



Economics Group

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Industrial Production Flat in June

Industrial production was flat during June, as a drop in utilities output outweighed gains in mining and manufacturing. Despite the second consecutive monthly gain, manufacturing output remains fairly weak.

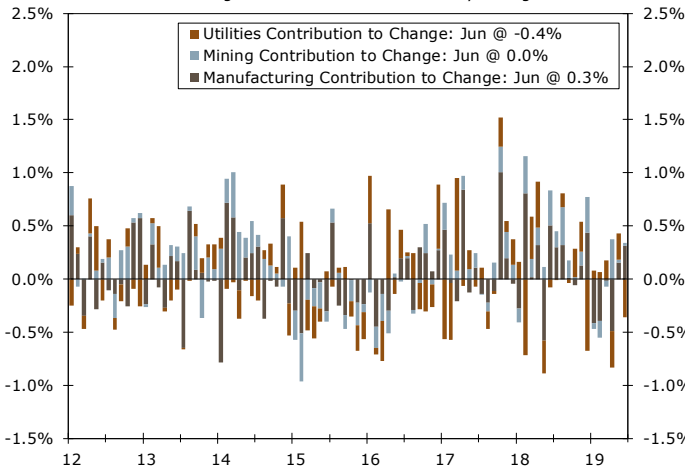
Drop in Utilities Weighs on Overall Production

- Overall industrial production was essentially unchanged in June. However, the underlying details paint a slightly better picture, as solid gains in manufacturing and mining were not enough to offset a decline in utilities.
- Mining rose 0.2%, bolstered by oil and gas extraction. A steadily declining rig count will limit potential future gains. Utilities gave back all of May's weather-induced bump and dropped 3.6%.

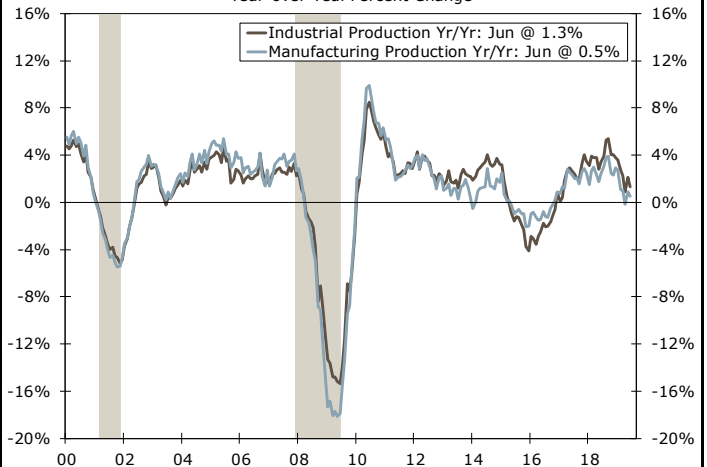
Manufacturing Boosted by Autos

- Manufacturing rose 0.4%, the second straight monthly gain. June's gain was helped by a 2.9% upturn in motor vehicles production. Excluding autos, manufacturing rose just 0.2%, a result more in line with the underlying slowing trend in overall manufacturing production, which declined 2.2% in the second quarter. Slowing global growth, trade uncertainty and a stronger dollar will likely continue to weigh heavily on the factory sector.

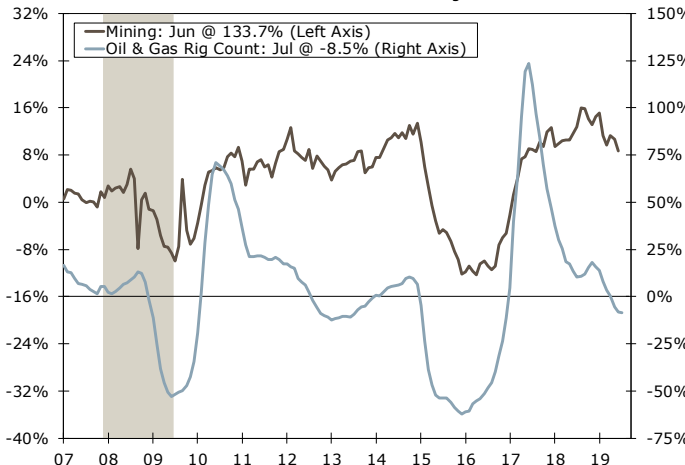
Industrial Production by Industry Group
 Percentage Point Contribution to Monthly Change



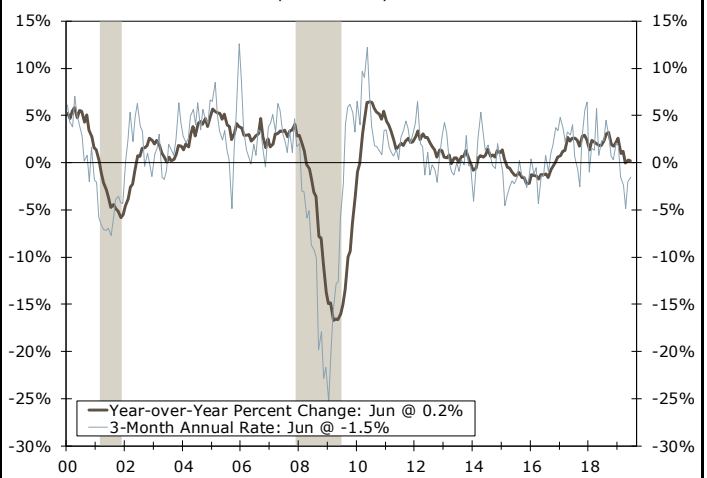
Industrial vs. Manufacturing Production
 Year-over-Year Percent Change



Mining Production v. Oil & Gas Rig Count
 Year-over-Year Percent Change



Manufacturing Production Ex-Autos
 Output Growth by Volume



Source: Federal Reserve Board, Baker Hughes and Wells Fargo Securities

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