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“The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2022 is **1.1 percent** on April 14, unchanged from April 8 after rounding. After recent releases from the US Census Bureau, the US Bureau of Labor Statistics, and the US Department of the Treasury’s Bureau of the Fiscal Service, modest increases in the nowcasts of real personal consumption expenditures growth and real net exports were offset by declines in the nowcasts of real government spending growth and real residential investment growth.” – Pat Higgins, Economist, Federal Reserve Bank of Atlanta
The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

Index Points to a Slight Decrease in Economic Growth in February

“The Chicago Fed National Activity Index (CFNAI) moved down to +0.51 in February from +0.59 in January. Three of the four broad categories of indicators used to construct the index made positive contributions in February, but two categories deteriorated from January. The index’s three-month moving average, CFNAI-MA3, ticked down to +0.35 in February from +0.37 in January. The CFNAI Diffusion Index, which is also a three-month moving average, edged up to +0.32 in February from +0.29 in January. Sixty-one of the 85 individual indicators made positive contributions to the CFNAI in February, while 24 made negative contributions. Fifty-one indicators improved from January to February, while 34 indicators deteriorated. Of the indicators that improved, eight made negative contributions.

Production-related indicators contributed +0.22 to the CFNAI in February, down slightly from +0.25 in January. Industrial production increased 0.5 percent in February after rising 1.4 percent in January. The contribution of the sales, orders, and inventories category to the CFNAI was unchanged at +0.04 in February.

Employment-related indicators contributed +0.28 to the CFNAI in February, up from +0.10 in January. Nonfarm payrolls rose by 678,000 in February after increasing by 481,000 in January, and the unemployment rate decreased to 3.8 percent in February from 4.0 percent in the previous month. The contribution of the personal consumption and housing category to the CFNAI fell to –0.04 in February from +0.21 in January. …” – Michael Adleman, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/publications/cfnai/index; 3/21/22
Survey Suggests Little Change in Growth in April

“The Chicago Fed Survey of Business Conditions (CFSBC) Activity Index decreased to +1 in March from +6 in February, suggesting that economic growth was near trend. The CFSBC Manufacturing Activity Index increased to +6 in March from –12 in February, but the CFSBC Nonmanufacturing Activity Index decreased to –3 in March from +16 in the previous month.

• Respondents’ outlooks for the U.S. economy for the next 12 months deteriorated slightly, and remained pessimistic on balance. Forty-two 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 moved into positive territory, and the hiring expectations index remained positive.

• Respondents’ expectations for the pace of capital spending over the next 12 months increased, but the capital spending expectations index remained negative.

• The labor cost pressures index decreased, but the nonlabor cost pressures index increased. Both cost pressures indexes remained positive.” – Thomas Walstrum, Senior Business Economist, The Federal Reserve Bank of Chicago
The Federal Reserve Bank of Chicago: Survey of Business Conditions (CFSBC)

Source: https://www.chicagofed.org/publications/cfsbc/index; 4/12/22
Texas Manufacturing Outlook Survey
Texas Manufacturing Expansion Carries On,
Wage Growth Pushes to New High

“Texas factory activity continued to increase at solid pace in March, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, held mostly steady at 13.2, indicative of slightly above-average output growth.

Other measures of manufacturing activity showed mixed movements but remained positive, signaling continued expansion. The new orders index fell from 23.1 to 10.5, its lowest reading in over a year, while the growth rate of orders index held steady at 13.7. The capacity utilization index rose four points to 15.1, while the shipments index declined 17 points to 7.0.

Perceptions of broader business conditions also were a bit mixed in March. The general business activity index fell five points to 8.7, a reading still well above average. The company outlook index retreated to near zero, meaning firms were nearly evenly split on whether their outlooks improved versus worsened over the past month. The uncertainty index pushed up from 17.0 to 20.5.

Labor market measures indicated robust employment growth and longer workweeks. The employment index pushed up seven points to a highly elevated reading of 25.5. Thirty-two percent of firms noted net hiring, while 7 percent noted net layoffs. The hours worked index edged down to 15.4.

Prices and wages continued to increase strongly in March, with the indexes at or near historical highs. The raw materials prices index was largely unchanged at 74.0, and the finished goods prices index inched up to 47.8. The wages and benefits index shot up 11 points to a new high of 55.2.”


Source: https://www.dallasfed.org/research/surveys; 3/28/22
“Expectations regarding future manufacturing activity generally eased but remained positive. The future production index ticked down from 42.1 to 40.1, and the future general business activity index retreated 12 points to 8.2. 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
Texas Service Sector Sees Continued Growth in March

“Activity in the Texas service sector grew at a steady pace in March, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, increased from 21.9 in February to 23.4 in March, its highest level in four months.

Labor market indicators point to steady growth in hiring and hours worked relative to February. The employment index was unchanged at 14.4, and the part-time employment index was also stable at 7.0. The hours worked index was flat at 9.9 in March, with 13 percent of respondents noting a lengthening of average hours worked by employees compared with just 3.0 percent noting a shortening of hours worked.

Perceptions of broader business conditions remained positive overall, though optimism was more muted compared with February. The general business activity index fell six points to 10.6, while the company outlook index, though still positive, declined from 14.2 to 2.7. Uncertainty surged, with the outlook uncertainty index rising from 7.6 to 22.5 – its highest level since mid-2020.

March saw continued upward pressure on wages and prices. The wages and benefits index rose from 34.7 to 36.5, with 37 percent of respondents noting a rise in labor compensation costs compared with February. The selling prices index rose from 29.9 to 33.9, while the input prices index surged from 51.2 to 59.2. Both readings are record highs for the surveys going back to 2007.” – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas
The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

“Despite a drastic rise in uncertainty, respondents’ expectations regarding future business activity continued to reflect optimism going forward. The future general business activity index slipped from 21.2 to 15.4, while the future revenue index rose four points to 55.8. Other future service sector activity indexes such as employment and capital expenditures increased or remained elevated, suggesting robust growth over the next six months.” – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 3/29/22
Regional factory activity increased at a record pace in March. However, due to increasing input costs and supply chain disruptions, nearly a quarter of firms noted a significant decrease in profit margins since the beginning of the year, and another 44% reported a slight decrease in profit margins.

Factory Activity Grew at a Record Pace

“Tenth District manufacturing activity reported record high growth and expectations for future activity remained solid (Chart 1). The monthly index of raw materials prices increased modestly in March and inched down compared to a year ago. Finished goods price indexes saw slight growth from a month ago and were above year-ago levels for most firms. Expectations for future raw materials and finished goods prices increased further. The month-over-month composite index was 37 in March, the highest on record. It is up from 29 in February and 24 in January. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Increased activity was driven by growth in printing and paper, plastics, electrical equipment, furniture and related product manufacturing, and especially transportation equipment.” – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Federal Reserve Bank of Kansas City
Factory Activity Grew at a Strong Pace

“On the other hand, the pace of growth for food and machinery manufacturing declined. Month-over-month indexes remained positive in March, indicating expansion. Indexes for production, shipments, new orders, backlog of orders, and supplier delivery time increased at a faster rate in March. However, the pace of growth for number of employees and new orders for exports moved down. Materials and finished goods inventories expanded upward modestly. Year-over-year factory indexes continued to increase and broke a record high, with a composite index of 57. Production, shipments, and employment indexes increased further from a year ago while growth in materials inventories eased slightly. The future composite index was 41 in March, a slight increase from 38 in February. More firms expected increases in production, shipments, new orders, finished products, and supplier delivery times.

Special Questions

This month contacts were asked special questions on profit margins, changing prices, and the impact of the Russia/Ukraine conflict on their business. In March, 47% of firms reported increasing prices much more often compared to last year, and 32% raised prices somewhat more often. However, 44% of firms reported a slight decrease and 23% reported a significant decrease in profit margins since the beginning of the year. Firms reported that the majority of impacts from the Russia/Ukraine conflict centered around supply chain disruptions and higher input costs.” – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 3/24/22
The Federal Reserve Bank of Kansas City

Chart 1

- Vs. a Year Ago: 57
- Vs. a Month Ago: 37

Source: https://www.kansascityfed.org; 3/24/22
Regional services activity increased at a record pace in March. However, many firms continued to comment on supply chain disruptions and increased input costs as having a negative impact on profit margins.

**Business Activity Grew Moderately**

“Tenth District services activity increased to record high levels and expectations for future activity remained solid (Chart 1). Compared to the previous month, indexes for input prices increased slightly, while selling prices took a modest dip in March. Most firms continued to expect input and selling prices to rise over the next six months.

The month-over-month services composite index was 30 in March, higher than 12 in February and 15 in January. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. The increase in revenue and sales was driven by more wholesale trade, retail trade, and restaurant activity. However, auto activity declined. Month-over-month indexes remained positive in March, indicating expansion. In particular, the indexes for employment and inventories remained solid, but indexes for wages and benefits access to credit, and capital expenditures saw a slight decline. The year-over-year composite index eased modestly from 32 to 27, but the capital expenditure index remained unchanged from year-ago levels. Expectations for services activity remained positive in March. The future composite index was mostly unchanged at 40, but future indexes for revenue and sales, access to credit, and capital spending posted slight declines. However, the future employment and wages and benefits indexes increased in March.” – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, The Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 3/25/22
The Federal Reserve Bank of Kansas City

Chart 1

22-March
Vs. a Month Ago: 30

22-March
Vs. a Year Ago: 27

Services Composite Indexes


Vs. a Month Ago  Vs. a Year Ago

Source: https://www.kansascityfed.org; 3/25/22
Business activity picked up markedly in New York State, according to firms responding to the April 2022 *Empire State Manufacturing Survey*. The headline general business conditions index surged thirty-six points to 24.6. New orders and shipments grew strongly, and unfilled orders increased. Delivery times lengthened, though at a slower pace than in recent months, and inventories rose. Labor market indicators pointed to a small increase in employment and the average workweek. The prices paid index hit a record high, and the prices received index remained elevated. Plans for capital and technology spending were solid. Looking ahead, firms were significantly less optimistic about the six-month outlook than in recent months.

After three months of sluggishness, manufacturing activity picked up significantly in New York State, according to the April survey. The general business conditions index shot up thirty-six points to 24.6. Forty percent of respondents reported that conditions had improved over the month, while fifteen percent reported that conditions had worsened. The new orders index climbed thirty-six points to 25.1, and the shipments index rose forty-two points to 34.5, pointing to a strong rebound in orders and shipments after both declined last month. The unfilled orders index came in at 17.3. The delivery times index moved down eleven points to 21.8, pointing to ongoing increases in delivery times, and inventories grew modestly.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 4/15/21
Empire State Manufacturing Survey

Input Price Increases Hit Fresh Record

“The index for number of employees posted a second monthly decline, dropping seven points to 7.3, and the average workweek index came in at 10.0, pointing to a small increase in employment levels and the average workweek. The prices paid index climbed thirteen points to 86.4, a record high, and the prices received index retreated seven points from last month’s record high, signaling ongoing substantial increases in both input prices and selling prices.

Optimism Wanes

Optimism about the six-month outlook declined noticeably. The index for future business conditions fell twenty-one points to 15.2, its lowest level since early in the pandemic. Longer delivery times, higher prices, and increases in employment are all expected in the months ahead, and capital spending plans remained firm.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 4/15/21
"Business activity grew solidly in the region’s service sector, according to firms responding to the Federal Reserve Bank of New York’s April 2022 Business Leaders Survey. The survey’s headline business activity index rose six points to 24.2. The business climate index moved up nine points but remained negative at -14.4, indicating that firms generally viewed the business climate as worse than normal for this time of year. Employment levels continued to grow, and wage increases remained substantial. The prices paid index and the prices received index held at near record-high levels. Firms were fairly optimistic about future conditions, though optimism remained below levels seen earlier this year.

Business activity in the region’s service sector expanded significantly for a second consecutive month, according to the April survey. The headline business activity index rose six points to 24.2. Forty-two percent of respondents reported that conditions improved over the month and 18 percent said that conditions worsened. The business climate index increased nine points to -14.4, indicating that on net, firms continued to view the business climate as worse than normal, though to a lesser extent than last month.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 4/18/22
April Business Leaders Survey (Services)

Strong Increases In Employment And Wages

“The employment index climbed six points to 19.9, pointing to a modest increase in employment levels. The wages index moved up slightly to 55.0, signaling another month of strong wage growth. Input and selling price increases remained near record levels. The prices paid index held steady at 86.4, and the prices received index was just slightly lower than last month’s record high, at 43.4. The capital spending index dipped to 8.6.

Optimism Declines

While firms generally expected conditions to improve over the next six months, optimism waned for a second consecutive month. The index for future business activity fell seven points to 29.4. 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; 4/18/22
“Manufacturing activity in the region continued to grow, according to the firms responding to the March *Manufacturing Business Outlook Survey*. The survey’s indicators for general activity, shipments, and new orders all rose after declining last month. The employment index and both price indexes climbed higher and remain elevated. The survey’s future general activity, new orders, and shipments indexes moderated, but the surveyed firms remained generally optimistic about growth over the next six months.

**Current Indicators Improve**

The diffusion index for current general activity rose 11 points to 27.4 this month, its highest reading since November 2021 (see Chart 1). More than 40 percent of the firms reported increases (up from 26 percent last month) in current activity this month, while 13 percent reported decreases (up from 10 percent). The current shipments and new orders indexes also rose to their highest readings since November 2021: The current shipments index increased 17 points to 30.2, and the new orders index increased 12 points to 25.8.

On balance, the firms continued to report increases in employment, and the employment index rose to 38.9, its highest reading ever. Almost 44 percent of the firms reported increases in employment, compared with 5 percent that reported decreases; 48 percent reported no change. The average workweek index rose 11 points, to 21.4.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Firms Report Higher Production and Capacity Utilization

“In this month’s special questions, the firms were asked to estimate their total production growth for the first quarter ending this month compared with the fourth quarter of 2021. The share of firms reporting expected increases in first-quarter production (71 percent) was greater than the share reporting decreases (12 percent).

The firms were also asked about their current capacity utilization rate for the current quarter and one year ago as well as factors constraining capacity utilization in the current quarter. Relative to last year, a higher share of firms reported a utilization rate of 90 to 100 percent (17 percent vs. 3 percent), and a smaller share reported a rate of 60 to 70 percent (10 percent vs. 28 percent). However, the median current capacity utilization rate reported among the responding firms was 70 to 80 percent, the same as the rate reported for one year ago.

Regarding factors constraining capacity utilization in the current quarter, nearly all firms reported labor supply and supply chains as constraints to some degree, with 56 percent of the firms indicating that supply chains significantly constrained utilization. Looking ahead over the next three months, 44 percent of the respondents expect the impact of supply chains to worsen, while 23 percent expect it to improve. Nearly two-thirds of the firms reported the energy markets were not acting as a constraint in the current quarter; however, just over two-thirds expected the impacts from energy markets to worsen over the next three months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes
January 2008 to March 2022

Diffusion Index

Future Activity

Current Activity


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.

March 2022 Manufacturing Business Outlook Survey

Price Increases Become More Widespread
“The indicators for prices paid and prices received continue to indicate widespread price increases and moved higher this month. The prices paid index climbed 12 points to 81.0, its highest reading since June 1979. More than 87 percent of the firms reported increases in input prices, while 6 percent reported decreases; 7 percent of the firms reported no change. The current prices received index increased 5 points to 54.4. Nearly 57 percent of the firms reported increases in prices received for their own goods this month, 2 percent reported decreases, and 38 percent reported no change.

Future Indicators Remain Positive
The diffusion index for future general activity decreased 5 points to 22.7 but remains slightly above its average over the past seven months (see Chart 1). Almost 41 percent of the firms expect activity to increase over the next six months, while 18 percent expect activity to decrease. The future new orders index declined 3 points, and the future shipments index fell 14 points. The firms continued to expect overall increases in employment over the next six months, and the future employment index rose 4 points to 40.7. Nearly 42 percent of the firms expect to increase employment in their manufacturing plants over the next six months; only 1 percent anticipate employment declines.

Summary
Responses to the March Manufacturing Business Outlook Survey suggest continued expansion for the region’s manufacturing sector. The indicators for current activity, new orders, and shipments rose from their February readings, and the employment index reached an all-time high. The price indexes remain elevated and continue to suggest widespread increases in prices. The survey’s future indexes indicate that respondents continue to expect growth over the next six months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

March 2022 Nonmanufacturing Business Outlook Survey

“Nonmanufacturing activity in the region expanded this month, according to the firms responding to the March Nonmanufacturing Business Outlook Survey. The indexes for general activity at the firm level, sales/revenues, new orders, and full-time employment all increased this month. The prices paid and prices received indexes edged down but remain elevated. The respondents continued to anticipate growth over the next six months.

Current Indexes Improve

The diffusion index for current general activity at the firm level rose from a reading of 27.5 in February to 38.1 this month (see Chart 1). More than 51 percent of the firms reported increases in activity (up from 39 percent last month), and 13 percent reported decreases. The new orders index increased 15 points to 31.0 in March. Nearly 41 percent of the firms reported increases in new orders (up from 29 percent last month), exceeding the 10 percent that reported decreases. The sales/revenues index also improved this month, increasing 4 points to 33.0. More than 45 percent of the responding firms reported increases in sales/revenues, while 12 percent reported decreases. The regional activity index rose 17 points to 32.4.

Employment Indicators Strengthen

The firms reported overall increases in full- and part-time employment this month. The full-time employment index rose 13 points to a reading of 23.3 in March, its highest reading since July 2021. More than 55 percent of the firms reported steady full-time employment levels, while the share of firms reporting increases (31 percent) was higher than the share reporting decreases (8 percent). The part-time employment index rose 9 points to 16.6.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

March 2022 Nonmanufacturing Business Outlook Survey

Firms Continue to Report Overall Price Increases

“The prices paid and prices received indexes declined this month but remain well above long-run averages. The prices paid index decreased 3 points to 65.7. Over 67 percent of the respondents reported higher input prices, 19 percent reported no change, and 2 percent reported decreases. Regarding prices for the firms’ own goods and services, the prices received index also declined, dropping from 43.8 to 36.2. The share of firms reporting increases in prices received (37 percent) far exceeded the share reporting decreases (1 percent). Most of the firms (46 percent) reported no change in prices for their own goods and services.

Firms Report Higher Sales/Revenues and Constraints

In this month’s special questions, the firms were asked to estimate their total sales/revenues growth for the first quarter ending this month compared with the fourth quarter of 2021. The share of firms reporting expected increases in first-quarter sales/revenues (60 percent) was greater than the share reporting decreases (24 percent). The firms were also asked about factors constraining business operations in the current quarter. Most firms indicated labor supply and supply chains as constraints to some degree (86 percent and 83 percent, respectively). Just over 56 percent of the respondents cited energy markets as a constraint in the current quarter. Looking ahead over the next three months, most firms expect the impacts of labor supply and supply chains on business operations to stay the same or worsen, and 73 percent expect the impacts from energy markets to worsen.” – Elif Sen, Research Department, 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.

March 2022 Nonmanufacturing Business Outlook Survey

Firms 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 rose from a reading of 43.5 in February to 47.7 this month (see Chart 1). Over 59 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 25 percent that expect no change. The future regional activity index increased 6 points to 38.7.

Summary

Responses to this month’s Nonmanufacturing Business Outlook Survey suggest more widespread nonmanufacturing activity in the region. The indicators for firm-level general activity, new orders, sales/revenues, and full-time employment all rose. Both price indexes remained elevated. 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

The Federal Reserve Bank of Philadelphia: GDPplus

GDPplus: An Alternative Measure of Real U.S. Output Growth

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; 3/30/22
Fifth District manufacturing activity improved in March, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased from 1 in February to 13 in March, with increases in all three of the component indexes – shipments, volume of new orders, and number of employees. Notably, the shipments index increased from −11 in February to 9 in March. The volume of new orders also increased from −3 in February to 10 in March.

The order backlogs index turned positive again in March after being negative in February (the first negative reading since June 2020). The vendor lead time index continued to be high, indicating that most firms were still reporting growing lead times.

The index for both finished goods and raw materials inventories remained low, and firms expected that to persist for the foreseeable future. In general, firms continued to report increased hiring and rising wages. Additionally, the index for the average workweek increased notably in March.

The average growth rate of prices paid remained elevated but continued a three-month downward progression in March. However, average growth in prices received inched up in March.” – Jeannette Plamp, Economic Analyst, The Federal Reserve Bank of Richmond
U.S. Economic Indicators

Fifth District Survey of Manufacturing Activity

Diffusion Index, Seasonally Adjusted 3-MMA

- Composite Index
- New Orders
- Wages
- Capital Expenditures
- Shipments
- Employment
- Local Business Conditions
- Vendor Lead Time

Source: Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 3/22/22
U.S. Economic Indicators

Manufacturing Activity

Index, SA


Monthly  3-month moving average

Employment

Index, SA


Monthly  3-month moving average

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 3/22/22
U.S. Economic Indicators

**Price Trends**

- Percent Change, SA
- Mar-17 to Mar-22
- Blue: Prices Paid
- Black: Prices Received

**Wages**

- Index, SA
- Mar-17 to Mar-22
- Blue: Monthly
- Black: 3-month moving average

“Fifth District service sector activity remained in expansionary territory in March, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues and demand indexes remained positive in March. Firms reported continued increases in business spending, as all three expenditure indexes remained in growth territory. Firms also indicated that they expect to continue spending in the next six months. The local business conditions index turned negative in March, to –3 from 13 in February. Although still positive, the future business conditions index dropped to 14 from 35 in February.

Reports of employment growth softened slightly in March, although the employment index remained firmly in growth territory. The wage index was also well above 0 with a reading of 38, although it was down slightly from its record high of 46 last month. Firms expected to continue increasing wages in the next six months as the index for expected wages increased to 64 in March from 57 in February. Firms continued to report trouble finding workers with the necessary skills and do not expect the difficulty to ease in the near term.

The average growth rate of prices paid and prices received by survey participants inched up slightly in March. Firms’ expectations in March for price growth in the next 12 months also rose from February to March.” – Roisin McCord, Economic Analyst, The Federal Reserve Bank of Richmond
U.S. Economic Indicators

Fifth District Survey of Service Sector Activity

Diffusion Index, Seasonally Adjusted 3-MMA

Source: Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 3/22/22
México’s Economy Picks Up at Start of 2022

Revised estimates indicate that México’s GDP grew an annualized 0.1 percent in fourth quarter 2021 after falling 2.8 percent in the third quarter. As a result, GDP grew 1.1 percent in 2021 (fourth quarter/fourth quarter). Furthermore, México’s global economic activity index—the monthly proxy for GDP growth—shows a pickup in activity during the first two months of 2022.

The consensus forecast for GDP growth in 2022, compiled by Banco de México, remained 2.6 percent in February (fourth quarter/fourth quarter).

The latest data available show that industrial production, retail sales and employment grew, while exports ticked down. The peso held steady in February against the dollar, but inflation remained elevated.

New COVID-19 cases in México continued to decline, nearing pre-omicron levels. The vaccination rate rose further and now encompasses 62 percent of the population.

Economic Activity Improves

Year-over-year growth in the global economic activity index (IGAE) improved from 1.6 percent in January to 2.8 percent in February (Chart 1). Service-related activities (including trade and transportation) grew 1.6 percent in February from year-ago levels after expanding 0.5 percent in January. Goods-producing industries (including manufacturing, construction and utilities) increased 3.5 percent in February after expanding 12.7 percent in January. It bears noting that the IGAE also rose on a month-over-month basis.” – Jesus Cañas, Senior Business Economist, and Juliette Coia, Research Analyst; Research Department, The Federal Reserve Bank of Dallas
U.S. Global Economic Indicators

Chart 1
Economic Activity Picks Up in the First Two Months of 2022

Index, January 2012 = 100*

Global economic activity index (IGAE)

Index's year-over-year change

Year-over-year growth (percent)

*Seasonally adjusted; real pesos.
NOTE: Data are through December 2021. Data for January and February 2022 are estimated by the National Institute of Statistics and Geography (INEGI) using its timely indicator of economic activity (IOAE).

Industrial Production Expands

The three-month moving average of México’s industrial production (IP) index—which includes manufacturing, construction, oil and gas extraction, and utilities—improved in January from December (Chart 2). On a month-over-month and unsmoothed basis, IP was up 1.0 percent in January, while manufacturing IP was up 0.3 percent. North of the border, U.S. IP increased 1.5 percent in January after decreasing 0.1 percent in December. The correlation between IP in México and the U.S. increased considerably with the rise of intra-industry trade between the two countries since the early 1990s.” — Jesus Cañas, Senior Business Economist, and Juliette Coia, Research Analyst; Research Department, The Federal Reserve Bank of Dallas

S&P Global Canada Manufacturing PMI®

“The seasonally adjusted S&P Global Canada Manufacturing Purchasing Managers’ Index® (PMI®) registered at 58.9 in March, up solidly from 56.6 in February, to become the highest reading in the survey’s eleven-and-a-half-year history.

Canadian manufacturers concluded the first quarter of 2022 with a survey-record improvement in overall business conditions as COVID-19 related restrictions continued to ease and demand conditions improved. Output and new order growth quickened at historically elevated rates while concerns over input shortages and delivery delays prompted a record uplift in pre-production inventories. Strong capacity pressures meanwhile encouraged firms to raise their headcounts. With demand conditions favourable, firms were optimistic for output growth in 12 months’ time.

Central to the expansion was a robust and accelerated surge in demand which rose at the quickest pace since March 2021. According to panel comments, higher sales stemmed from the relaxation of pandemic restrictions as well as client concerns over future price hikes and shortages. …

Canada’s manufacturing sector again enjoyed a bustling month of trading in March to conclude the first quarter of 2022 with a record improvement in business conditions. Key to growth were robust uplifts in output, new orders and purchases. Staffing levels meanwhile continued to expand while further signs of capacity pressures will ensure workers are kept busy over the spring and summer months.

Though, while data continues to look positive at first glance, severe concerns are apparent upon deeper inspection. A common theme in the latest survey were further expectations of material scarcity, delivery delays and future price hikes. Another severe lengthening of delivery times supported concerns, which is likely to persist even though global pandemic restrictions are expected to ease further.

Consumers meanwhile stocked up on inputs despite intense cost pressures. In fact, latest data revealed survey-record increases in output and input price inflation. With demand showing no signs of letting up and the knock-on effects of the war in Ukraine, we can expect to see prices rising at elevated rates for at least the duration of the year.” – Shreeya Patel, Economist, S&P Global

Source: https://www.markiteconomics.com/Public/Home/PressRelease/6090ff1d2ccf44a2952f59ddf3eadf9b; 4/1/22
S&P Global Caixin China General Manufacturing PMI™

Manufacturing performance dampened by latest COVID-19 wave in March

“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 50.4 in February to 48.1 in March, to signal a renewed deterioration in business conditions. Though modest overall, the pace of decline was the quickest seen since February 2020.

The introduction of tighter restrictions to contain the spread of the latest wave of COVID-19 in China weighed heavily on manufacturing performance in March. Companies registered the quickest falls in output and new business since the initial onset of the pandemic in February 2020, with restrictions around mobility also leading to a steeper deterioration in supplier performance. Cost pressures meanwhile intensified, with input costs and output charges both rising at the sharpest rates for five months. The ongoing disruption to business operations, rising costs and recent invasion of Ukraine all weighed on business confidence for the year ahead, which slipped to a three-month low in March.

The drop in the headline PMI was partly driven by a renewed and solid fall in production at Chinese manufacturing firms in March. Furthermore, the rate of contraction was the steepest seen for 25 months. Companies frequently mentioned that the measures to contain the spread of COVID-19 had disrupted operations, supply and dampened customer demand.

New orders likewise fell at the sharpest rate since February 2020 in March. Companies commented that both domestic and foreign demand had waned, with new export business declining at the fastest pace for 22 months. The pandemic, and difficulties shipping items to clients, as well as greater market uncertainty due to the Ukraine war had dampened sales, according to panellists. Disruption to business operations and logistics due to containment measures led to a further deterioration in average supplier performance. Notably, the rate at which delivery times increased was the fastest since last October.” – Dr. Wang Zhe, Senior Economist, Caixin Insight Group

Source: https://www.markiteconomics.com/Public/Home/PressRelease/31a0f0a997904b1c851fd07d4a0d0b; 4/1/22
S&P Global Caixin China General Manufacturing PMI™

“In the manufacturing sector, both supply and demand shrank. In March, Covid-19 flared up in several regions across China, disrupting manufacturing supply chains and impacting production. Market demand weakened, especially for consumer goods. In March, both the gauges of output and total new orders came in at the lowest levels since February 2020. Overseas demand fell sharply, and global transportation conditions deteriorated. The gauge for new export orders hit its lowest in 22 months in March.

The job market improved marginally in March. The employment gauge climbed into positive territory for the first time since July 2021, though the rate of expansion was limited. Some enterprises said they added new employees, while some reported a suspension of recruitment due to the impact of the epidemic.

Inflationary pressures increased. The war between Russia and Ukraine and subsequent sanctions against the former disrupted supply chains and largely pushed up commodity prices. The measures of both input costs and output prices rose to five-month highs in March. The growth in prices of energy and metals was relatively steep, with the high cost partly passed on to downstream producers.

Manufacturing enterprises’ quantity of purchases decreased, deliveries took longer. Affected by the epidemic, the measure of suppliers’ delivery times fell further in contractionary territory, indicating longer delivery times in March. Due to the weak supply and demand, manufacturing enterprises reduced their purchases of raw materials, with the measure of quantity of purchases falling into negative territory. Stocks of finished goods and purchased items also fell.

Manufacturers still held on to a positive outlook for their businesses. Surveyed entrepreneurs remained confident that authorities would get the domestic epidemic under control. However, the degree of their optimism was limited. The measure of future output expectations in March was over 2 points lower than its long-term average.

Overall, impacted by factors including the Covid-19 outbreaks in multiple parts of China, manufacturing activity largely weakened in March. Supply contracted. Demand was also under pressure, and external demand worsened. The job market was more or less stable. Inflationary pressure continued to rise. And market optimism weakened.” – Dr. Wang Zhe, Senior Economist, Caixin Insight Group

Source: https://www.markiteconomics.com/Public/Home/PressRelease/31a0f0a997904b1e851fbd07d4a0d00b; 4/1/22
“At present, China is facing the most severe wave of outbreaks since the beginning of 2020. Meanwhile, uncertainty increased abroad. The prospect of the war between Russia and Ukraine is uncertain, and the commodity market convulsed. A variety of factors resonate, aggravating the downward pressure on China’s economy and underscoring the risk of stagflation.

Policymakers are facing double challenges of “precision” — improving the level of precision of epidemic control measures, to strike a balance between maintaining the normal order of production and life and guarding safety and health of the people; ensuring fiscal policy and monetary policy are implemented precisely. Policymakers should care about vulnerable groups, enhancing supports for key industries and small and micro businesses, to stabilize market expectations.” – Dr. Wang Zhe, Senior Economist, Caixin Insight Group

Source: https://www.markiteconomics.com/Public/Home/PressRelease/31a0f0a997904b1e851fbd07d4a0d00b; 4/1/22
S&P Global Eurozone Manufacturing PMI®

“The S&P Global Eurozone Manufacturing PMI® fell 56.5 in March, from 58.2 in February, and signalled the slowest improvement in operating conditions faced by goods producers since the beginning of 2021. Notwithstanding a greater lengthening in average lead times (the Suppliers Delivery Times Index is inverted in the calculation of the headline PMI), the slowdown would have been much steeper as the remaining four sub-components all declined over the month.

PMI slides to 14-month low in March amid rising inflation and geopolitical tensions

The Eurozone manufacturing sector registered a further slowdown in growth at the end of the first quarter, with the headline PMI slumping to a 14-month low. A rise in geopolitical tensions was mentioned as a factor weighing on demand, and had a noticeable impact on business confidence, which fell to its weakest level since May 2020. The weaker upturn was accompanied by an intensification of supply chain pressures over the month as rising COVID19 infections in China and Russia's invasion of Ukraine reportedly led to longer lead times. …

Just as the fading of the latest pandemic wave was creating a tailwind for the eurozone manufacturing recovery, with economies re-opening and supply chain bottlenecks easing, the war in Ukraine has created an ominous new headwind. While the boost to demand from the further relaxation of COVID-19 containment measures helped ensure a sustained expansion of manufacturing order books and output in March, rates of growth have cooled markedly amid sanctions, soaring energy costs and new supply constraints linked to the war. Heightened risk aversion among both manufacturers and their customers due to the uncertainty caused by the invasion, combined with an intensifying cost of living crisis, meanwhile threatens to pull growth even lower in the coming months, as reflected in the slumping of manufacturers' growth expectations for the coming year.

Business optimism in the goods producing sector has collapsed to a level indicative of manufacturing output declining in the second quarter and adding to the risk of the manufacturing sector sliding into a new recession.” – Chris Williamson, Chief Business Economist, S&P Global

Source: https://www.markiteconomics.com/Public/Home/PressRelease/789cd500c766480db5ded5f11a62f786; 4/1/22
PMI at 18-month low in March as war in Ukraine impacts export demand, supply chains and prices

Germany's manufacturers reported a slowdown in growth and a marked drop in their expectations towards future activity in March as the war in Ukraine weighed on export demand and led to fresh supply-side pressures, latest PMI® survey data showed. After easing in recent months, supply delays worsened and there was a reacceleration in the rate of input price inflation. For the first time since the initial global COVID outbreak, goods producers were pessimistic about the year-ahead outlook.

Inflows of new orders at German manufacturers rose at the weakest rate for three months. The principal factor behind the slowdown was a decline in export demand, which reports from surveyed businesses linked to the war in Ukraine and the subsequence sanctions placed on Russia and Belarus. …

We're already beginning to see the effects of the war in Ukraine on the German economy, particularly in the manufacturing sector where growth has started to wane and there's been a considerable loss of business confidence. Manufacturers have been hit by dual supply and demand shocks. Fresh disruption to raw materials and key components has constrained production, while the war-related sanctions and heightened uncertainty in the market have dented export sales. On top of this, goods producers have come under renewed pressure from rising input cost inflation, which accelerated for the first time in five months in March amid sky-rocketing global commodity prices.

March survey data has shown a near-unprecedented drop in manufacturers' expectations for the year ahead, which not only bodes ill for the immediate growth outlook, but also for future job creation and investment.” – Phil Smith, Principal Economist, S&P Global

Source: https://www.markiteconomics.com/Public/Home/PressRelease/a9d8fbde9b7840a3903ded5f4d22fdd7; 4/1/22
Global manufacturing PMI slips to 18-month low as rising headwinds hamper growth

March saw the rate of expansion in global manufacturing production slip to its lowest during the current 21-month sequence of increase. Output and demand growth were hampered by multiple headwinds, including ongoing COVID disruptions, stretched global supply chains, rising inflationary pressures and elevated geopolitical tensions. National PMI readings were above the neutral 50.0 mark for 23 out of the 30 nations for which March data were available. North America and the eurozone remained brighter growth spots. Six out of the ten top-ranked nations were members of the euro currency bloc, while the US and Canada were in fourth and third positions respectively. The UK and Australia completed the top-ten.

The slowdown in manufacturing production was mainly focused on the intermediate and investment goods subindustries, both of which saw output growth ease to near stagnation. Although the consumer goods sector fared better – with production rising at the quickest pace in three months – the pace of increase remained slightly below its long-run average. With the global manufacturing sector facing headwinds hampering growth, business optimism waned in March. Although companies still (on average) expect production to rise over the coming year, the overall degree of positive sentiment dipped to a one-and-a-half year low. …

The Manufacturing PMI fell to an 18-month low in March, with the indices for output and new orders down by 1.2pts and 2.3pts respectively. Manufacturers are being buffeted by several headwinds. In Europe the war in Ukraine is creating a drag on activity while global supply chains remain stretched and are at risk of deterioration as China battles the worst virus outbreak in two years. The US was a bright spot in today's report where the PMI posted a solid bounce.” – Olya Borichevska, Global Economist, J.P. Morgan

Source: https://www.markiteconomics.com/Public/Home/PressRelease/4b6bd7db1b2e407787f1ff2b75701a14; 4/1/22
Global economic growth eases at end of quarter one

The global economic upturn lost a little traction at the end of the first quarter, with March seeing rates of expansion in output and new orders ease and new export business contract. Rising inflationary pressures, stretched supply chains and geopolitical tensions also stymied growth and hit confidence. Business optimism dipped to a 15-month low, but the rate of job creation matched the highest registered since the end of 2007. All six of the sub-sectors covered by the survey saw economic activity increase during March. However, four saw their rates of expansion slow (business services, consumer services, intermediate and investment goods), with growth easing to near-stagnation in the intermediate goods and investment goods categories. Consumer goods and financial services both registered quicker rates of increase. …

The J.P. Morgan Global Services Business Activity Index posted 53.4 in March, down slightly from 54.0 in February, indicating growth for the twenty-first month in a row. Higher levels of business activity were underpinned by rising intakes of new work, increased export orders and growth of backlogs of work. Jobs growth picked up to the fastest since December 2007. Rates of increase in input prices and output charges accelerated.

The March PMI surveys signaled a slight loss of growth momentum for the global economy, with the headline output index falling 0.8 pts to 52.7. Beneath the headline decline, today’s surveys highlight cross-currents impacting the global economy. The end of the Omicron wave across much of the DM is allowing for activity to rebound and this is shown by the rise in the DM services PMI. By contrast, the virus outbreak in China has resulted in a large decline in China’s PMI index. In Russia, the PMI collapsed on domestic developments stemming from the war in Ukraine.” – Olya Borichevska, Global Economic Research, J.P. Morgan

Source: https://www.markiteconomics.com/Public/Home/PressRelease/0be262035424466a98f209c3a7e9ddae; 4/6/22
Nonresidential Construction Spending Drops Slightly in February

“National nonresidential construction spending was down 0.1% in February, 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 $844.5 billion for the month. Spending was down on a monthly basis in 10 of the 16 nonresidential subcategories. Private nonresidential spending was up by 0.2%, while public nonresidential construction spending was down 0.5% in February.

“Nonresidential spending decreased in February despite inflationary pressures that should have driven it higher,” said ABC Chief Economist Anirban Basu. “True, nonresidential spending is up 6.2% year over year, but given the significance of construction materials inflation, spending has almost certainly declined in real terms.”

“Moreover, the Russia-Ukraine war has spawned further materials price increases, which in turn raises the risk that project owners will decide to postpone or cancel projects,” said Basu. “ABC’s Construction Confidence Index indicates that a growing number of contractors expect to trim their margins during the year ahead in order to induce purchasers to continue to move forward. The spread of an omicron subvariant in China has started to interfere with production there, which translates to additional supply chain disruptions.”

“As if that were not enough, the risk of recession is rising,” said Basu. “While there is evidence of ongoing momentum, a recent increase in interest rates coupled with hawkish statements from the Federal Reserve imply that credit conditions will become more challenging this year. The question is whether the Federal Reserve can slow economic growth in order to counter inflation without driving the economy into recession.”” – Erika Walter, Director of Media Relations, ABC
Private Indicators
Associated Builders and Contractors

Nonresidential Construction Spending Declines in February

“The recent inversion of the yield curve is viewed by many economists as a leading indicator of recession,” said Basu. “Since the early 1980s, most rate tightening cycles have ended in recession. For contractors that largely work on private construction projects, this suggests risk of weakening backlog at some point later this year or in 2023. For those largely focused on public work, the economics are more favorable, since federal infrastructure outlays will be elevated for approximately the next five years.” – Erika Walter, Director of Media Relations, ABC

| Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate |
|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|                                | February 2022 | January 2022 | February 2021 | 1-Month % Change | 12-Month % Change |
| Total Construction              | $1,704,383    | $1,695,531   | $1,533,252    | 0.5%             | 11.2%                |
| Residential                     | $859,882     | $850,333     | $738,283      | 1.1%             | 16.5%                |
| Nonresidential                  | $844,501     | $845,198     | $794,969      | -0.1%            | 6.2%                 |
| Water supply                    | $19,396      | $18,599      | $17,627       | 4.3%             | 10.0%                |
| Sewage and waste disposal       | $28,704      | $28,141      | $25,832       | 2.0%             | 11.1%                |
| Public safety                   | $10,235      | $10,057      | $15,581       | 1.8%             | -34.3%               |
| Power                           | $117,791     | $116,280     | $118,183      | 1.3%             | -0.3%                |
| Lodging                         | $16,914      | $16,713      | $23,067       | 1.2%             | -26.7%               |
| Manufacturing                   | $96,552      | $95,971      | $71,398       | 0.6%             | 35.2%                |
| Office                          | $84,752      | $84,882      | $79,397       | -0.2%            | 6.7%                 |
| Communication                   | $21,814      | $21,862      | $21,899       | -0.2%            | -0.4%                |
| Transportation                  | $56,333      | $56,534      | $56,227       | -0.4%            | 0.2%                 |
| Health care                     | $51,253      | $51,551      | $46,283       | -0.6%            | 10.7%                |
| Amusement and recreation        | $26,142      | $26,316      | $24,833       | -0.7%            | 5.3%                 |
| Religious                       | $2,881       | $2,902       | $3,126        | -0.7%            | -7.8%                |
| Educational                     | $98,955      | $99,996      | $103,294      | -1.0%            | -4.2%                |
| Highway and street              | $105,382     | $106,627     | $96,727       | -1.2%            | 8.9%                 |
| Commercial                      | $99,132      | $100,384     | $84,028       | -1.2%            | 18.0%                |
| Conservation and development    | $8,268       | $8,384       | $7,469        | -1.4%            | 10.7%                |
| Private Nonresidential           | $503,046     | $502,192     | $458,375      | 0.2%             | 9.7%                 |
| Public Nonresidential            | $341,456     | $334,006     | $336,594      | -0.5%            | 1.4%                 |

Source: U.S. Census Bureau

Nonresidential Construction Drops Slightly in February

Source: U.S. Census Bureau
Private Indicators
Associated Builders and Contractors

ABC Construction Backlog Up, Contractor Confidence Down in March

“Associated Builders and Contractors reported today that its Construction Backlog Indicator increased to 8.3 months in March, according to an ABC member survey conducted Mar. 22 to April 5. The reading is up 0.5 months from March 2021.

ABC’s Construction Confidence Index readings for sales, profit margins and staffing levels declined in March. All three indices remain above the threshold of 50, however, indicating expectations of growth over the next six months.

“Demand for construction services remains strong despite sky-high materials prices, skills shortages and elevated bids,” said ABC Chief Economist Anirban Basu. “ABC contractors indicate that demand will remain strong, with 65% of contractors expecting sales to grow over the next six months. Backlog increased in March, indicating that bidding opportunities remain plentiful. The recent rise in interest rates could induce certain project owners to move forward with construction work to access affordable investment capital while it remains available. It is also conceivable that at some point private demand for construction services will decline as the cost of capital rises.

“If the story ended with demand, it would be as gratifying as a fairy tale ending with happiness across the kingdom,” said Basu. “Alas, one must address the issue of supply. More than three-quarters of contractors indicate that they had recently suffered some setback in delivering construction services.

“Among the primary factors are a lack of sufficiently skilled workers as well as materials and equipment shortages. These dynamics will continue to increase the cost of construction delivery during months to come. The Russia-Ukraine war has exacerbated inflationary pressures and will likely result in more aggressive monetary tightening by the Federal Reserve. For now, the average contractor expects to be able to pass along a significant fraction of the cost increases to project owners. It remains to be seen whether that will persist as interest rates rise.”” – Erika Walter, Director of Media Relations, ABC

# Private Indicators

## Associated Builders and Contractors

<table>
<thead>
<tr>
<th>Construction Confidence Index</th>
<th>March 2022</th>
<th>February 2022</th>
<th>March 2021</th>
</tr>
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<tbody>
<tr>
<td><strong>Response</strong></td>
<td><strong>CCI Reading</strong></td>
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<tr>
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<td><strong>Sales Expectations</strong></td>
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<tr>
<td>Up Big</td>
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<td>13.8%</td>
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<td>12.3%</td>
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<td>2.0%</td>
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<td>3.1%</td>
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<td>Up Big</td>
<td>2.5%</td>
<td>4.3%</td>
<td>4.3%</td>
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<td>36.8%</td>
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<td>35.5%</td>
<td>33.5%</td>
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<td>27.1%</td>
<td>21.1%</td>
<td>22.7%</td>
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<td>3.9%</td>
<td>1.2%</td>
<td>4.0%</td>
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<td><strong>Staffing Level Expectations</strong></td>
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<td>8.4%</td>
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<tr>
<td>Down Small</td>
<td>7.4%</td>
<td>5.0%</td>
<td>7.4%</td>
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<td>0.5%</td>
<td>1.2%</td>
<td>0.9%</td>
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© Associated Builders and Contractors, Construction Confidence Index

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Associated Builders and Contractors

ABC Construction Backlog Indicator & Construction Confidence Index, 2012-Mar. 2022

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Private Indicators
American Institute of Architects (AIA)

Architecture Billings Index February 2022

Architecture firm billings continue to increase at a moderate pace

Nearly eight in 10 architecture firms say that the impact of supply chain disruptions on projects at their firm is more serious now than one year ago.

“Architecture firm billings continued to grow at a moderate pace in February, with an Architecture Billings Index (ABI) score of 51.3 (any score over 50 indicates billings growth). This month marks one full year since the recovery began at architecture firms, following the pandemic-induced downturn that started in 2020. While billings growth has slowed from the explosive pace of mid-2021, the majority of firms are still reporting steady growth. In addition, inquiries into new projects and the value of new design contracts both remain strong, indicating ongoing interest from clients in starting new projects.” – Katharine Keane, Senior Associate Editor, The American Institute of Architects

“The prolonged lack of demand for design services in the Northeast is concerning. Activity is plateauing as firms face a myriad of external challenges.” – Kermit Baker, Chief Economist, AIA

Private Indicators
American Institute of Architects (AIA)

National
Architecture firm billings growth continues in February

Graphs represent data from February 2021–February 2022.

Private Indicators: AIA

Region

“However, billings growth is not evenly spread around the country. While firms located in the South continued to report very strong growth in February, and firms in the Midwest reported moderate growth, firm billings continued to decline at firms located in the Northeast and West. This marks the sixth consecutive month of decreasing billings at firms in the Northeast, and the third for firms located in the West.” – Katharine Keane, Senior Associate Editor, The American Institute of Architects

“Firms with an institutional specialization also experienced a decline in billings for the third consecutive month in February, while business conditions strengthened further at firms with a commercial/industrial specialization, and continued to increase at a moderate pace at firms with a multifamily residential specialization.” – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Private Indicators

Dodge Data & Analytics

Total Construction Starts Increase in February

Large manufacturing projects break ground, offsetting weakness elsewhere

“Total construction starts rose 9% in February to a seasonally adjusted annual rate of $1.013 trillion, according to Dodge Construction Network. Nonresidential building starts swelled 32% due to the start of three large manufacturing facilities. By contrast, residential starts fell 3%, and nonbuilding starts fell by less than 1%. Without the three large manufacturing projects, total construction would have declined 6% in February.

Year-to-date, total construction was 14% higher in the first two months of 2022 than in the same period of 2021. Nonresidential building starts jumped 39%, nonbuilding starts rose 4% and residential starts gained 5%. For the 12 months ending February 2022, total construction starts were 16% above the 12 months ending February 2021. Nonresidential starts were 23% higher, residential starts gained 19% and nonbuilding starts were up 1%.

“The manufacturing sector has been an important success story for construction since the pandemic began,” stated Richard Branch, chief economist for Dodge Construction Network. “Domestic producers are expected to seek more control over their supply chains in the future, so that aspect of construction should continue to flourish. However, as evident in February’s data, other sectors are struggling to gain traction in the face of high material prices and worker shortages. The conflict in Ukraine will continue to put upward pressure on costs, making the sector’s recovery more tenuous in 2022.”” – Nicole Sullivan, Public Relations & Social Media, AFFECT
Private Indicators

Dodge Data & Analytics

“Residential building starts fell 3% in February to a seasonally adjusted annual rate of $429 billion. Single family starts lost 4%, but multifamily starts increased 2%. For the 12 months ending February 2022, residential starts improved 19% from the 12 months ending February 2021. Single family starts were 14% higher, while multifamily starts were 31% stronger on a 12-month rolling sum basis.

The largest multifamily structures to break ground in February were the $400 million 400 Central condos in St. Petersburg, FL, the $220 million Journal Squared apartments in Jersey City, NJ, and the $147 million Miami World Tower building in Miami, FL.

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

Nonresidential building starts fell by less than 1% in February to a seasonally adjusted annual rate of $198.4 billion. Utility/gas plant starts rose 66% over the month, while environmental public works starts fell 23%. Starts for highways and bridges, as well as for the miscellaneous nonbuilding category, each fell by less than 1% in February.

For the 12 months ending February 2022, total nonbuilding starts were 1% higher than in the 12 months ending February 2021. Environmental public works starts were up 16% and utility/gas plant starts rose 7%. Highway and bridge starts were up 2% on a 12-month rolling sum basis, while miscellaneous nonbuilding starts were 26% lower.

The largest nonresidential building projects to break ground in February were the $492 million Cardinal-Hickory Creek transmission line in Middleton, WI, a $385 million solar farm in Ventress, LA, and the $350 million Sapphire Sky wind farm in Farmer City, IL.” – Richard Branch, Chief Economist, Dodge Data & Analytics
Private Indicators

**MONTHLY CONSTRUCTION STARTS**
(Millions of Dollars, Seasonally Adjusted Annual Rate)

<table>
<thead>
<tr>
<th></th>
<th>Feb 2022</th>
<th>Jan 2022</th>
<th>% Change</th>
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<tr>
<td>Nonresidential Building</td>
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<tr>
<td>Residential Building</td>
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<td>Total Construction</td>
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<td>$931,647</td>
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**YEAR-TO-DATE CONSTRUCTION STARTS**
(Unadjusted Totals, in Millions of Dollars)

<table>
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<tr>
<th></th>
<th>2 Mos. 2022</th>
<th>2 Mos. 2021</th>
<th>% Change</th>
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<td>Total Construction</td>
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Chicago Business Barometer™ – Rebounds to 62.9 in March

- All main indicators increased, with Inventories and New Orders seeing the largest boost. Only prices paid declined in March. Prices Paid slipped 0.8 points to a – still elevated – 12-month low of 85.7 in March.
- Production improved to 60.0, still below the 12-month average of 62.8, but a substantial 4.6-point recovery over last month. Firms cited modest improvements in material shortages and logistic issues, allowing a production boost.
- Employment increased 4.6 points to 48.1, following February’s dip to the lowest since October 2020. Firms saw employment levels improve, although hiring skilled workers remained challenging.
- New Orders picked up to 61.9, up 8.9 points from the February fall, yet still 3.4 points weaker than January.
- Supplier Deliveries rose 3.0 points through March to 78.3, with more firms seeing deliveries slow.
- Order Backlogs inched up 2.5 points to a five-month high of 64.3 as backlogs remained persistently high due to key material and chip shortages.
- Inventories hit a near 50-year high in March, jumping 11.4 points to 68.7, 16.7 points above the 12-month average. Firms stocked up due to ongoing supply chain disruptions, with exports seeing longer delivery times. Some port congestion improvements were noted.
- Increased lead times and capital costs sent the capital equipment subindex to a record high.” – Les Commons, Senior Economist and Lucy Hager, Economist, MNI Indicators
The Conference Board Leading Economic Index® (LEI) for the U.S. Decreased in February

“The Conference Board Leading Economic Index® (LEI) for the U.S. increased by 0.3 percent in February to 119.9 (2016 = 100), following a 0.5 percent decrease in January and a 0.8 percent increase in December.”

“The US LEI rose slightly in February, partially reversing January’s decline. However, the latest results do not reflect the full impact of the Russian invasion of Ukraine, which could lower the trajectory for the US LEI and signal slower-than-anticipated economic growth in the first half of the year. The global economic impact of the war on supply chains and soaring energy, food, and metals prices – coupled with rising interest rates, existing labor shortages, and high inflation – all pose headwinds to US economic growth. While the Omicron wave and its economic impact waned in recent months, the potential for new COVID-19 variants remains. Amid these risks, The Conference Board revised its growth projection for the US economy down to 3.0 percent year-over-year GDP growth in 2022 – still well above the pre-pandemic growth rate, which averaged around 2 percent.” – Ataman Ozyildirim, Senior Director of Economic Research, The Conference Board

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased by 0.4 percent in February to 108.0 (2016 = 100), following a 0.3 percent increase in January and a 0.1 decrease in December.

The Conference Board Lagging Economic Index® (LAG) for the U.S. remained unchanged in January at 110.3 (2016 = 100), following a 0.7 percent increase in January and a 0.6 percent increase in December.”

Source: https://www.conference-board.org/data/bcicountry.cfm; 3/18/22
Private Indicators

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

February New Business Volume Down 4 Percent Year-over-year, 14 Percent Month-to-month, Nearly 1 Percent Year-to-date

“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 February was $7.1 billion, down 4 percent year-over-year from new business volume in February 2021. Volume was down 14 percent month-to-month from $8.3 billion in January. Year-to-date, cumulative new business volume was down nearly 1 percent compared to 2021.

Receivables over 30 days were 1.7 percent, down from 1.8 percent the previous month and down from 2.1 percent in the same period in 2021. Charge-offs were 0.09 percent, down from 0.17 percent the previous month and down from 0.55 percent in the year-earlier period.

Credit approvals totaled 78.2 percent, down from 78.4 percent in January. Total headcount for equipment finance companies was down 12.2 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 March is 58.2, a decrease from 61.8 in February.” – Amy Vogt, Vice President, Communications and Marketing, ELFA

“New business volume at MLFI 25 companies has grown modestly in 2022, as it typically does in the early months. What is eye-catching, however, is the extremely high credit quality reported by respondents. Geopolitical unrest, increasing interest rates, inflation and continuing supply disruptions all pose headwinds that bear monitoring. But, equipment finance companies always find ways to stay relevant, resilient and reliable in helping American businesses acquire the assets they need to thrive.” – Ralph Petta, President and CEO, ELFA
Private Indicators

MLFI-25 New Business Volume (Year-Over-Year Comparison)

* YTD NBV numbers will not match the numbers from the chart due to rounding

Equipment Leasing and Finance Association’s Survey of Economic Activity

“With a quarter of the year nearly complete, we remain cautiously optimistic with steady deal flow and a strong pipeline. Supply chain constraints continue to be a major issue as we see equipment delivery delays for the foreseeable future. Positively, we see these delivery delays coupled with strong demand across most asset classes being a tailwind for future financing opportunities. Competition continues to be very strong with continued pressure on loan yield spreads. Credit quality and credit metrics are at historically strong levels; however, we are closely monitoring current geopolitical events, future Fed rate hikes, growing inflationary pressures on the broader economy, yield curve inversion and record high costs for many asset classes.” – Kris Foster, President of Equipment Finance, Pinnacle Financial Partners, Inc.

Output growth accelerates to fastest in seven months as supply disruption eases

“The seasonally adjusted S&P Global US Manufacturing Purchasing Managers’ Index™ (PMI™) posted 58.8 in March, up from 57.3 in February and slightly higher than the earlier released ‘flash’ estimate of 58.5. The improvement in the health of the US manufacturing sector was steep overall and the sharpest since last September.

March PMI™ data from S&P Global signalled a sharp improvement in operating conditions across the US manufacturing sector. Overall growth was supported by faster increases in output and new orders, as domestic and foreign client demand ticked higher. Although backlogs of work rose at a sharper pace - largely due to greater new sales – firms noted that fewer supply bottlenecks allowed production to expand at a faster rate. Moreover, supplier delivery times deteriorated to the smallest extent since January 2021. Nonetheless, costs continued to soar, as the rate of input price inflation quickened to a marked pace.

Encouraged by stronger demand conditions, firms stepped up their hiring activity, with some also noting a greater ability to find suitable candidates. Meanwhile, expectations regarding the outlook for output reached the highest since November 2020.

Contributing to the overall upturn was a sharper expansion in production at the end of the first quarter. The pace of growth continued to gain momentum and was the quickest since last August. Crucial to the increase were reports of improved availability of raw materials and inputs as supply chain disruption eased slightly. Companies also noted that higher output was supported by stronger client demand and a rise in new orders.

March data indicated a marked increase in new sales at goods producers, and one that was the sharpest for six months. Some firms linked the rise in new orders to stockpiling at customers amid steep increases in selling prices, whilst others mentioned the placement of larger order volumes. Foreign client demand also strengthened, with new export orders rising at the joint-fastest pace for almost a year.” – Chris Williamson, Chief Business Economist, S&P Global
“Supporting the expansion in output was the smallest deterioration in vendor performance since January 2021. Lead times still lengthened markedly amid labor and material shortages, but to a lesser extent than that seen through large parts of 2021 as some firms stated that bottlenecks had started to ease. Nonetheless, input prices continued to rise. Although slower than the series-record pace seen last November, the rate of cost inflation remained marked and quickened in March. Subsequently, selling prices at manufacturing firms increased substantially at the end of the first quarter. The rate of charge inflation was not quite as rapid as that seen in February, however. Greater demand and less marked supplier delays led firms to step up their input buying in March. The rate of purchasing growth was the sharpest since last September as firms sought to protect against future price hikes. Pre-production inventories rose at the fastest pace for eight months. Stocks of finished goods fell further, however. At the same time, manufacturing firms expanded their workforce numbers at a solid pace amid increased pressure on capacity. Some companies stated that investment in recruitment campaigns were successful. Nevertheless, backlogs of work rose sharply and at the fastest pace for three months. Finally, output expectations regarding the year ahead strengthened in March. Confidence was the most upbeat since November 2020, and stemmed from hopes of further improvements in supply chains.

Comment
US manufacturing growth accelerated in March as strong demand and improving prospects countered the headwinds of soaring cost pressures and the Russia-Ukraine war.” – Chris Williamson, Chief Business Economist, Markit®
“Order book growth has picked up as customers look to the further reopening of the domestic and global economies amid signs that the disruptions from the pandemic continue to fade.

While companies continued to report widespread production constraints due to supply chain bottlenecks, the incidence of such delays is now lower than at any time since January 2021. Jobs growth has also improved as fewer companies reported labor shortages.

Similarly, although price pressures remain elevated, with surging energy costs pushing firms’ costs higher at an increased rate in March, rates of inflation of both input costs and average selling prices have fallen from the record highs seen late last year to hint that consumer price inflation could likewise soon peak.

It was especially encouraging to see business optimism about the year ahead improve further in March, despite the new uncertainties, sanctions and geopolitical risks caused by the Ukraine invasion, with optimism among producers now the brightest since late-2020.” – Chris Williamson, Chief Business Economist, S&P Global
Private Indicators

US Manufacturing PMI
sa, >50 = growth since previous month

Source: S&P Global

Source: https://www.markiteconomics.com/Public/Home/PressRelease/3bff624523ef4d4080e4b6096a9dac03; 4/1/22
S&P Global U.S. Services PMI™

Business activity growth quickens amid stronger demand conditions, but charge inflation reaches series high

“The seasonally adjusted final S&P Global US Services PMI Business Activity Index registered 58.0 in March, up from 56.5 in February, but lower than the earlier released ‘flash’ estimate of 58.9. The increase in business activity was steep and the quickest in 2022 so far, accelerating further from January’s Omicron-induced slowdown. Many companies stated that the easing of COVID-19 restrictions boosted footfall, with stronger client demand and a steeper rise in new business driving up output.

US service providers registered a sharp upturn in business activity in March, according to the latest PMI™ data. The expansion in output quickened to the fastest for four months, amid stronger demand conditions and a steeper rise in new orders. Client demand strengthened despite a record rate of charge inflation. Output prices increased markedly as a faster rise in cost burdens was largely passed through to customers.

At the same time, pressure on capacity built despite employment rising at the steepest pace for almost a year. Backlogs of work expanded at the strongest rate since the series began in October 2009. Longer term growth expectations were less upbeat, however, as confidence in the year-ahead outlook slipped to the weakest for five months.

Service providers signalled a marked rise in new orders at the end of the first quarter, as new client acquisition and the further easing of COVID-19 restrictions strengthened demand conditions. The pace of new business growth was the fastest since June 2021 and quicker than the series average.

Total new sales were also supported by stronger foreign client demand during March. New export orders rose at a robust rate that was the sharpest for ten months. Companies noted that fewer restrictions on travel encouraged customer spending and drove new business from abroad.” – Chris Williamson, Chief Economist, S&P Global

Source: https://www.markiteconomics.com/Public/Home/PressRelease/0d547d462e8e4c2399d525a69aa6e236; 4/5/22
“On the price front, firms recorded a substantial increase in output charges during March. The rise in selling prices was the sharpest on record (since October 2009), as service providers reportedly passed through higher costs to clients, where possible. The rapid uptick in output prices stemmed from a faster increase in input prices. The rate of cost inflation accelerated to the quickest since December's series-record high, and was the third-steepest on record. Where higher cost burdens were reported, firms linked this to broad-based increases in input prices. Companies once again highlighted hikes in fuel, energy and wage bills as driving inflation.

In line with a faster rise in new orders, services firms recorded the quickest accumulation of backlogs on record in March. The pace of increase in the level of outstanding business accelerated for the first time since last October. Companies also stated that input shortages exacerbated challenges in working through incomplete business.

Higher levels of backlogs of work were noted despite employment rising at the fastest pace in almost a year. Although firms hired additional staff in response to greater business requirements, the receipt of new orders continued to place pressure on capacity.

Meanwhile, business expectations regarding the outlook for output over the coming year remained upbeat at the end of the first quarter. Optimism was buoyed by increased marketing activity and hopes of greater client demand and the reduced impact of any further COVID-19 variant. That said, the degree of confidence dropped to a five-month low amid inflation concerns.

Comment

Business activity in the vast service sector enjoyed a boost from the relaxation of virus-fighting restrictions in March, regaining strong momentum after the Omicron induced slowdown seen at the start of the year. Demand for services is in fact growing so fast that companies are increasingly struggling to keep pace with customer orders, leading to the largest rise in backlogs of work recorded since the survey began in 2009.” – Chris Williamson, Chief Economist, S&P Global
“However, while this suggests that companies have a healthy book of orders to sustain strong output in the coming months, the downside is further upward pressure on prices as demand exceeds supply. With firms’ costs inflated by the soaring price of energy, fuel and other raw materials, as well as rising wages, prices charged for services are rising at an unprecedented rate. Consumer price inflation therefore looks likely to accelerate further as we head into the spring.” – Chris Williamson, Chief Economist, S&P Global
“The National Association of Credit Management’s seasonally adjusted Credit Managers’ Index (CMI) for March increased despite the Russian incursion into Ukraine in late February. The CMI is indicating resiliency in the U.S. economy, even with the new headwinds of war and uncertainty in the scope of its impacts on global trade. However, several respondents cited rising commodity prices and worsening supply chain issues that were weighing on their businesses, especially among those in the manufacturing sector, said NACM Economist Amy Crews Cutts, Ph.D., CBE.

“The Federal Open Market Committee of the Federal Reserve Board elected to raise its target range for the Federal Funds rate by 25 basis points, the first upward movement in rates since December 2018, and it promised several more increases over this year in an effort to tap the brakes on Inflation,” Cutts said. “Unfortunately for the Fed and the economy, the forces leading to higher prices are not under U.S. control. Restarting the global economic engine from the near full stoppage two years ago has proved more vexing than anyone had anticipated. This is especially noteworthy in manufacturing as just one missing component can shut down a factory line for hours or days, or longer. Two years after the start of the pandemic, supply chain problems do not seem to be diminishing. Shipping logistics also remain problematic and shipping costs are through the roof, whether by sea or air.”

“Because of the Russia-Ukraine war, I expect greater inflationary pressures and further worsening of supply chain problems in the near term due to sanctions on Russia and other disruptions from the war. Many producers are scrambling to line up new sources of raw materials to replace Russian and Ukrainian supplies, and the prices of affected commodities have jumped as a result. I think April will see most of the breadth of the impact of the war on domestic businesses, but for now the responses in the CMI, which covered the month ending March 11, support a strong growth outlook.’’” – Andrew Michaels, Editorial Associate, NACM
Private Indicators

National Association of Credit Management – Credit Managers’ Index

Report for March 2022: Combined Sectors

“The combined March CMI rose by 1.1 points to an index value of 58.9. The gain is led by the rise in the index for favorable factors from 66.8 to 70.5, with every favorable factor improving. Three factors gained by multiple points: Sales jumped 5.8 points to 77.1; new credit applications rose by 4.7 points to 68.8; and dollar collections grew by 3.9 points to 67.0. The amount of credit extended rounds out the list of favorable factors as it gained 0.4 points to 69.2.

Notably every unfavorable factor in the combined CMI declined over the month except for the dollar amount beyond terms, which gained 0.3 points to 51.2. The number of accounts placed for collection lead the fall by losing 1.2 points. Two unfavorable factors remain in contraction territory, disputes with an index value of 48.0 and the dollar amount of customer deductions at 49.0. Among the other elements in the index of unfavorable factors, rejections of credit applications lost 0.4 points to 51.9 and filings for bankruptcies went down 0.6 points to 55.8. Even with these declines in the index for unfavorable factors did not break out of the 12-month range of the index.

“While respondents reported improving sales, many also cited difficulties getting materials or products from suppliers and one estimated that it would be the third quarter or later before any meaningful improvement would be seen,” Cutts said. “Another noted that although they were seeing some applicants shopping around, the respondent noted that were still doing all they can near at full capacity.

“The CMI is telling the story of this economy in a nutshell. It’s an embarrassment of riches in terms of demand as represented by the index of favorable factors, yet businesses are struggling to get things done as they can’t get the parts or transportation when they need them. Now add in the costs of fuel and other inputs, and they are feeling the squeeze as represented by the index of unfavorable factors, especially disputes and the dollar amount of deductions.” – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 3/31/22
# Private Indicators

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<td><strong>NACM Combined CMI</strong></td>
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<td><strong>60.6</strong></td>
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**Combined Index Monthly Change (seasonally adjusted)**

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<td>+/-</td>
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<td>2.62</td>
<td>-1.76</td>
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Source: https://nacm.org/cmi.html; 3/31/22
Private Indicators

National Federation of Independent Business (NFIB) March 2022 Report

Inflation Overtakes Labor Quality as Top Business Problem For Small Businesses

“The NFIB Small Business Optimism Index decreased in March by 2.4 points to 93.2, the third consecutive month below the 48-year average of 98. Thirty-one percent of owners reported that inflation was the single most important problem in their business, up five points from February and the highest reading since the first quarter of 1981. Inflation has now replaced “labor quality” as the number one problem.” – Holly Wade, NFIB

“Inflation has impacted small businesses throughout the country and is now their most important business problem. With inflation, an ongoing staffing shortage, and supply chain disruptions, small business owners remain pessimistic about their future business conditions.” – Bill Dunkelberg, Chief Economist, NFIB

“Key findings include:

• Owners expecting better business conditions over the next six months decreased 14 points to a net negative 49%, the lowest level recorded in the 48-year-old survey.
• Forty-seven percent of owners reported job openings that could not be filled, a decrease of one point from February.
• The net percent of owners raising average selling prices increased four points to a net 72% (seasonally adjusted), the highest reading in the survey’s history.” – Holly Wade, NFIB

Private Indicators

National Federation of Independent Business (NFIB)  
March 2022 Report

“The net percent of owners raising average selling prices increased four points to a net 72% (seasonally adjusted), the highest reading recorded in the series. Unadjusted, three percent of owners reported lower average selling prices and 71% reported higher average prices.

Price hikes were the most frequent in wholesale (84% higher, 0% lower), construction (83% higher, 3% lower), agriculture (78% higher, 2% lower), and retail sales (77% higher, 2% lower). Seasonally adjusted, a net 50% of owners plan price hikes, up four points from February.

As reported in NFIB’s monthly jobs report, a net 20% of owners are planning to create new jobs in the next three months, up one point from February. The difficulty in filling open positions is particularly acute in the transportation, construction, and manufacturing sectors where many positions require skilled workers. Openings are lowest in the finance and agriculture sectors.

A net 49% (seasonally adjusted) reported raising compensation, down one point from January’s 48-year record high reading. A net 28% plan to raise compensation in the next three months, up two points from February. Eight percent of owners cited labor costs as their top business problem and 22% said that labor quality was their top business problem, now in second place following “inflation.”

Fifty-six percent reported capital outlays in the last six months, down one point from February. Of those making expenditures, 38% reported spending on new equipment, 22% acquired vehicles, and 17% improved or expanded facilities. Seven percent of owners acquired new buildings or land for expansion and 11% spent money for new fixtures and furniture. Twenty-six percent of owners plan capital outlays in the next few months.” – Holly Wade, NFIB

“Fifty-six percent reported capital outlays in the last six months, down one point from February. Of those making expenditures, 38% reported spending on new equipment, 22% acquired vehicles, and 17% improved or expanded facilities. Seven percent of owners acquired new buildings or land for expansion and 11% spent money for new fixtures and furniture. Twenty-six percent of owners plan capital outlays in the next few months.

Four percent of all owners (seasonally adjusted) reported higher nominal sales in the past three months, up four points from February. The net percent of owners expecting higher real sales volumes decreased by 12 points to a net negative 18%. The net percent of owners reporting inventory increases fell five points to a net 0%. Not seasonally adjusted, 18% reported increases in stocks while 21% reported reductions.

Forty percent of owners report that supply chain disruptions have had a significant impact on their business, up three points. Another 28% report a moderate impact and 23% report a mild impact. Only 8% report no impact from recent supply chain disruptions.

A net 9% of owners viewed current inventory stocks as “too low” in March, up two points from February. A net 2% of owners plan inventory investment in the coming months, unchanged from last month and reflecting the success in inventory building in the fourth quarter.

The frequency of reports of positive profit trends was a net negative 17%. Among the owners reporting lower profits, 35% blamed the rise in the cost of materials, 23% blamed weaker sales, 14% cited the usual seasonal change, 13% cited labor costs, 7% cited lower prices, and 2% cited higher taxes or regulatory costs. For owners reporting higher profits, 55% credited sales volumes, 17% cited usual seasonal change, and 17% cited higher prices.” – Holly Wade, NFIB

Four percent of owners reported that all their borrowing needs were not satisfied. Twenty-six percent reported all credit needs met and 58% said they were not interested in a loan. A net 3% reported their last loan was harder to get than in previous attempts. One percent of owners reported that financing was their top business problem. A net 9% of owners reported paying a higher rate on their most recent loan, up three points from February and likely moving higher as the Federal Reserve raises interest rates.” – Holly Wade, NFIB

## Small Business Optimism

<table>
<thead>
<tr>
<th>Index Component</th>
<th>Net %</th>
<th>From Last Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plans to Increase Employment</td>
<td>20%</td>
<td>▶ 1</td>
</tr>
<tr>
<td>Plans to Make Capital Outlays</td>
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<tr>
<td>Plans to Increase Inventories</td>
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<tr>
<td>Expect Economy to Improve</td>
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<tr>
<td>Expect Real Sales Higher</td>
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<tr>
<td>Current Inventory</td>
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<tr>
<td>Current Job Openings</td>
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<td>Expected Credit Conditions</td>
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<tr>
<td>Now a Good Time to Expand</td>
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<tr>
<td>Earnings Trends</td>
<td>-17%</td>
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Hourly Earnings Growth Streak Continues; Small Business Hiring Holds Steady in March

“Hourly earnings growth continued to advance for the tenth consecutive month for workers of U.S. small businesses, according to the latest Paychex | IHS Markit Small Business Employment Watch. The report also showed that national small business job growth remained near its recent record high, moderating 0.03 percent in March. The national jobs index stands at 101.29, increasing 7.47 percent over the past year. Hourly earnings growth grew to 4.76 percent year-over-year,” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

“Small business job growth continues to be historically strong,” – James Diffley, Chief Regional Economist, IHS Markit

“Many employees continue to benefit from solid hourly earnings growth. In fact, year-over-year hourly earnings growth has improved more than two percent since May 2021. This is good news for Americans feeling the pressure of inflation and higher prices at the gas pump,” – Martin Mucci, President and CEO, Paychex
“In further detail, the March report showed:

• At 101.29, the national index remains near its historic peak set in January 2022.
• The West remains the top region for small business job growth, North Carolina the highest-ranking state, and Dallas the top metro.
• Nationally, hourly earnings growth improved to 4.76 percent, its tenth consecutive increase.
• Annual weekly earnings growth grew to above four percent.
• The West and South lead regions with hourly earnings growth above five percent.
• Ohio and North Carolina have the highest rates of hourly earnings growth, both above six percent.
• Leisure and hospitality leads the industry sectors in both small business jobs growth and hourly earnings growth.” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.
## Private Indicators

### The Paychex | IHS Markit Small Business Employment Watch

<table>
<thead>
<tr>
<th>March Job Index</th>
<th>March Wage Data</th>
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<tbody>
<tr>
<td><strong>Index</strong></td>
<td><strong>Hourly Earnings</strong></td>
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<tr>
<td>101.29</td>
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<tr>
<td><strong>12-Month Change</strong></td>
<td><strong>12-Month Growth</strong></td>
</tr>
<tr>
<td>+7.47%</td>
<td>+4.76% (+$1.36)</td>
</tr>
</tbody>
</table>

Source: Paychex | IHS Markit Small Business Employment Watch

Source: https://www.paychex.com/employment-watch; 3/29/22
Private Indicators

The Paychex | IHS Markit Regional Jobs Index

Source: Paychex | IHS Markit Small Business Employment Watch

Source: https://www.paychex.com/employment-watch; 3/29/22
“The Current Population Survey (CPS), sponsored jointly by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics, includes an Annual Social and Economic Supplement (ASEC) conducted every March. The ASEC provides details on geographic mobility and migration over the last year – including information on the types of moves and the characteristics of the movers. For example, the 2021 ASEC reported that 27.1 million Americans reported living at a different residence than in 2020. Down from 29.8 million between Spring 2019 and Spring 2020, the 2021 ASEC data represents an 8.4% mover rate – the lowest rate in over 70 years.

This week’s MBA Chart of the Week (next slide) shows net migration by metropolitan status from Spring 2015 to Spring 2021. The most recent 2020-2021 data allows us to examine moves during the first year of the pandemic, and to see if, as widely reported, there was accelerated movement out of cities to the suburbs (or even further afield) compared to the five years prior to COVID-19.

Prior to the pandemic, metropolitan area principal cities experienced an accelerating net out-migration (red line), with over 2 million more people moving out than moving in in the year prior to the pandemic. The trend of accelerating out-migration reversed in 2020-2021, with a slightly slower rate of 1.7 million people leaving principal cities.

Furthermore, while 316,000 more people ages 25-29 left than moved into principal cities in 2019-2020, the comparable number halved to 164,000 in 2020-2021. On the other hand, the net out-migration from principal cities for individuals ages 30-34 increased from 178,000 in 2019-2020 to 207,000 in 2020-2021, and the net out-migration for the 35-39 age group was down slightly (from 155,000 to 148,000).

The trend of out-migration from principal cities reflects many factors, including the main mass of millennials reaching prime first-time homebuyer age. MBA Research will continue to monitor and report on these trends, as well as changes in the overall U.S. population, as updated data becomes available.” – Edward Seiler, Associate Vice President for Housing Economics, Mortgage Bankers Association
Demographics

Mortgage Bankers Association

Chart of the Week

Chart of the Week - April 15, 2022
Net Migration by Metropolitan Status (Includes Movers from Abroad) (Thousands)

- Principal cities
- Balances of metropolitan areas
- Nonmetropolitan areas

Source: https://s3141176.t.en25.com/e/es; 4/15/22
“Employment statistics often receive notable attention as economic indicators during times of stress, such as during the COVID-19 pandemic. In an ever-changing economy, employment varies significantly across the more than 3,000 counties in the United States. Most employment is concentrated in a few areas, with large areas of little employment in between.

Figure 1 uses 2020 nonfarm payroll employment data from the Bureau of Economic Analysis to exhibit this phenomenon. Each point represents a county, and points are sized and colored to indicate a share of total U.S. employment. We order the counties by employment share and then split them so that the sum of employment represented by each color is approximately 20% of total U.S. employment. We see clusters of counties with high employment on the coasts, specifically in the northeast and southwest, with other sizable clusters spread out across the U.S. However, between these counties are thousands more with very little employment. Of the more than 3,000 counties, only a small fraction contain the majority of employment, and the counties with higher employment are typically clustered in larger, regional groupings: Eighteen counties account for 20% of employment, and 112 counties account for 50% of employment.

Figure 2 offers a different view of employment shares in counties over time. We order the counties by employment share and split them into five groups, reordering and regrouping each year. Each group contains 20% of the total counties in the U.S.; that is, each group has about 621 counties. For example, the blue line represents the 621 counties that made up 81% of total employment in 1970. This number increased to 84% in 2020. The employment shares in other county groups changed slightly — less than 1% each from 1970 to 2020.” – B. Ravikumar, Iris Arbogast, and Jesse LaBelle; The Federal Reserve Bank of St. Louis
Geographic Dispersion in U.S. Employment

**Figure 1**
U.S. County-Level Employment, 2020

Source: Bureau of Economic Analysis and authors’ calculations.

Figure 2
Groups of U.S. Employment Shares Over Time, 1969-2020

% of total U.S. employment

10
0

SOURCE: Bureau of Economic Analysis and authors’ calculations.
“Although there were not large changes in each group's overall employment shares, there were significant shifts in which counties held the biggest shares over time. The top five largest counties in terms of employment share in 1970 were Los Angeles, CA, Cook, IL, New York, NY, Wayne, MI, and Philadelphia, PA. These five counties made up 12% of total U.S. employment. By 2020, Wayne, MI, and Philadelphia, PA, were not even in the top 15. The top five counties in 2020 made up 9% of total employment, and Wayne and Philadelphia were replaced by Harris, TX, and Maricopa, AZ.2

Of note is the concentration of employment in California, Texas, and Florida, which increased over time. In 1970, 15 counties made up 20% of overall employment in the U.S., and one third of these counties were in California, Texas, and Florida. In 2020, 18 counties made up 20% of overall employment, and over one half of those counties were in California, Texas, and Florida.

Overall, whether employment concentration has experienced an increase or decrease depends on the way we measure it. For example, the number of counties making up 20% of employment increased from 15 in 1970 to 18 in 2020, implying that concentration decreased. However, the employment share of the top 20% of counties increased from 81% to 84% from 1970 to 2020, implying that the concentration increased. Continued analysis of employment concentration in U.S. counties will provide valuable insight into the evolving U.S. economy.” – B. Ravikumar, Iris Arbogast, and Jesse LaBelle; The Federal Reserve Bank of St. Louis
“Last week, I published an article entitled “Just 3 years after 2019’s trucking bloodbath, another is on the way.”

For anyone who lived through the trucking debacle of 2019 – when carrier after carrier suddenly shut their doors – the thought of experiencing that again is truly frightening. After all, we lost some very large carriers during that period, including Celadon, Falcon and NEMF, just to name a few. In addition, we lost thousands of small and mid-sized trucking companies. In addition, major 3PLs conducted aggressive reductions in force.

The article stoked controversy. Some disagreed with my call and voiced it directly to FreightWaves or on social media.

First off, different opinions and disagreements are part of a healthy market. When I started FreightWaves in 2017, the goal was to create transparency in the freight market, much like you see in the financial markets. In order to accomplish transparency, there needs to be an open dialogue between those of us interested in the direction of the freight market.

When FreightWaves was just beginning, I was told by an editor at a major publication (who has been covering supply chains for many decades) that trucking rates were not volatile and they barely moved. I’m still not sure why he believed that, but I suspect he thinks differently now.

Trucking has always been volatile. It is one of the most fragmented markets on the planet, with few barriers to entry. Carriers come and go. Booms are followed by busts. The typical trucking cycle is three years and usually what kills it is oversupply – too many trucks chasing high-paying spot freight and high load volumes.” – Craig Fuller, CEO, FreightWaves

Why I believe a freight recession is imminent

The problem is that capacity expansion always continues well past the peak and can even continue for a time after the market has entered a recession. In the bloodbath of 2019, the peak of the market took place during the second quarter of 2018. However, it wasn’t until September 2019 that the number of new entrants into the trucking market peaked.

FreightWaves always calls market moves early

At FreightWaves, our business is benchmarking, analyzing, monitoring and forecasting freight markets. And much like financial market information services providers, having the freshest insights into the market is incredibly important to our success.

FreightWaves tends to call inflection points much earlier than other industry observers. It’s a big part of the value we provide our audience and clients.

On Feb. 27, 2020, we warned that the freight market was about to see a massive disruption due to COVID, and that it wasn’t factored into historical data or market sentiment. This was two weeks before the “NBA and NHL moments,” when those sports leagues called off their seasons. At that point, most believed that the U.S. would avoid disruptions from COVID. Unfortunately, two weeks later, the worst health crisis in modern American history began.

That’s the disadvantage of looking strictly at historical data and shows why having the most up-to-date data in the market is critical, particularly in a market as volatile as the trucking freight market.

As I wrote back then: “The coronavirus is a black swan event not reflected in historical data. These unforeseen events make it clear why near-time data is crucial for freight operations.”

It turned out that FreightWaves’ analysis was correct and anyone relying on historical data or data without context was going to be wrong.” – Craig Fuller, CEO, FreightWaves

Why I believe a freight recession is imminent

Throughout the COVID disruption, FreightWaves continued to provide real-time data and to analyze the trucking market with the freshest perspective on what was happening. This real-time analysis provided insights that were unmatched and unlike any in the history of the freight industry – government agencies, financial institutions, multinational corporations, and transportation providers all relied on FreightWaves to keep them informed during a confusing, dynamic situation.

In the trough of the COVID shutdown, we called for a freight bull market – and nailed it

On April 15, 2020, I wrote the blog post “GOOD NEWS: THE FREIGHT MARKET IS ABOUT TO TURN UP.” At the time, the global economy had just shut down, most states had implemented drastic measures to contain COVID and unemployment hit new records. It was a dark and scary time, but I was bullish that the freight market was about to accelerate. As I wrote at the time:

“So here is the good news. The contract trucking market seems to be bottoming out. The declines we saw in trucking tenders seem to be leveling off and there are signs of a bottom. This makes sense – most of the economy that shut down due to COVID-19 and shelter-in-place orders are largely offline right now.

Over the next few weeks, we can expect that the parts of the economy that impact freight demand will start to come back online. Life won’t return to normal, but the trucking freight markets largely will. The reason is that the parts of the economy that are unlikely to return are the ones involved in sectors that generate little freight demand – concerts, events, sports. In other words, the really fun things that involve large gatherings. Travel is also expected to be all but shut down. All of this will come back eventually, but probably not until there is a coronavirus vaccine.” – Craig Fuller, CEO, FreightWaves

Economics

FreightWaves®

Why I believe a freight recession is imminent

Two stressors are unemployment and consumer sentiment, but this is where the government has stepped up with unprecedented stimulus. The $2 trillion in fiscal stimulus coming from the White House and the estimated $4 trillion in stimulus coming from the Federal Reserve will cycle through our economy. And the U.S. isn’t the only country doing this. Countries all over the world are pumping massive amounts of money into the global economy. And since consumers are not able to spend their money on experiences and fewer services, they will have more money to spend on goods. And there is one thing that consumers, especially Americans, will do is to spend their money.”

This is exactly what happened. Almost to a ‘T.’

At the time, many questioned my analysis and forecast of the market. Quite a few believed the U.S. economy would experience a multi-year downturn that would rival the Great Recession – or worse. Some of those same voices are calling me out now.

But I have confidence in our analysis. I wish the answers were different. I would prefer to say the U.S. trucking market was robust and the expansion will continue throughout 2022. But I can’t. Since I wrote the piece about the bloodbath, FreightWaves SONAR’s tender data continues to reinforce the perspective of a declining freight market.

Tender rejections are the best indicator into real-time supply/demand in the truckload sector. The data comes from actual electronic load requests – “tenders” in the truckload contract market.

A high rejection rate means that trucking companies have more options to choose from. A low rejection rate means carriers have fewer options in freight to pick from. Since this measures actual load activity and not load board posts or searches, it tells us what the market is actually doing.” – Craig Fuller, CEO, FreightWaves

And since it measures the willingness of carriers that are contracted to accept or to reject a load they have a contracted rate for, if the rejection rate declines, it suggests capacity is loosening. At the start of March, the rejection rate was 18.7% – today it sits at 13.90%. Even though it has only been a week since I wrote the “bloodbath” article, the rejection rate has fallen another 1.3%. The last week of March is normally one of the best weeks of the year for carriers, but this year it has been one of the worst.

Just wait for April…” – Craig Fuller, CEO, FreightWaves

National tender rejections nose-dive as freight demand decline continues
Tender volume ends March on a sour note

“Following inflationary trends hitting consumers, such as rising prices of retail goods and soaring mortgage rates, freight demand is slowing down toward a grim outlook for the second quarter of 2022. The Outbound Tender Volume Index (OTVI) posted levels slightly below those of last week and remains far below year-ago levels.” – Michael Rudolph, Author, FreightWaves
“OTVI declined by 1.81% over the past week and is down 14.6% on a year-over-year (y/y) basis. From the current economic perspective, there are few points of optimism for freight volume making a recovery in Q2 – which is not to say that there are none. The final weeks of tax season are upon us and refund checks will be in the mail over the coming weeks. Per the IRS, the average tax refund last year was $2,815.

Whether that money will be spent on retail goods or squirreled away into savings depends on consumers’ optimism or lack thereof. Although the Conference Board’s Consumer Confidence Index slightly rebounded in March from a dip in the month prior, its Expectation Index (which measures consumers’ short-term economic outlook) did fall. All told, spring retail sales are likely to suffer, though the decline could be softer than the worst fears of some.

Turning to accepted tender volumes, which is OTVI adjusted by the Outbound Tender Reject Index (OTRI), we see only minuscule growth by 0.72% y/y and 0.38% week-over-week (w/w). Given that OTVI can be inflated by a rising OTRI and that tender rejections in 2021 were far above those in the present year, March’s weakened OTVI had looked more favorable on a y/y basis when comparing accepted tender volumes. No more is that the case: Real freight demand is on a steady decline.

This week was another in which the largest markets saw either contraction or little growth, with most of the w/w increases coming from the smaller markets. Of the 135 total markets, only 58 reported weekly increases. Not only did Savannah, Georgia, see a 4.95% increase in outbound volume w/w, but it also posted month-over-month (m/m) growth for the 19th consecutive month. As a result of the swell in imports battering the Port of Savannah, the Georgia Ports Authority has moved to expedite over $538 million toward capacity expansion projects.” – Michael Rudolph, Author, FreightWaves
“Tender volume is down by 6.47% w/w in the important market of Ontario, California, which handles freight from the ports of Los Angeles and Long Beach. Setting aside the larger trend of dampened freight volume, shippers are increasingly receiving their imports at seaports on the East and Gulf coasts, fearing the much-publicized congestion at their West Coast counterparts. A recently released report anticipates that in 2022, imports from Asia heading to the East Coast will rise 40% y/y and 56% over the average from 2020. Time will tell if these smaller East Coast seaports prove unable to supply the flood of fresh demand.” – Michael Rudolph, Author, FreightWaves
“By mode: Unsurprisingly, both reefer and dry van volumes are down on a w/w basis, though reefer is performing slightly worse. As spring weather increasingly melts the winter thaw, shippers are relying less on temperature-controlled units. The Reefer Outbound Tender Volume Index (ROTVI) is down 3.83% this week and down 29.1% y/y, albeit against difficult comps from last year. The Van Outbound Tender Volume Index (VOTVI), meanwhile, posted moderate levels this week, down 2.35% w/w and 14.5% y/y.

Rejection rates remain in free fall with no floor approaching

OTRI continues to plummet, darting past 15% and sinking close to 13% this week. Coupled with rising operating expenses, this unseasonable depression in tender volume is leading carriers to hang on to their loads for dear life as few alternatives appear in the spot market.

Over the past week, OTRI, which measures relative capacity in the market, fell to 13.38%, a change of 189 basis points (bps) from the week prior. OTRI is now 1,326 bps below year-ago levels, welcome news to shippers but certainly unwelcome for carriers.

It can be easy to overlook the uniqueness of the trucking industry in America. Unlike other industries – for example, grocery, internet services and consumer electronics – the trucking industry is not dominated by a handful of heavyweights but is diversified among many small businesses. As of February 2021, out of all the carriers registered with the FMCSA, only 2.6% operated fleets with 20 or more trucking units; 91.5% had fleets of six or fewer trucks. This diversity leaves small carriers vulnerable to rapid shifts in freight demand, especially if they operate primarily in the spot market. Should tender rejections continue to fall, many of these carriers will buckle under an unbalanced account sheet and go bankrupt.” – Michael Rudolph, Author, FreightWaves

“… Of the 135 markets, a mere 19 reported higher rejection rates over the past week as carriers compete for loads among declining volume levels.

Back in February, Atlanta overtook Ontario, California, as the largest freight market by outbound volume. Over the past year, carriers had been flocking to the Los Angeles region, tempted by a hot spot market driven by ocean imports and sustained by congestion at the seaports. At the beginning of March, freight demand in Ontario plummeted while volumes in Atlanta rose, making for an awkward period of adjustment as carriers relocated to Atlanta. Since that move has been completed, however, freight demand has dropped in most major markets; as a result, capacity is now much looser in Atlanta.” – Michael Rudolph, Author, FreightWaves
“By mode: Rejection rates fell across all modes this week, though flatbed rejections are still well above year-ago levels. The Flatbed Outbound Tender Reject Index (FOTRI) currently sits at 35.3%, 1,647 bps higher on a y/y basis. Despite mortgage interest rates reaching their highest level in almost four years, meager inventory levels and unabating demand signal that the housing boom has yet to subside. Therefore, flatbeds will continue to be in demand during the spring construction season.

Van rejection rates are driving the decline in the overall OTRI, as the Van Outbound Tender Reject Index (VOTRI) is now at 12.96%, 189 bps lower on a w/w basis. Capacity conditions in the reefer market continue to ease, as the Reefer Outbound Tender Reject Index (ROTRI) fell 386 bps to 22.19%.” – Michael Rudolph, Author, FreightWaves

National tender rejections nose-dive as freight demand decline continues

“The Truckstop.com national spot rate, based on the top 100 lanes on Truckstop.com’s load board, continued to drop as capacity loosened across the markets. The national spot rate, after reaching an all-time high of $3.83 per mile in early January, now sits at just $3.34 a mile, which includes fuel surcharges and other accessorials.

Of the 102 lanes from Truckstop.com’s load board, 25 reported spot rate increases last week, down from 36 lanes the week prior. This decline in the average spot rate, coupled with the unstoppable rise in contract rates, is likely to help shift pricing power into shippers’ favor.

The week prior, contract rates set a new record high, though they have since fallen by a negligible amount. Contract rates, which are the base linehaul rate excluding fuel surcharges and other accessorials that are included in spot rates, fell by 2 cents per mile this week, as contract rates are now sitting at $2.94/mi.

FreightWaves’ Trusted Rate Assessment Consortium (TRAC) spot rate from Los Angeles to Dallas had yet to experience any correction whatsoever, as the downward spiral in rates continued uninterrupted since the beginning of 2022. This week, the rate rose 2 cents per mile to $2.85. Carriers and shippers alike might have been wondering where this lane’s floor for rates was, and since rates are finally leveling out, it might be here. There is still a chance for rates to fall even lower; an increase in rates, however, is not expected anytime soon. …

With the above discussion on the small size (and thus heightened vulnerability) of most carriers in mind, the second quarter will likely usher in a wave of bankruptcies for trucking companies and financial hardships for brokerages. Unlike trends in the larger economic cycle, the boom-bust cycle in the truckload market typically follows a three-year pattern. The last bust for the trucking industry was, appropriately, three years ago in 2019. Many shippers, brokers and carriers expressed their concerns for the upcoming months in an article this week by Craig Fuller, FreightWaves’ founder and CEO: Why I believe a freight recession is imminent.” – Michael Rudolph, Author, FreightWaves

# Economics

## U.S. Census Bureau

### NEW Business Formation Statistics

**March 2022**

**BUSINESS APPLICATIONS**

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<th>MAR 2022 / FEB 2022</th>
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<td>U.S. Business Applications:</td>
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<td>Total</td>
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<td>High-Propensity</td>
<td>133,315</td>
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<tr>
<td>With Planned Wages</td>
<td>47,532</td>
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<tr>
<td>From Corporations</td>
<td>46,773</td>
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*Data adjusted for seasonality.

Next release: May 11, 2022

(Statistical signficance is not applicable or not measurable.)

Source: U.S. Census Bureau, Business Formation Statistics, April 13, 2022

**Business Applications - At a Glance**

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<th>MAR 2022</th>
<th>MAR 2022 / FEB 2022</th>
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<td>Total</td>
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</tr>
<tr>
<td>West</td>
<td>11,853</td>
<td>-3.4%</td>
</tr>
<tr>
<td>From Corporations</td>
<td>46,773</td>
<td>-4.2%</td>
</tr>
<tr>
<td>US</td>
<td>10,413</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Northeast</td>
<td>6,061</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Midwest</td>
<td>16,973</td>
<td>-0.6%</td>
</tr>
<tr>
<td>South</td>
<td>13,326</td>
<td>-10.1%</td>
</tr>
</tbody>
</table>

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 < 0.5.

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 4/13/22
Economics

NEW Business Formation Statistics

March 2022

Annual Business Applications by State and County

Source: U.S. Census Bureau, Business Formation Statistics

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 4/13/22
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