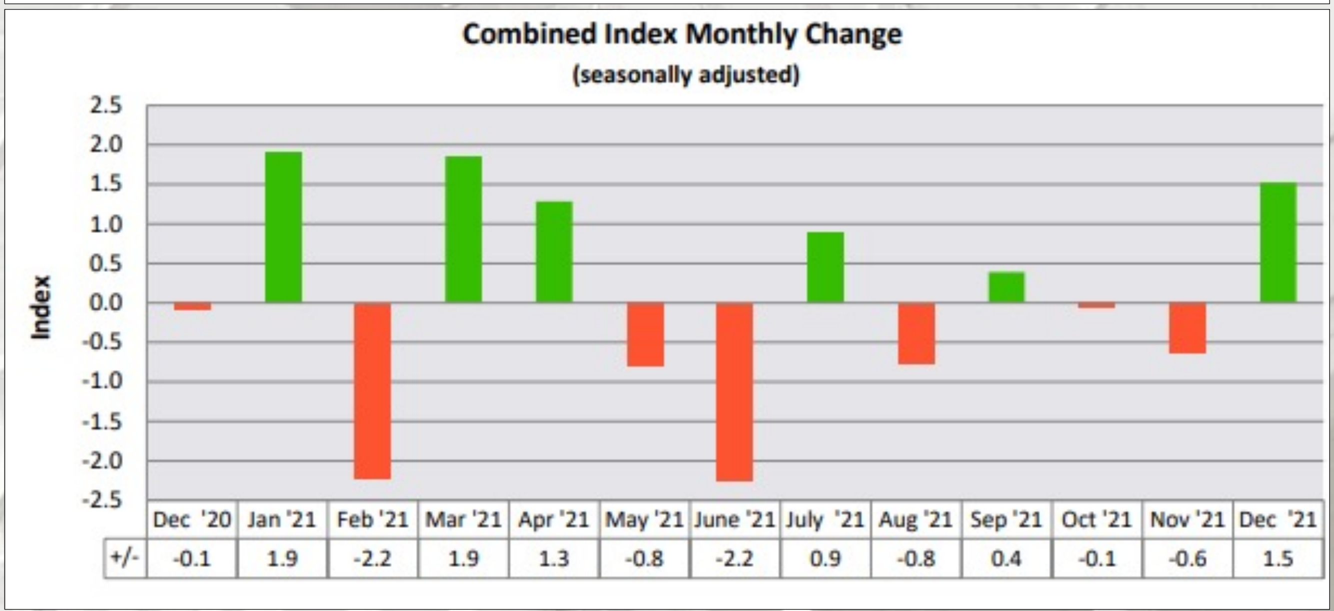
Private Indicators

Combined Manufacturing and Service Sectors (seasonally adjusted)	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21	Oct '21	Nov '21	Dec '21	Jan '22
Sales	73.7	71.2	80.6	76.8	74.4	69.9	75.5	65.9	67.8	67.4	67.4	75.1	71.3
New credit applications	65.1	65.9	68.5	67.6	65.9	65.1	66.3	63.0	63.6	62.2	62.8	67.4	60.1
Dollar collections	64.3	62.2	67.7	65.2	65.4	61.2	64.5	61.6	60.5	61.5	59.2	63.5	62.4
Amount of credit extended	67.6	67.0	70.1	71.1	70.1	68.8	68.4	68.5	67.2	67.5	67.6	71.7	67.0
Index of favorable factors	**67.7**	**66.6**	**71.7**	**70.2**	**69.0**	**66.3**	**68.7**	**64.8**	**64.8**	**64.7**	**64.3**	**69.4**	**65.2**
Rejections of credit applications	51.8	51.6	51.9	53.0	53.1	52.1	52.0	52.1	52.1	52.3	53.1	51.7	51.5
Accounts placed for collection	53.0	51.9	54.9	54.0	54.1	52.8	51.5	51.4	51.4	52.1	52.0	52.1	51.1
Disputes	51.0	50.7	50.6	51.2	53.5	49.9	49.1	49.6	51.2	48.3	48.6	48.2	48.5
Dollar amount beyond terms	56.5	53.0	58.6	60.9	56.5	51.9	57.0	51.4	50.8	49.7	47.2	52.9	53.0
Dollar amount of customer deductions	51.5	52.8	52.2	52.9	53.5	52.4	51.8	49.9	51.8	49.4	48.2	49.3	49.5
Filings for bankruptcies	52.9	55.3	56.3	57.5	58.9	58.4	56.8	57.2	57.0	56.4	55.8	55.6	55.0
Index of unfavorable factors	**52.8**	**52.6**	**54.1**	**54.9**	**54.9**	**52.9**	**53.0**	**52.0**	**52.4**	**51.4**	**50.8**	**51.6**	**51.4**
NACM Combined CMI	**58.8**	**58.2**	**61.1**	**61.0**	**60.6**	**58.3**	**59.3**	**57.1**	**57.3**	**56.7**	**56.2**	**58.7**	**56.9**



Source: https://nacm.org/cmi.html; 1/31/22

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Private Indicators

National Federation of Independent Business (NFIB) January 2022 Report

Inflation remains at highest level since 1981, while owners increasing average selling prices reaches highest reading since 1974

"More small business owners started the New Year raising prices in an attempt to pass on higher inventory, supplies, and labor costs. In addition to inflation issues, owners are also raising compensation at record high rates to attract qualified employees to their open positions." – Bill Dunkelberg, Chief Economist, NFIB

"The **NFIB Small Business Optimism Index** decreased slightly in January to 97.1, down 1.8 points from December. Inflation remains a problem for small businesses as 22% of owners reported that inflation was their single most important business problem, unchanged from December when it reached the highest level since 1981. The net percent of owners raising average selling prices increased four points to a net 61% (seasonally adjusted), the highest reading since the fourth quarter of 1974.

As reported in NFIB's monthly jobs report, a net 50% (seasonally adjusted) reported raising compensation, a 48-year record high reading. A net 27% plan to raise compensation in the next three months. Eleven percent of owners cited labor costs as their top business problem and 23% said that labor quality was their top business problem." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 2/8/22

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Private Indicators

National Federation of Independent Business (NFIB) January 2022 Report

Key findings include:

- One of the Index components improved, seven declined, and two were unchanged.
- Owners expecting better business conditions over the next six months increased two points to a net negative 33%. Small business owners remain pessimistic about future economic conditions as this indicator has declined 13 points over the past six months.
- Forty-seven percent of owners reported job openings that could not be filled, a decrease of two points from December.
- Inventory accumulation plans fell five percentage points.

Owners' plans to fill open positions remain at record high levels, with a seasonally adjusted net 26% planning to create new jobs in the next three months, down two points from December and just six points below the highest reading in the 48-year history of the survey set in August.

Fifty-eight percent of small business owners reported capital outlays in the last six months, up one point from December. Of those owners making expenditures, 40% reported spending on new equipment, 22% acquired vehicles, 15% improved or expanded facilities, 8% acquired new buildings or land for expansion, and 15% spent money for new fixtures and furniture. Twenty-nine percent of owners plan capital outlays in the next few months, unchanged from December and two points higher than the 48-year average.

Seasonally adjusted, 2% of all owners reported higher nominal sales in the past three months. The net percent of owners expecting higher real sales volumes decreased by six points to a net negative 3%." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 2/8/22

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Private Indicators

National Federation of Independent Business (NFIB) January 2022 Report

"The net percent of owners reporting inventory change increased two points to a net 9%. Eighteen percent reported increases in stocks while 15% reported reductions. Thirty-six percent of owners report that supply chain disruptions have had a significant impact on their business. Another 32% report a moderate impact and 22% report a mild impact. Only 9% report no impact from recent supply chain disruptions. A net 7% of owners viewed current inventory stocks as "too low" in January, down two points. A net 3% of owners plan inventory investment in the coming months, down five points from December, reflecting the success in inventory building in the fourth quarter.

The net percent of owners raising average selling prices increased four points to a net 61% (seasonally adjusted), the highest reading since the fourth quarter of 1974. Price raising activity over the past 12 months has continued to escalate, reaching levels not seen since the early 1980s.

Five percent of owners reported lower average selling prices and 62% reported higher average prices. Price hikes were the most frequent in wholesale (88% higher, 3% lower), manufacturing (71% higher, 1% lower), retail (69% higher, 4% lower), and construction (67% higher, 5% lower). Seasonally adjusted, a net 47% of owners plan price hikes.

The frequency of reports of positive profit trends decreased three points to a net negative 17%. Among the owners reporting lower profits, 32% blamed the rise in the cost of materials, 19% blamed weaker sales, 9% cited labor costs, 18% cited the usual seasonal change, 7% cited lower prices, and 3% cited higher taxes or regulatory costs. For owners reporting higher profits, 63% credited sales volumes, 12% cited usual seasonal change, and 13% cited higher prices.

Three percent of owners reported that all their borrowing needs were not satisfied. Twenty-five percent reported all credit needs met and 62% said they were not interested in a loan. A net 2% reported their last loan was harder to get than in previous attempts. One percent reported that financing was their top business problem. A net 4% of owners reported paying a higher rate on their most recent loan." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 2/8/22

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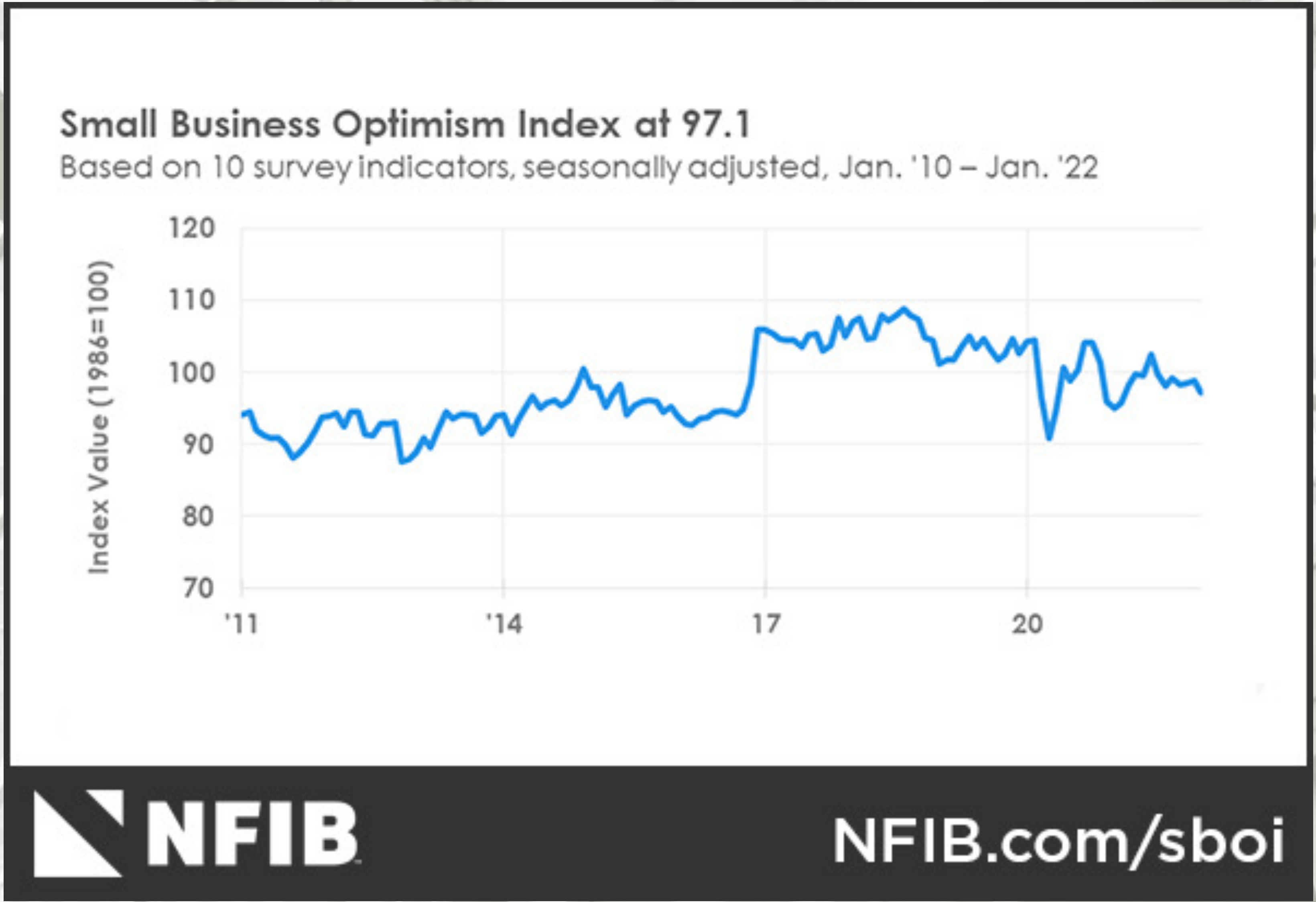

Source: http://www.nfib.com/surveys/small-business-economic-trends; 2/8/22

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Private Indicators

Small Business Optimism

Index Component	Net %	From Last Month
Plans to Increase Employment	26%	▼ -2
Plans to Make Capital Outlays	29%	▬ 0
Plans to Increase Inventories	3%	▼ -5
Expect Economy to Improve	-33%	▲ 2
Expect Real Sales Higher	-3%	▼ -6
Current Inventory	7%	▼ -2
Current Job Openings	47%	▼ -2
Expected Credit Conditions	-4%	▬ 0
Now a Good Time to Expand	9%	▼ -2
Earnings Trends	-17%	▼ -3

NFIB

NFIB.com/sboi

Source: http://www.nfib.com/surveys/small-business-economic-trends; 2/8/22

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

U.S. Small Businesses Continue to See Strong Job Gains and Worker Pay Increases in January

“National small business job growth continued to increase in January as did earnings for workers, according to the Paychex | IHS Markit Small Business Employment Watch. The January data shows the Small Business Jobs Index, which measures the year-over-year rate of employment growth, gained 0.39 percent in January. At 101.33, the national index has increased 7.80 percent over the past year, surpassing its 2014 peak. At 4.43 percent year-over-year, hourly earnings growth maintained its record high set last month (December 2021).” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

“he pace of small business job growth continued to grow in January, reaching a new record high powered by the return to work in leisure and hospitality.” – James Diffley, Chief Regional Economist, IHS Markit

“Small businesses are continuing to recover from the job losses experienced at the start of the COVID-19 pandemic. While employment has not returned to pre-pandemic levels, the sustained growth in jobs is certainly positive. Workers are also continuing to command higher pay. Hourly earnings growth in January matched the peak level set just last month.” – Martin Mucci, President and CEO, Paychex

Source: https://www.paychex.com/employment-watch; 2/1/22

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Private Indicators

The Paychex | IHS Markit Small Business Employment Watch

"In further detail, the January report showed:

- The national index gained 0.39 percent in January, in line with its average monthly gain in the last six months of 2021.
- At 4.43 percent year-over-year, hourly earnings growth continued to show strength, remaining at its peak level hit in December 2021.
- Hiring in leisure and hospitality (107.25) accelerated further ahead of other sectors, gaining 1.49 percent in January and 23.94 percent since last January.
- Likely due to the COVID-19 omicron variant, one-month annualized weekly hours worked growth dropped nearly eight percent in leisure and hospitality in January.
- Job gains were broad-based as all regions of the U.S. advanced in January, though the West leads all regions at 101.65, improving for the eleventh consecutive month.
- Texas remained the top state for small business hiring and Dallas the top metro." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 2/1/22

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

January Job Index	January Wage Data
Index	Hourly Earnings
101.33	$29.70
12-Month Change	12-Month Growth
+7.80%	+4.43% (+$1.26)

Source: Paychex | IHS Markit Small Business Employment Watch

Source: https://www.paychex.com/employment-watch; 2/1/22

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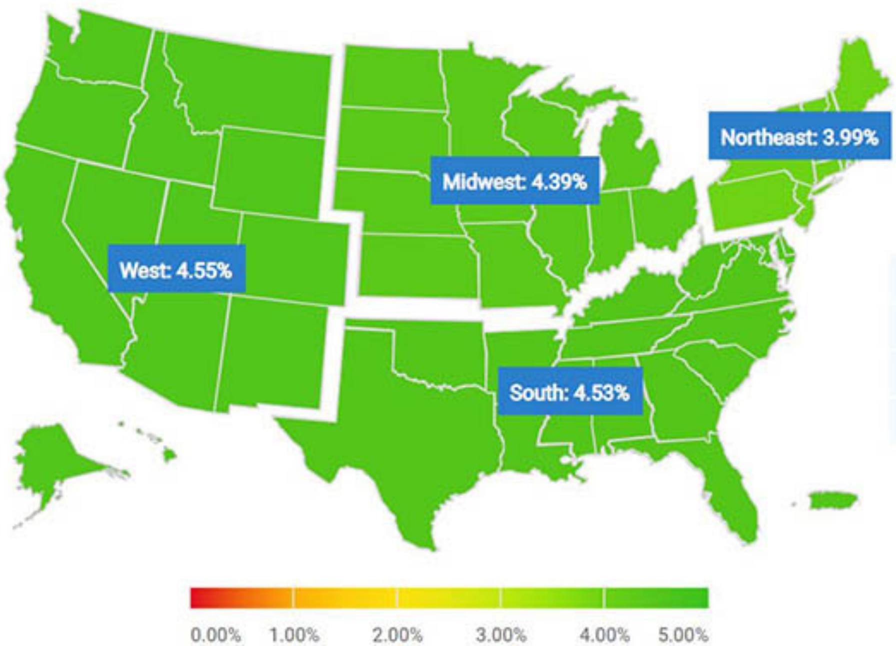
Private Indicators

The Paychex | IHS Markit Regional Jobs Index



Region	Hourly Earnings	Change
Midwest	$28.16	4.39% ($1.18)
Northeast	$30.54	3.99% ($1.17)
South	$28.32	4.53% ($1.23)
West	$31.49	4.55% ($1.37)

Growth 12-Month

Source: Paychex | IHS Markit Small Business Employment Watch

Source: https://www.paychex.com/employment-watch; 2/1/22

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Private Indicators

U.S. Bank National Shipment Index

Q4 2021

"The U.S. Bank National Shipments Index declined 2.4% from the third quarter. On a year-over-year basis the shipments index was off 5.1% from the fourth quarter of 2020. In 2021, the slowdown in shipments was due more to a lack of available capacity than a lack of demand for capacity. According to data from the American Trucking Associations, for-hire truckload carriers, who primarily haul contract freight, operated roughly 5% fewer trucks in 2021 compared with 2020, including company tractors and leased-on independent contractors.

Demand and supply both impacted the pace of shipments over the final quarter of 2021. Much of the traditional holiday boost was shifted to the third quarter as shoppers and retailers, worried about supply chain challenges, ordered early. Shippers had to spend more to move freight in the fourth quarter – due, among other reasons, to driver shortages, the lack of new trucks and trailers, and diesel fuel prices, which were nearly 50% higher than the same quarter in 2020.

The U.S. Bank National Spend Index increased, while the U.S. Bank National Shipments Index contracted. Supply chain factors drove softer shipment volumes in Q4 2021. The lack of drivers dedicated to a single company, and a shortage of new trucks and trailers, made it more difficult for fleets to haul more freight, creating more opportunities in the spot market.

Another impact to freight shipments in the fourth quarter was a shift in the traditional holiday shipping season. During the third quarter, when shipments rose both sequentially and from a year earlier, fleets hauled more than the usual amount of holiday freight. In the face of worldwide supply chain constraints, retailers were anxious about securing enough goods for holiday shoppers, so they elected to acquire many of those products earlier than normal." – Bob Costello, Chief Economist and Senior Vice President for the American Trucking Associations (ATA).

Source: https://freight.usbank.com/Landing.aspx; 1/25/22

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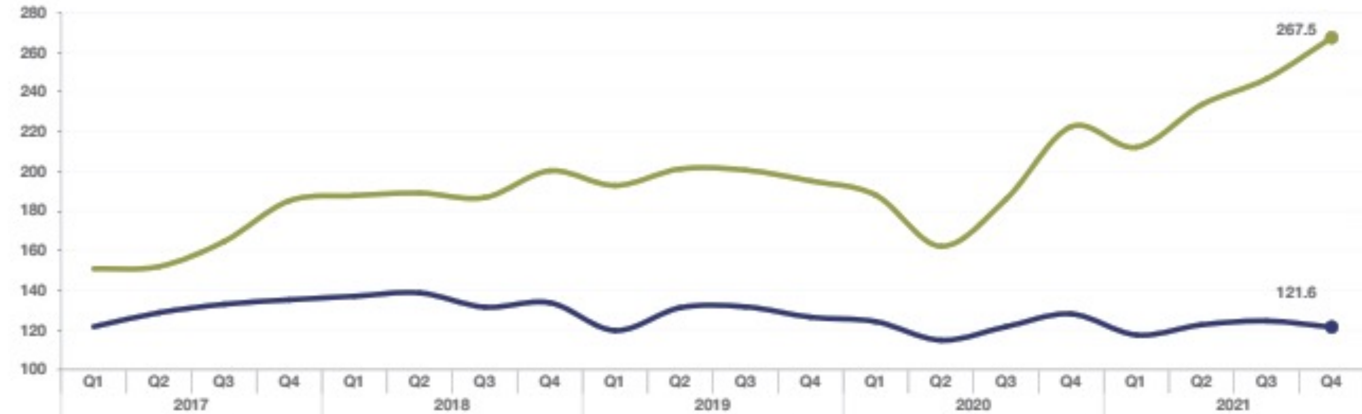
Private Indicators

U.S. Bank National Shipment Index

Q4 2021 National Freight Market Overview



	2017				2018				2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Spend	150.9	152.0	164.7	185.2	187.8	189.1	186.8	200.3	192.9	201.3	200.7	195.2	188.1	162.3	186.0	222.6	212.2	233.6	246.8	267.5
Shipments	121.7	128.7	133.0	135.2	137.1	138.7	131.6	133.8	119.8	131.3	131.7	126.5	124.3	114.9	121.7	128.1	117.5	122.7	124.6	121.6

Shipments	
Index Value	121.6
Quarterly % Change	-2.4%
Yearly % Change	-5.1%

Spend	
Index Value	267.5
Quarterly % Change	8.4%
Yearly % Change	20.2%

Source: https://freight.usbank.com/Landing.aspx; 1/25/22

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Private Indicators

U.S. Bank National Shipment Index

Q4 2021

“During the fourth quarter, shippers had to spend more to move freight via trucks. This was reflected in the robust gains in the spend index, both sequentially and from a year earlier. The largest factor for the strong gain in spending was rising freight rates due to capacity constraints. Rising diesel fuel prices also continued into the fourth quarter.

According to the U.S. Energy Information Administration, the average price of national on-highway diesel fuel during the final quarter of 2021 was up 9.3% from the third quarter, while surging nearly 49% from the same period in 2020.[1] As the price of diesel increases, fuel surcharges that fleets charge shippers also increase, in addition to any freight rate increase. Thus, the rise in diesel prices also leads to an increase in the spend index as well.

The U.S. Bank National Spend Index increased 8.4% over the third quarter. This strong spending growth points to a very tight truck market, as a combination of the driver shortage and lack of trucks and trailers limits the industry’s ability to accommodate increasing freight transport needs. ” – Bob Costello, Chief Economist and Senior Vice President for the American Trucking Associations (ATA).

Source: https://freight.usbank.com/Landing.aspx; 1/25/22

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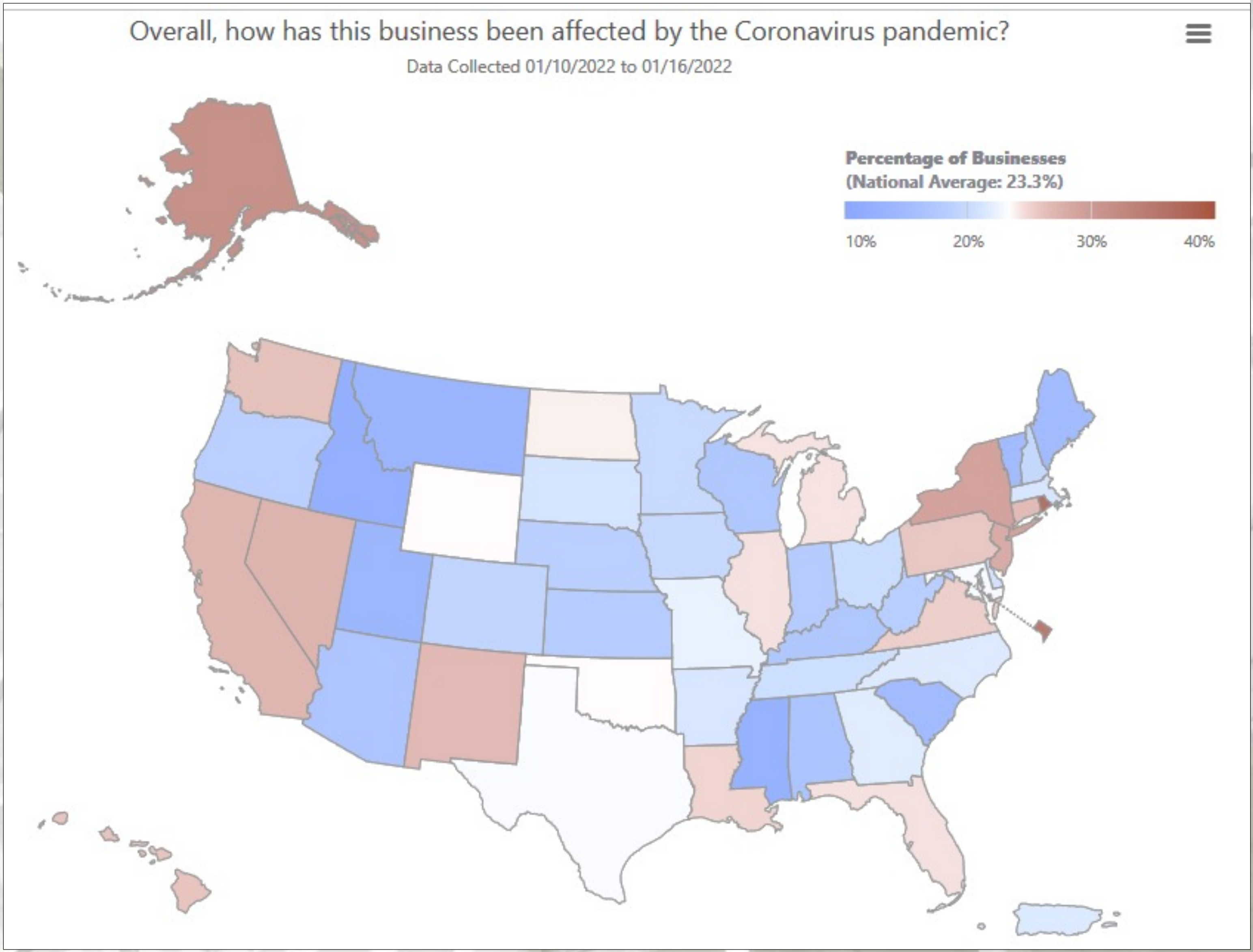
Economics

U.S. Census Bureau

Small Business Pulse Survey



Source: https://portal.census.gov/pulse/data/; 1/27/22

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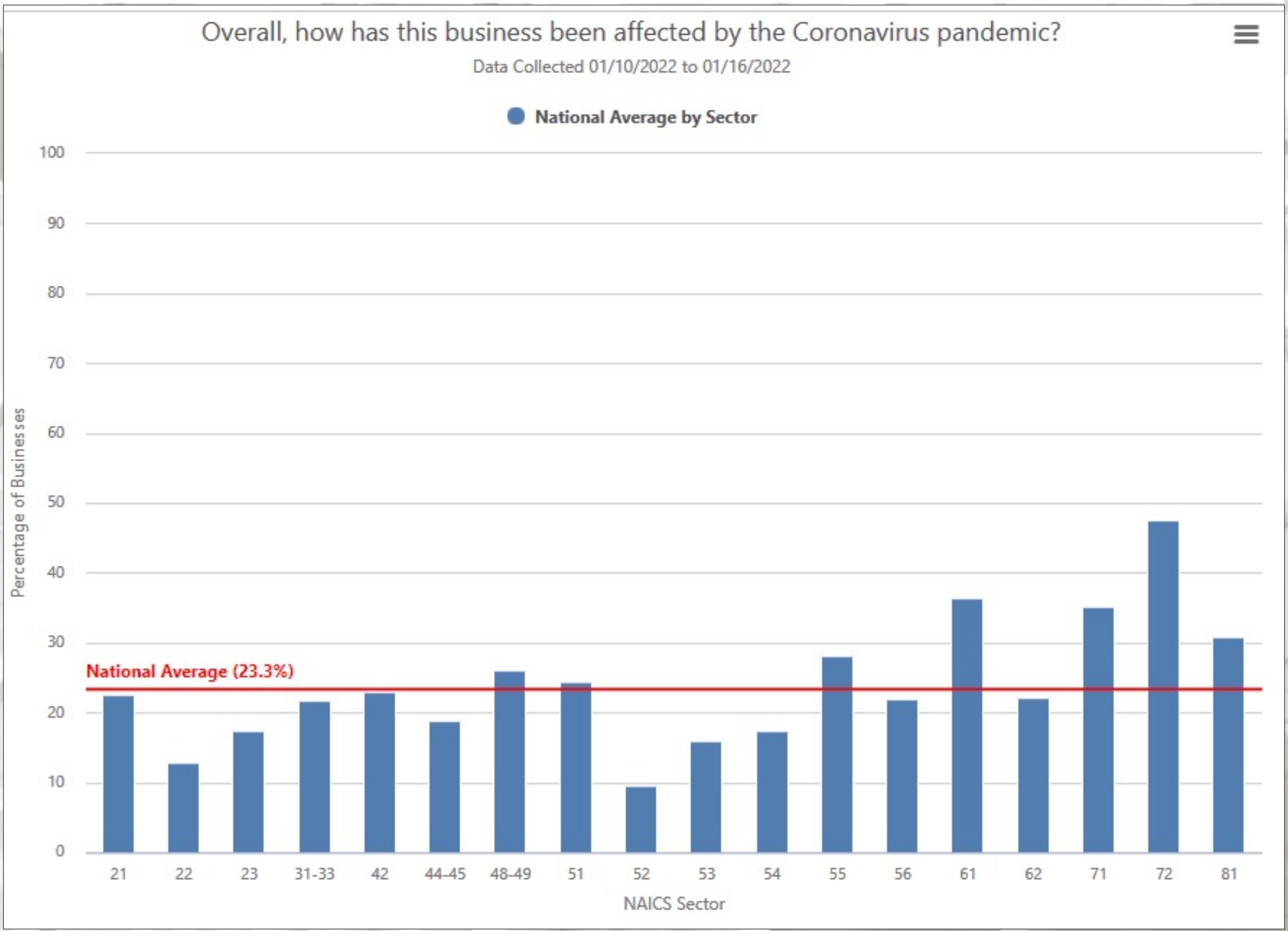
Economics

U.S. Census Bureau

Small Business Pulse Survey



Source: https://portal.census.gov/pulse/data/; 1/27/22

Economics

U.S. Census Bureau

NEW Business Formation Statistics

December 2021

Projected Business Formations - At a Glance

		US	Northeast	Midwest	South	West
Within 4 Quarters	JAN 2022	31,287	4,958	5,087	12,340	8,902
	JAN 2022 / DEC 2021	+4.1%	+0.7%	+4.2%	+4.2%	+5.7%
Within 8 Quarters	JAN 2022	40,433	6,447	6,595	16,120	11,271
	JAN 2022 / DEC 2021	+3.8%	+1.4%	+4.7%	+3.0%	+5.8%

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.

"Business Applications for January 2022, adjusted for seasonal variation, were 430,411, an increase of 2.6 percent compared to December 2021.

The U.S. Census Bureau announced the following seasonally adjusted business application and formation statistics for January 2022. The Business Application Series describe the business applications for tax IDs as indicated by applications for an Employer Identification Number (EIN) through filings of the IRS Form SS-4. The Business Formation Series describe employer business formations as indicated by the first instance of payroll tax liabilities for the corresponding business applications." – U.S. Census Bureau, Economic Indicators Division, Business Formation Statistics

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf/; 2/14/22

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

January 2022

BUSINESS FORMATIONS

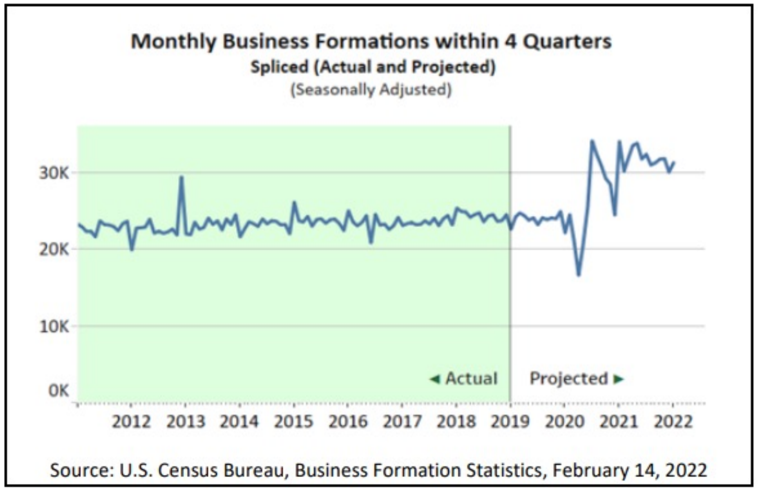
U.S. Total Projected Business Formations:	JAN 2022	JAN 2022 / DEC 2021
Within 4 Quarters	31,287	4.1%°
Within 8 Quarters	40,433	3.8%°

Next release: March 09, 2022

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

Spliced - Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, February 14, 2022



Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf/; 2/14/22

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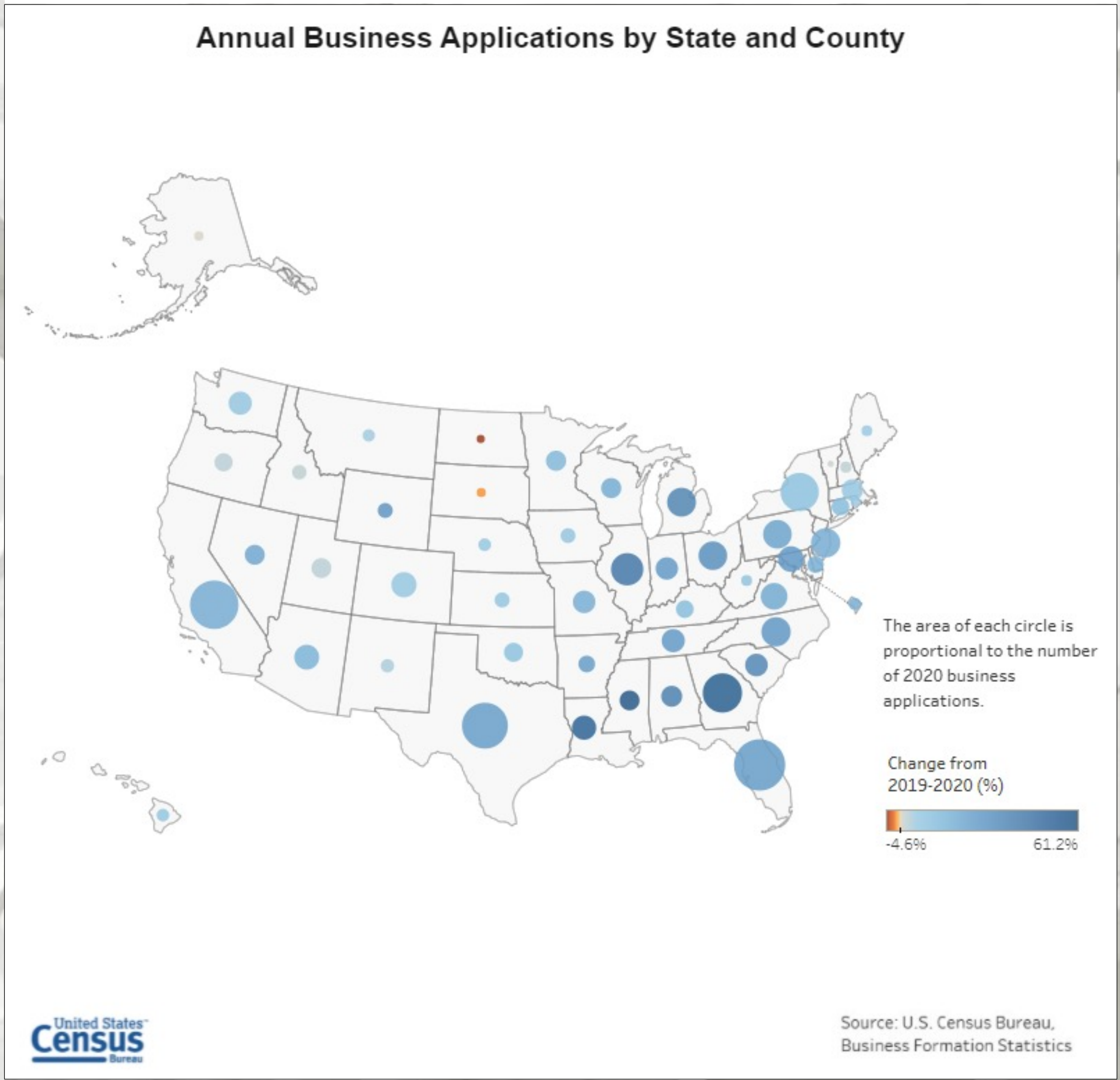
Economics

NEW Business Formation Statistics

January 2022



Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf/; 2/14/22

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