

Economics Group

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Industrial Production Dips in January

Not only did industrial production fall 0.6% in January, the already modest 0.3% gain in December was revised lower to an increase of just 0.1%. In both months, the weakness was in manufacturing.

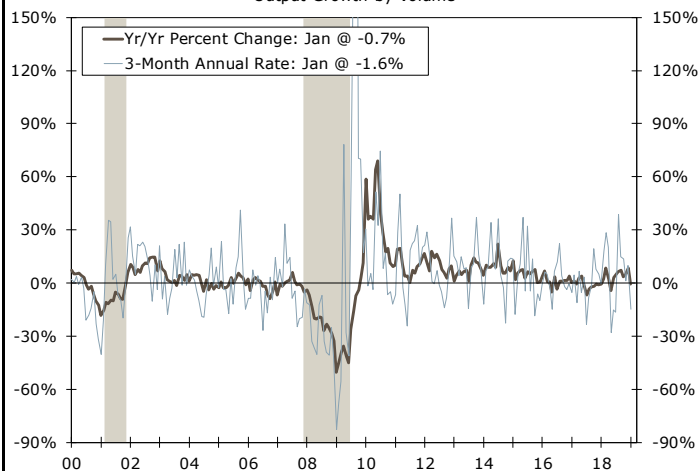
Manufacturing Under Pressure, Relief in February?

- Manufacturing production fell 0.9% in January amid an 8.8% drop-off in motor vehicles. Broad declines were also evident in other categories including business equipment, defense spending and construction supplies.
- Silver linings are tough to find in this report, although a separately-reported increase this morning in the NY Fed's Empire Index for February offers hope for a near-term rebound.

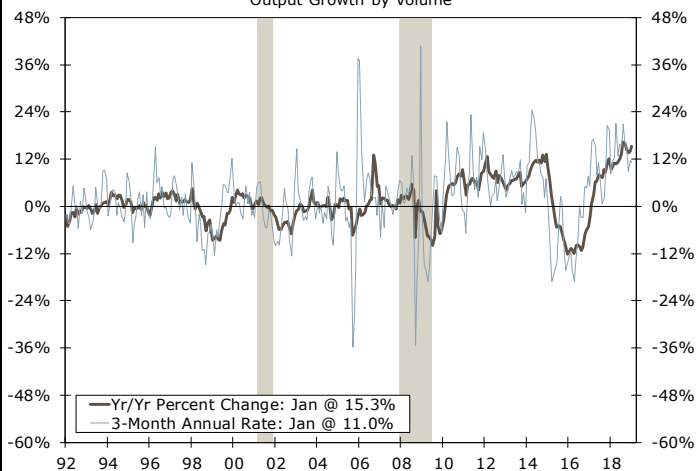
Help From Mining and Utilities

- Still resilient even amid soft commodity prices, mining production increased 0.1% extending the streak to 12-straight months without a decline.
- With January temperatures close to normal, utilities production was up just 0.4% in January. The polar vortex rolled in at the very end of the month, but mostly occurred in February suggesting this category could be a big factor in next month's report.

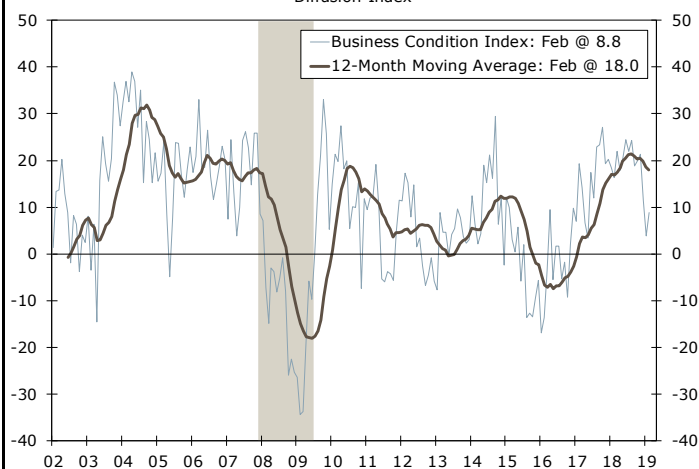
Industrial Production - Motor Vehicles & Parts
Output Growth by Volume



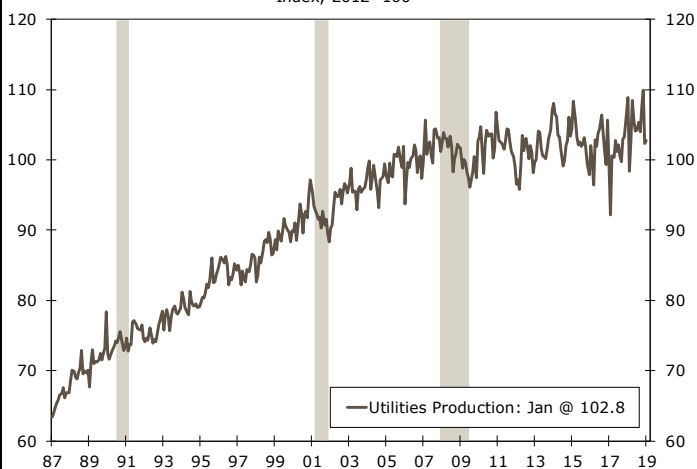
Mining Production Growth
Output Growth by Volume



New York Mfg. General Business Conditions
Diffusion Index



Industrial Production - Utilities
Index, 2012=100



Source: Federal Reserve System and Wells Fargo Securities

Wells Fargo Securities Economics Group

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