

STEEL-INSIGHTS, LLC
Metals, Mining & Manufacturing Strategic Consulting

USA Economic Leading Indicator Report

A collection of key leading indicators charts and
brief commentary on current trends.

By Becky E. Hites

November 30, 2015





Information included in this report is believed to be true and the author has exercised due diligence in obtaining the data from market and private sources. This report is not intended to be the sole basis for making an investment and the reader is cautioned to exercise additional independent due diligence before making any investment decision.

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Economic Key Leading Indicators Heat Map

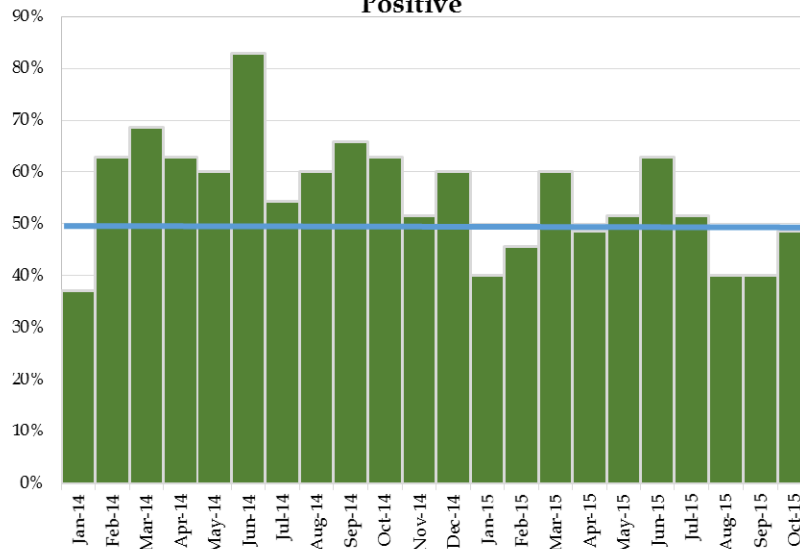
Trend Up to 49% Positive in October

Select Leading & Other Economic Indicators Heat Map-Month to Month Change



Code: red=down; green=up; grey=sideways; white=no new data yet
 Source: Industry Sources & Steel-Insights, LLC analysis

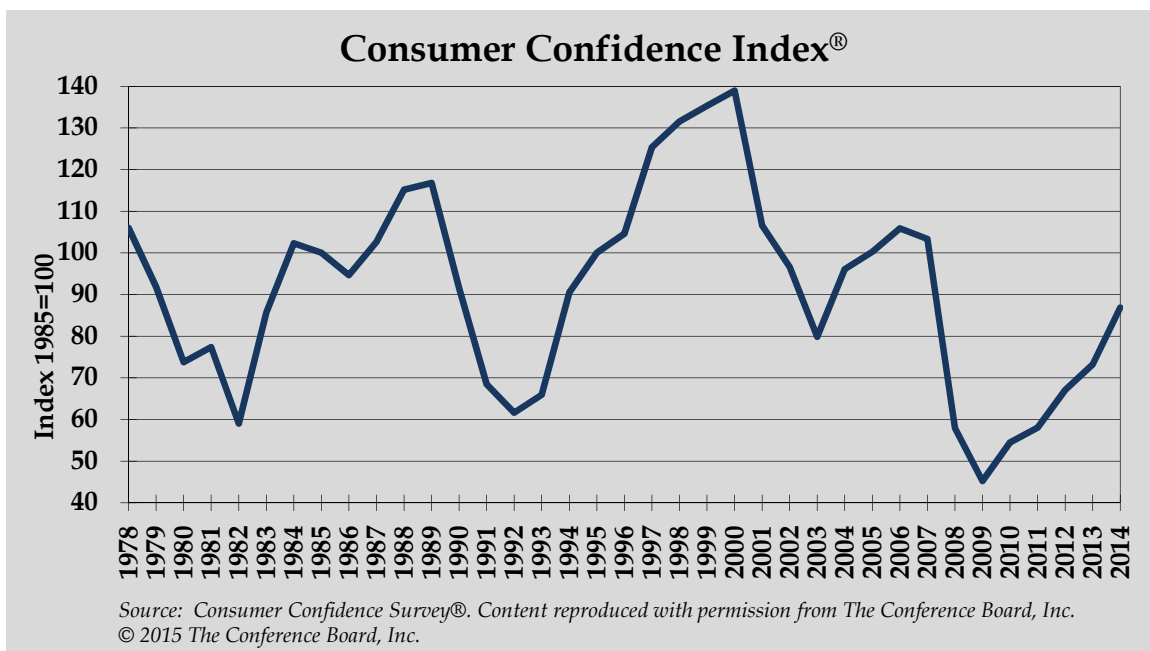
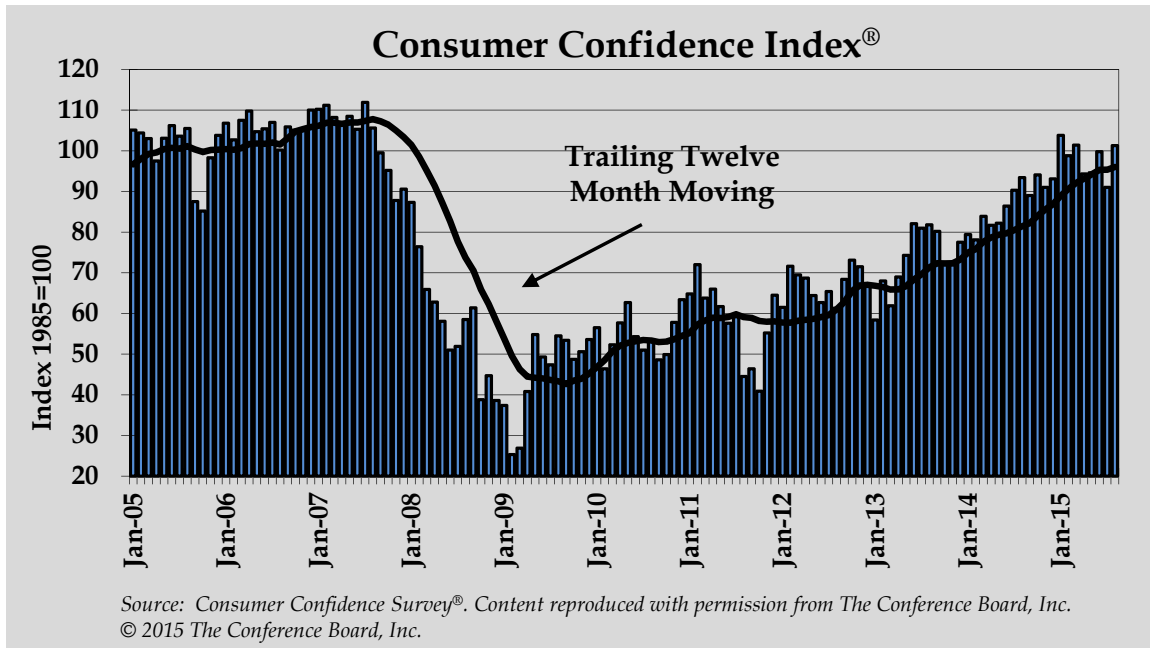
Select Leading Economic Indicators Heat Map - %
 Positive



Source: Steel-Insights, LLC analysis

The Conference Board® Consumer Confidence Index®

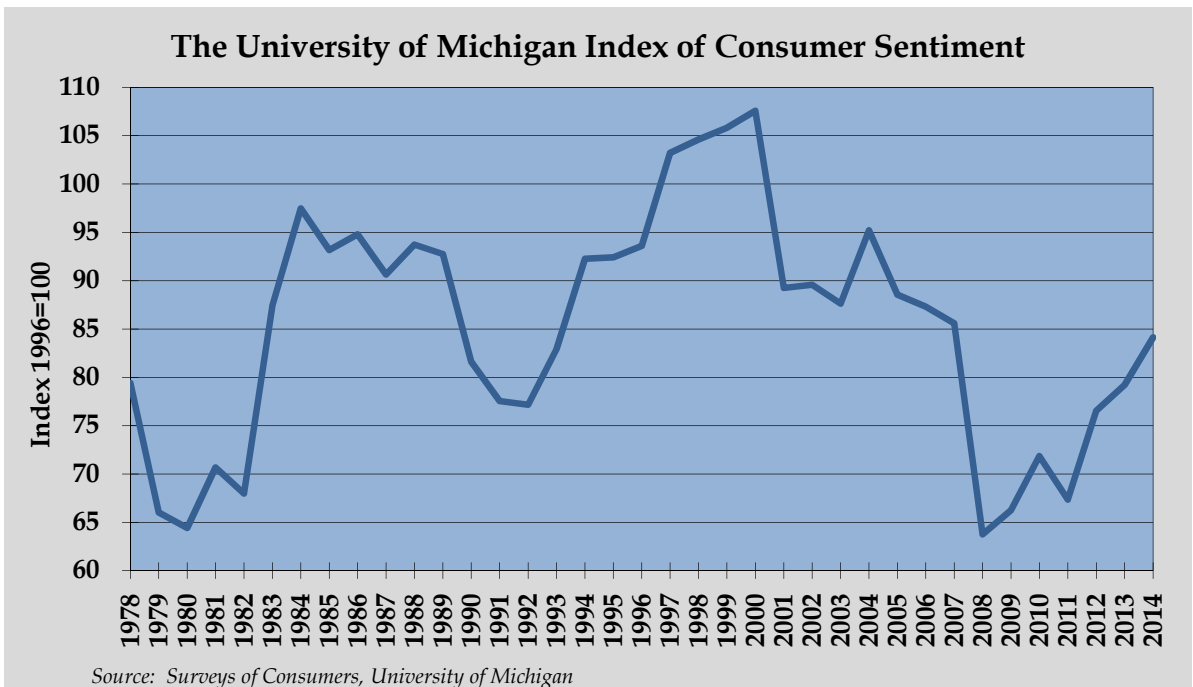
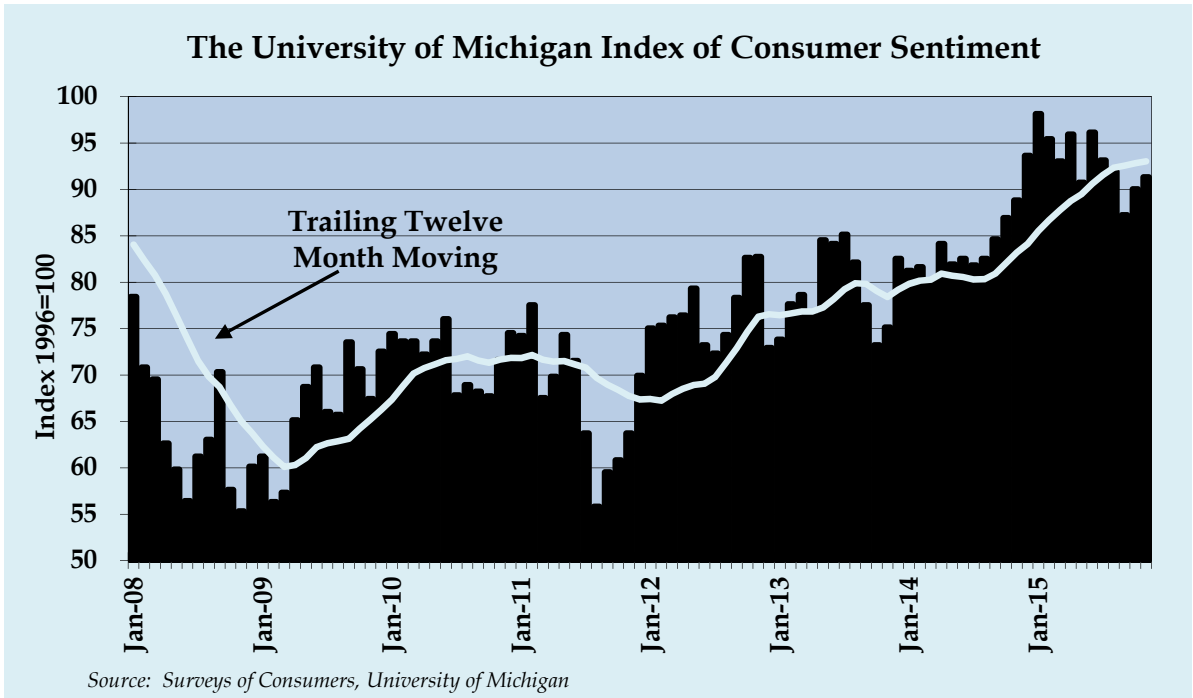
The Conference Board® Consumer Confidence Index® continued to drop in November. Following 25 up months, the trailing twelve month moving average turned down in November.



The Conference Board®, Consumer Confidence Survey® and Consumer Confidence Index® are registered trademarks of The Conference Board, Inc.

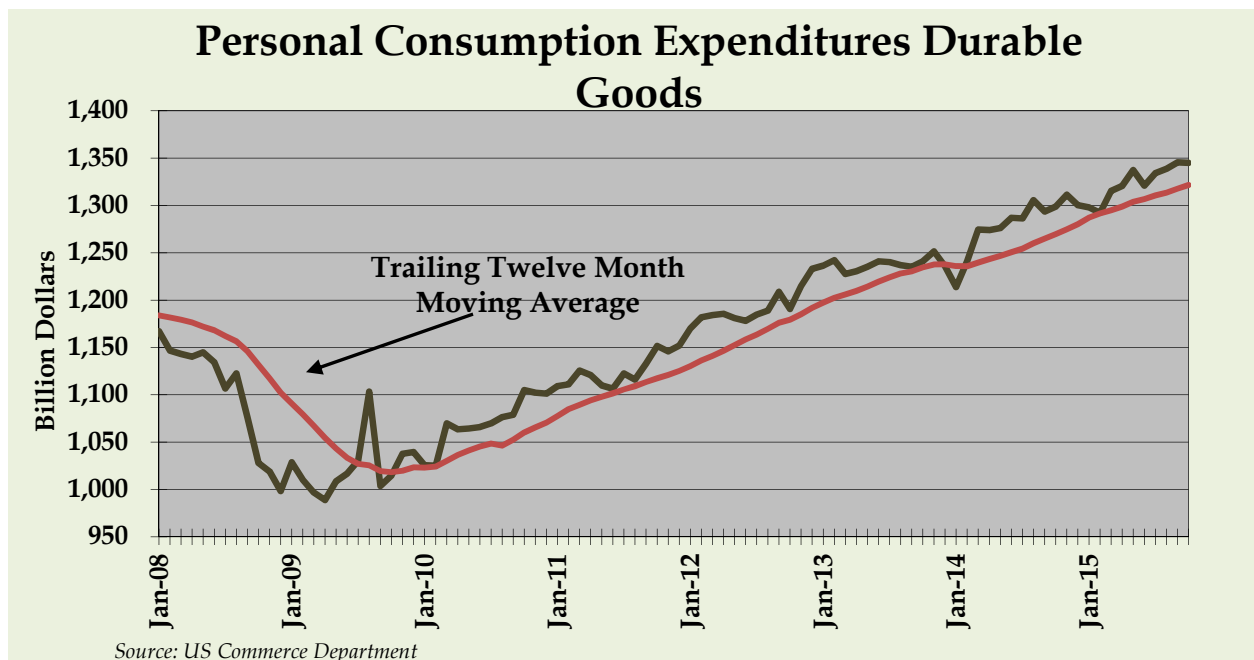
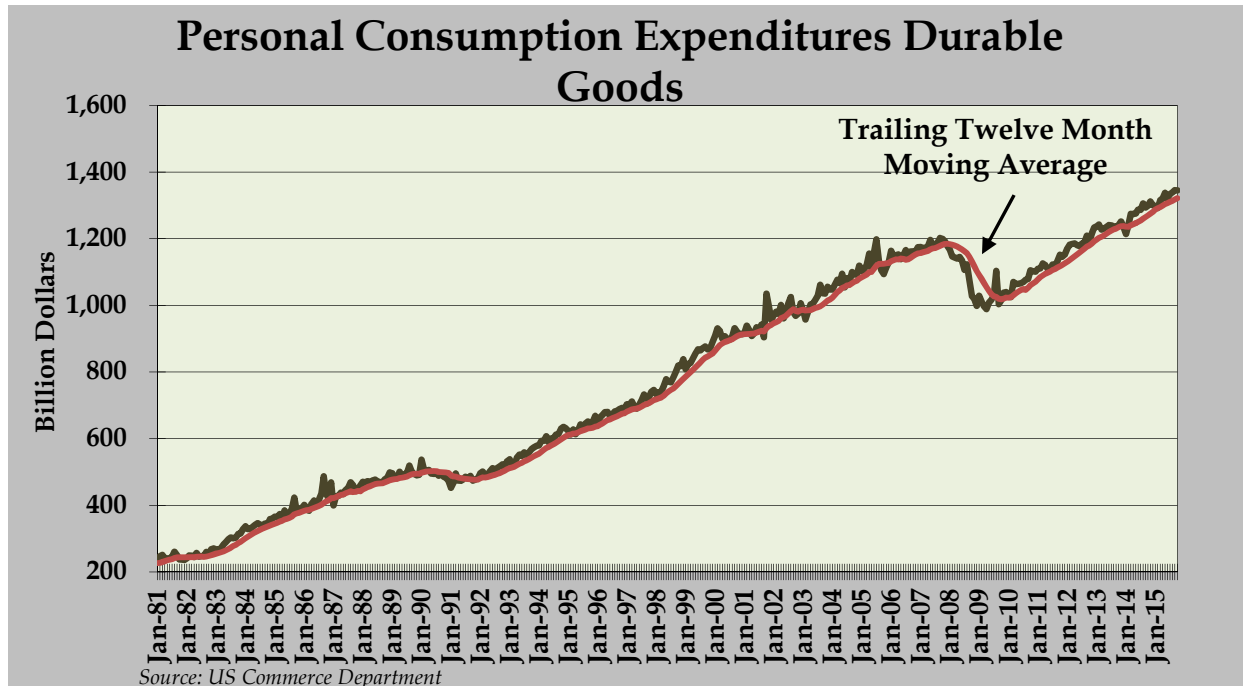
The University of Michigan Index of Consumer Sentiment

The University of Michigan Index of Consumer Sentiment was up in November, for the 2nd consecutive month and was up for the 16th consecutive month on a trailing twelve month moving average basis.



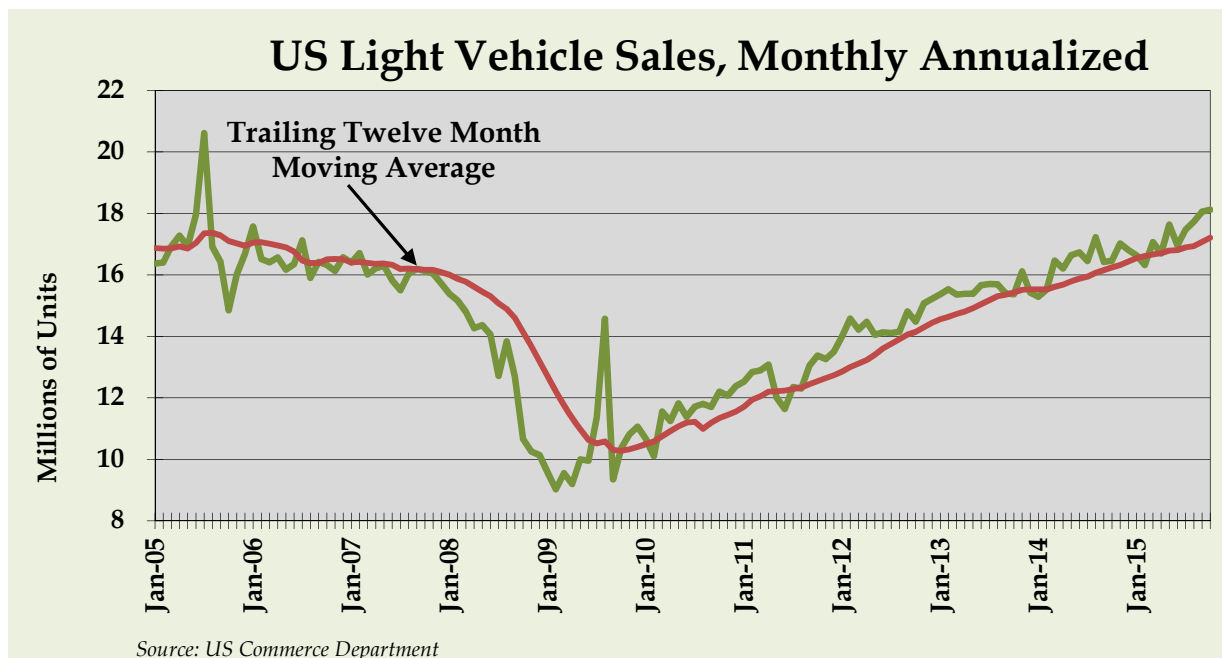
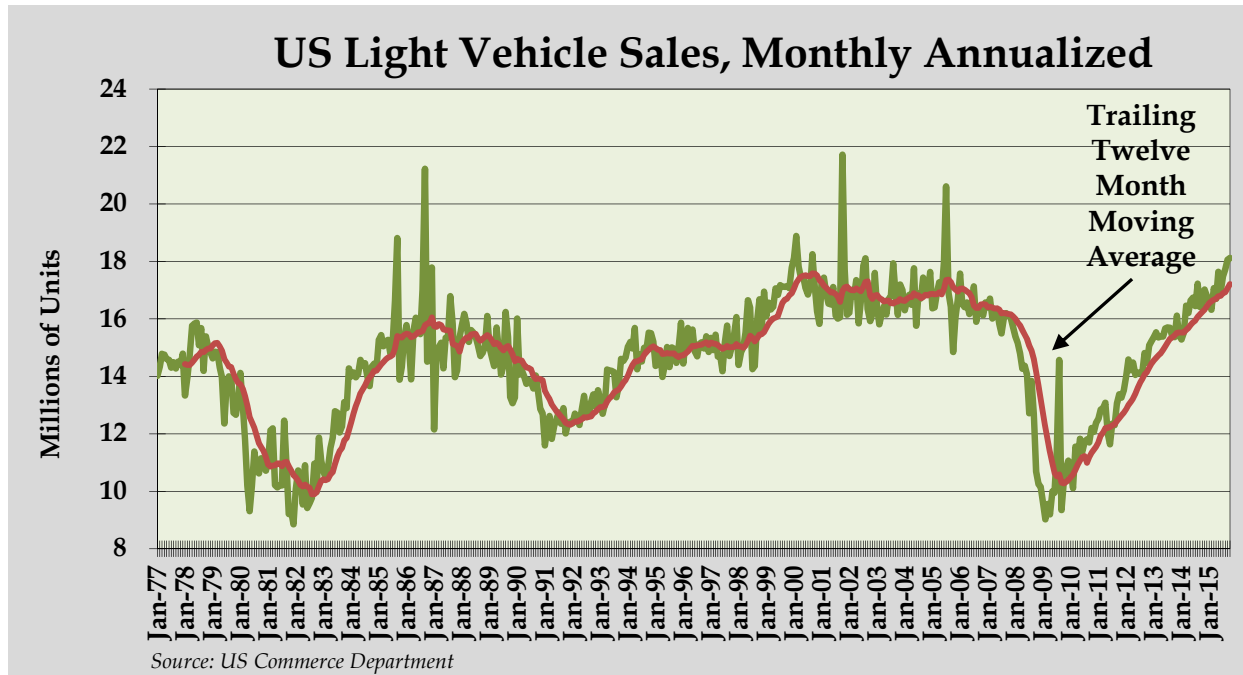
Personal Consumption Expenditures Durable Goods

Personal consumption expenditures for durable goods were down in October, following three up months but were up for the 20th consecutive month on a trailing twelve month moving average basis.



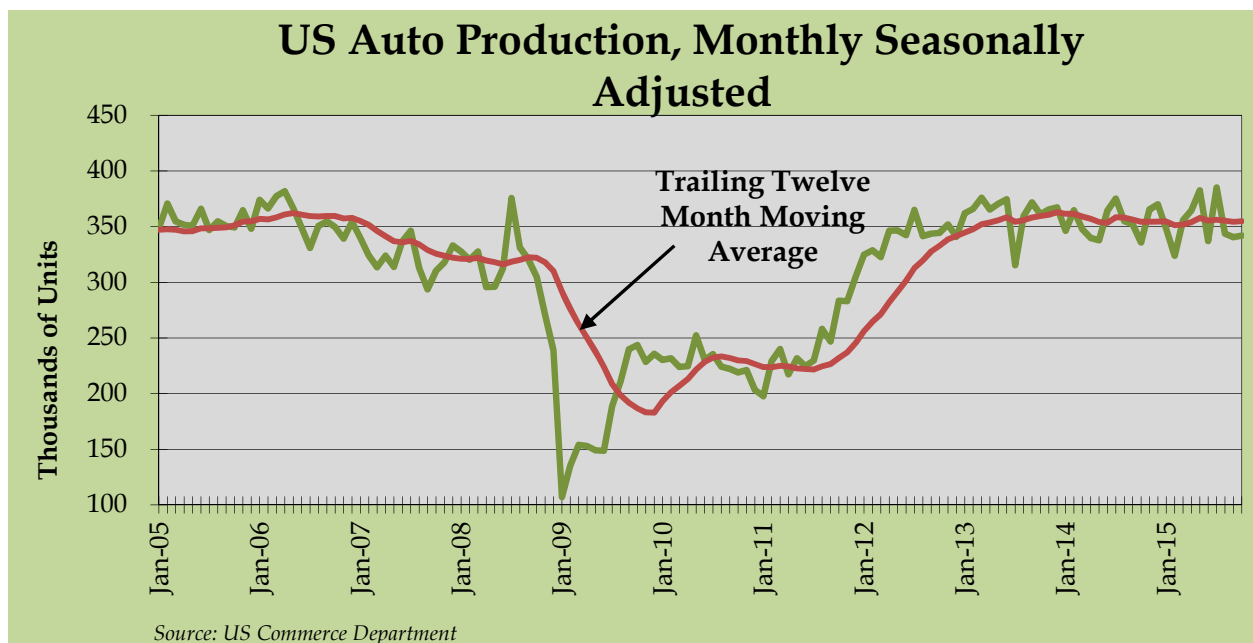
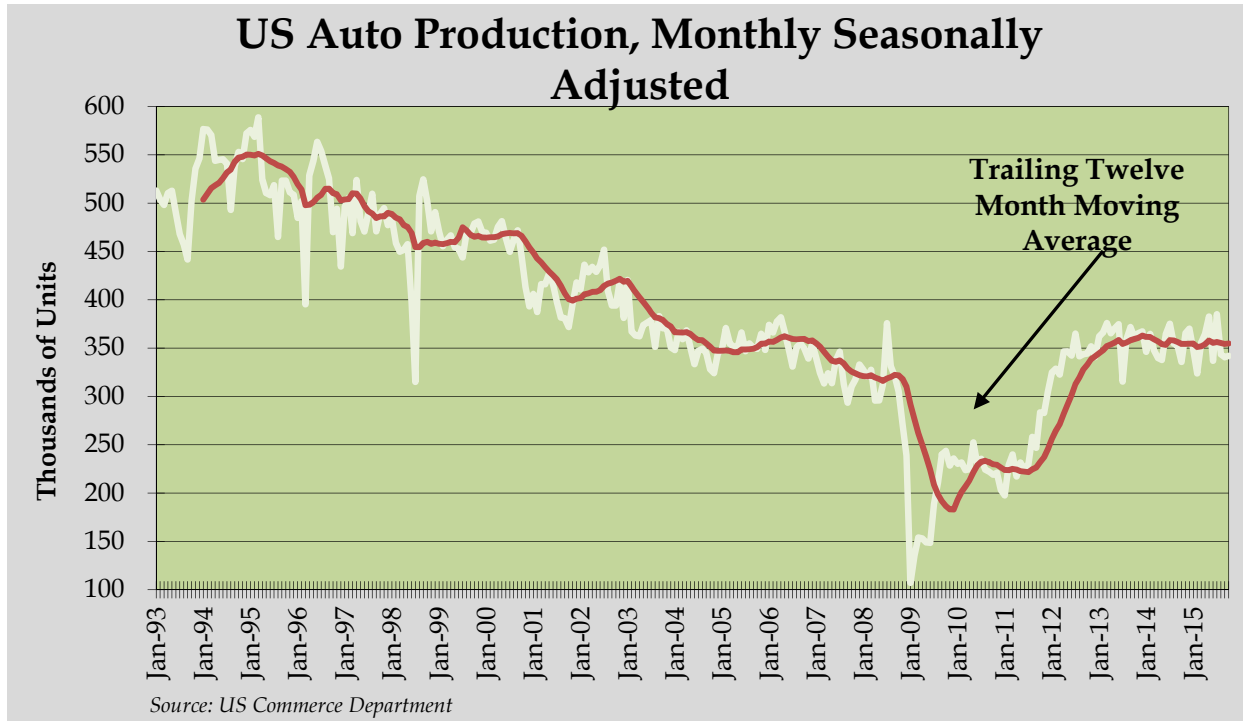
US Light Vehicle Monthly Sales

Sales of autos and light trucks were up in October versus the prior month for the 4th consecutive month and were up for the 20th consecutive month on a trailing twelve month moving average basis. On a year-over-year basis, auto and light truck sales were up 10%.



US Auto Monthly Production

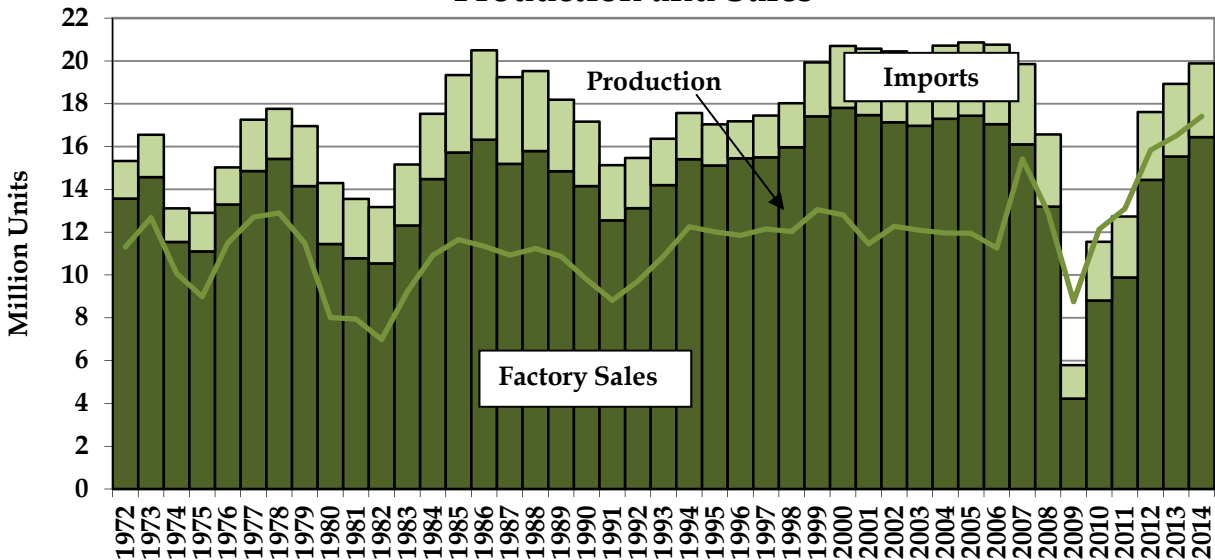
Auto production in October was up compared to both the previous month and the year ago period. On a trailing twelve month moving average basis, auto production was up after two down months.



North American Automotive Market Annual

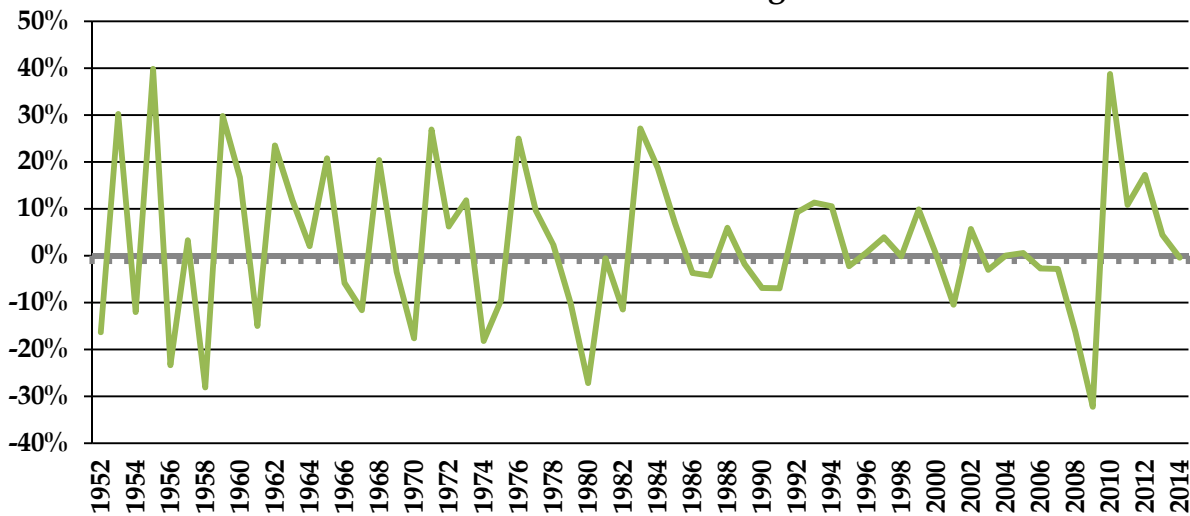
North American auto sales were 16.4 million units in 2014 and are tracking up 5% though November 2015. There are indications that 2016 may be a down year.

North American Automotive Annual Production and Sales



Source: Ward's Automotive Statistics

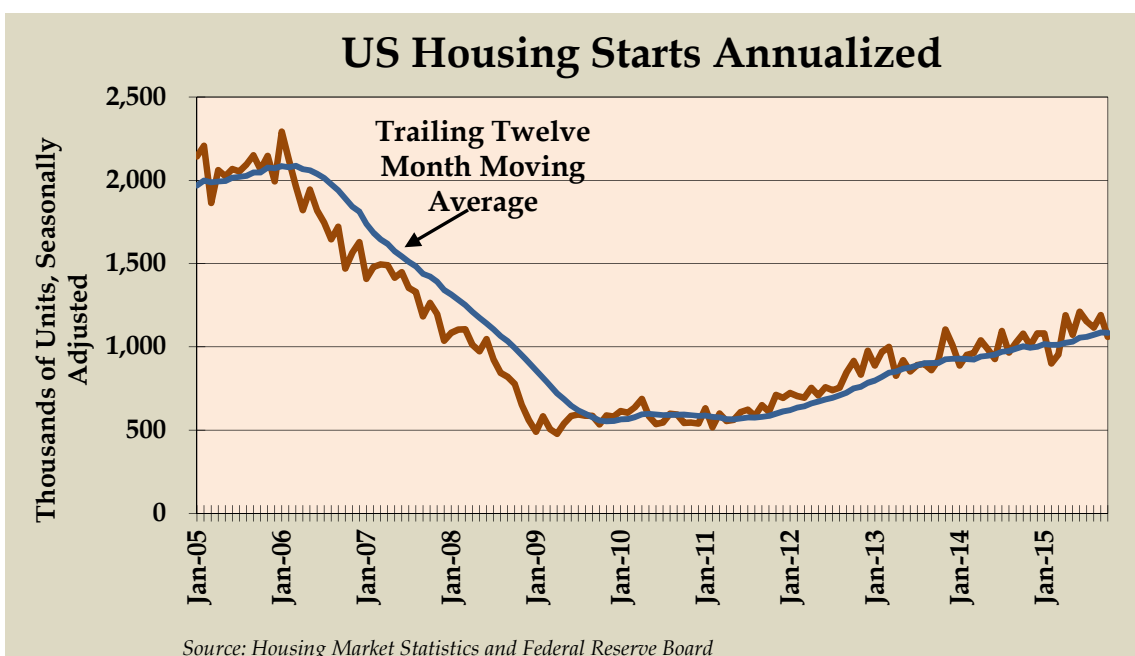
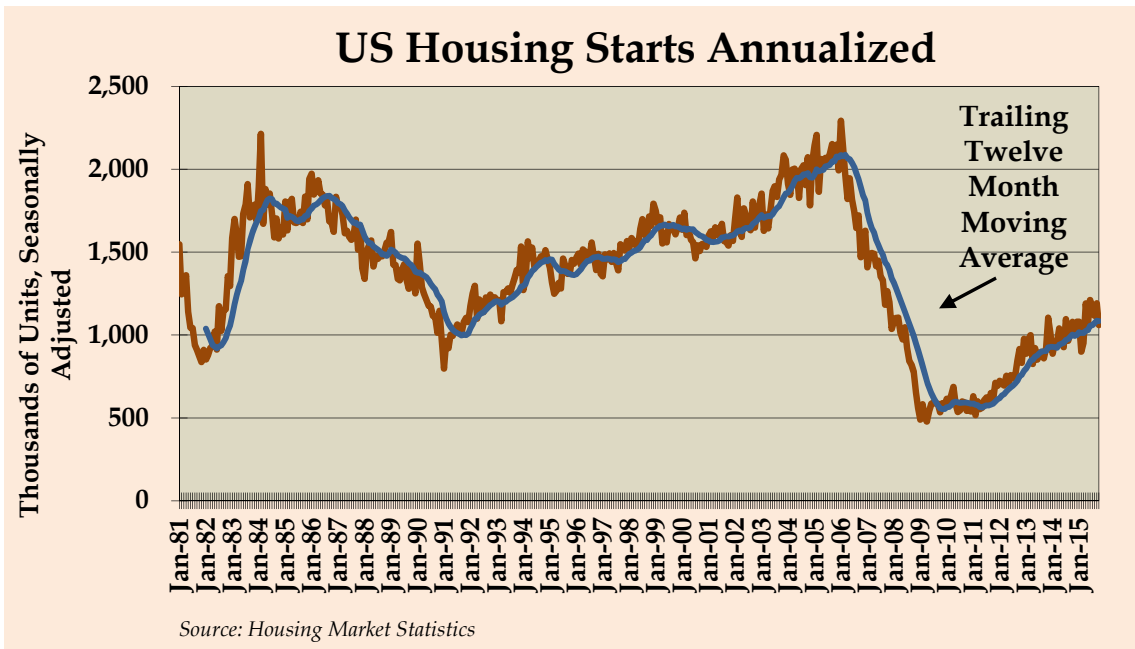
North American Automotive Sales Year-to-Year Percent Change



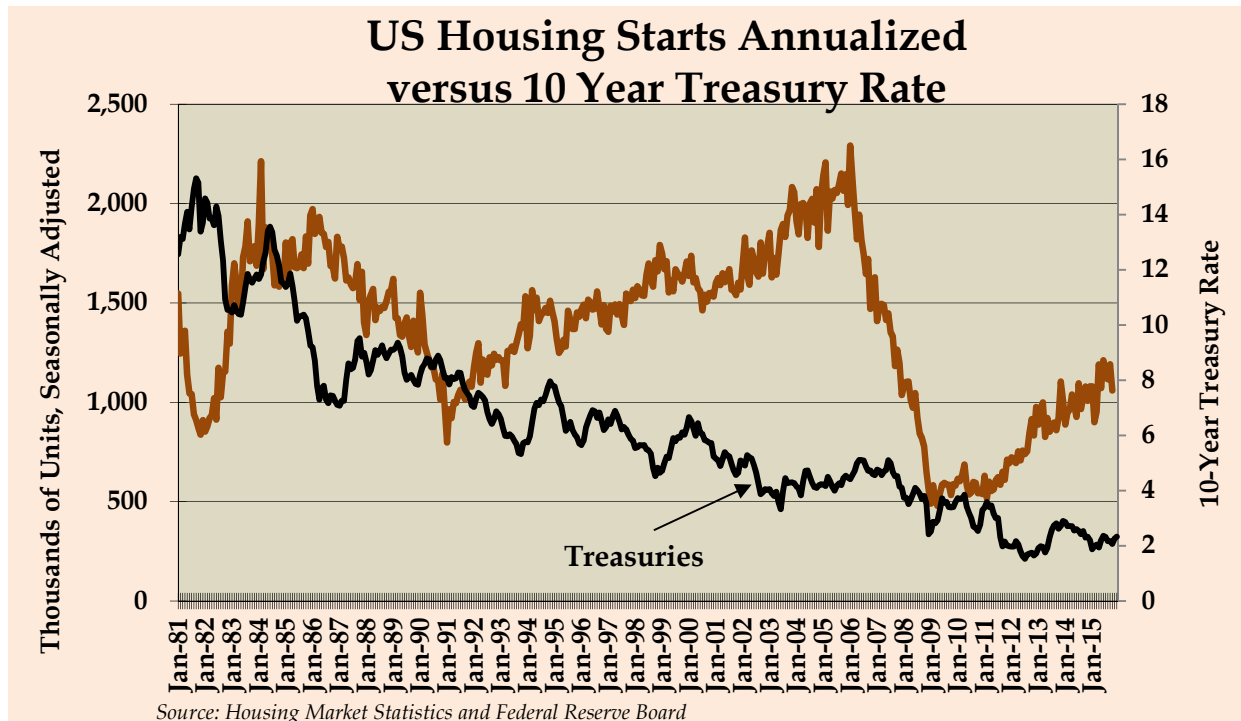
Source: Ward's Automotive Statistics

Housing Starts

Housing starts in October were down both month-to-month and year-over-year, following 6 months of increases. On a trailing twelve month moving average, housing starts were down after 6 consecutive up months. Interestingly, housing starts were down in the year ago November period, so perhaps the down month is due to weather or the normal seasonal pattern happening early.

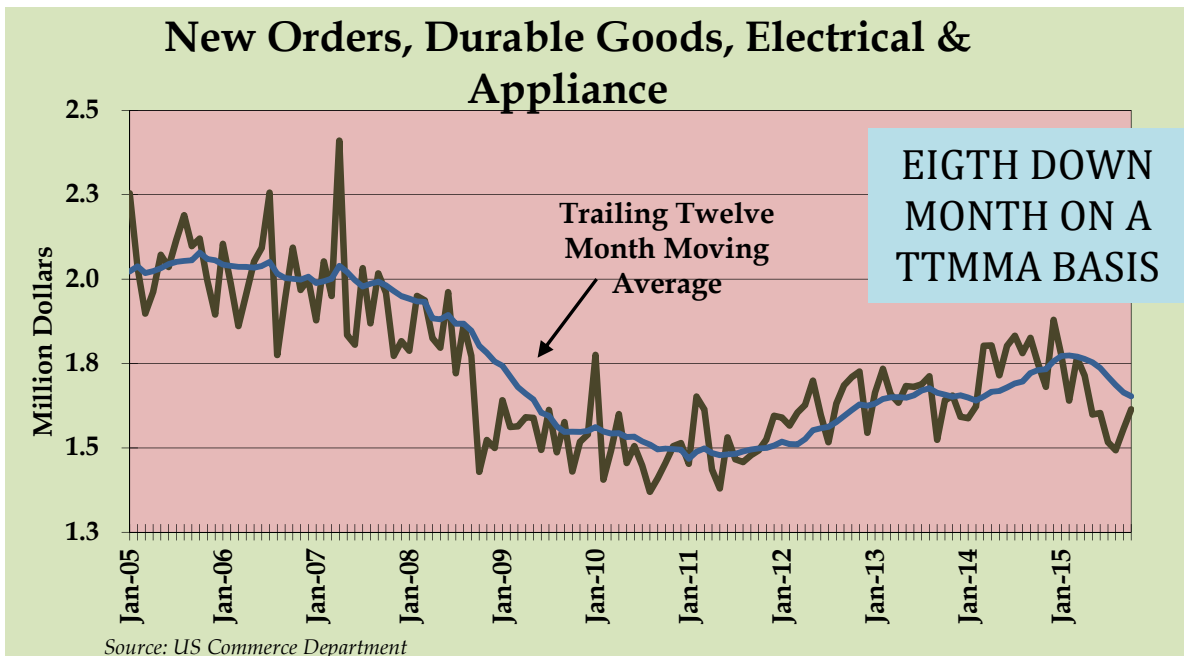
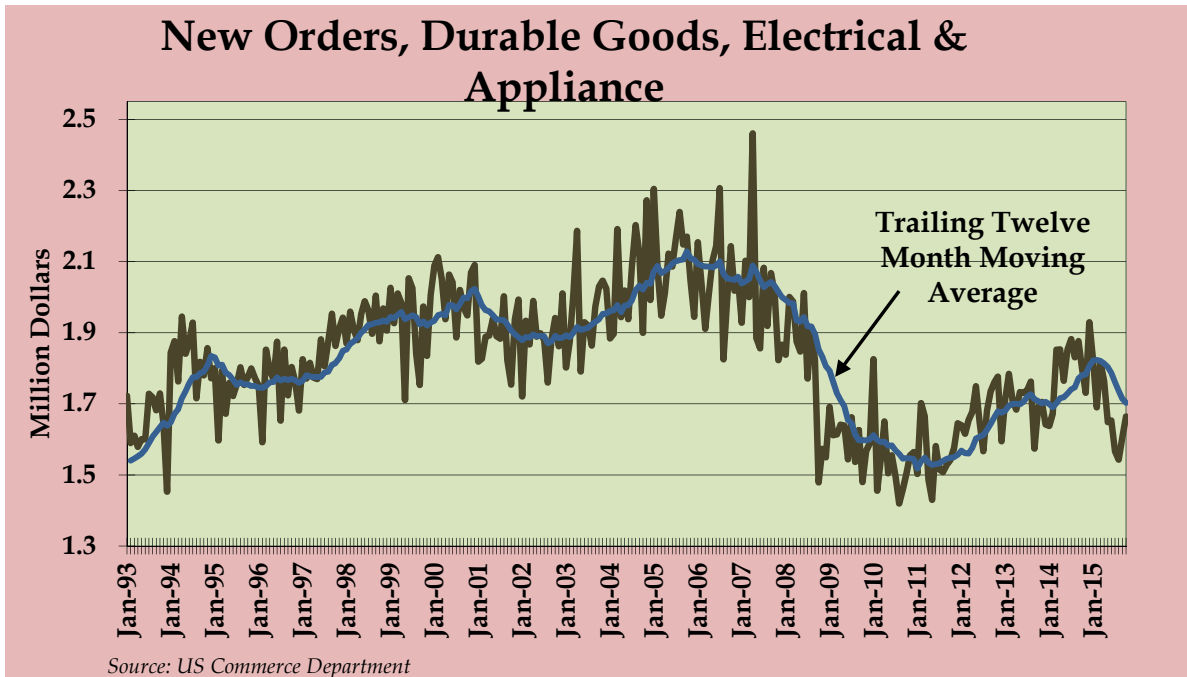


10-Year Treasuries Remain Historically Low



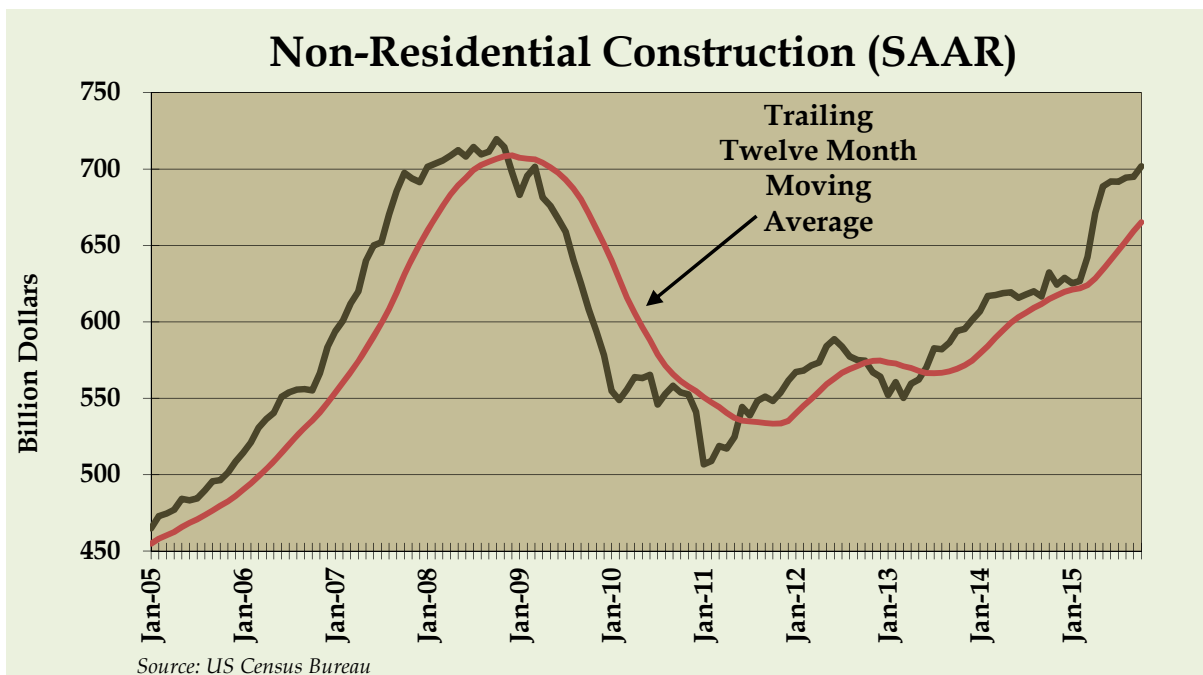
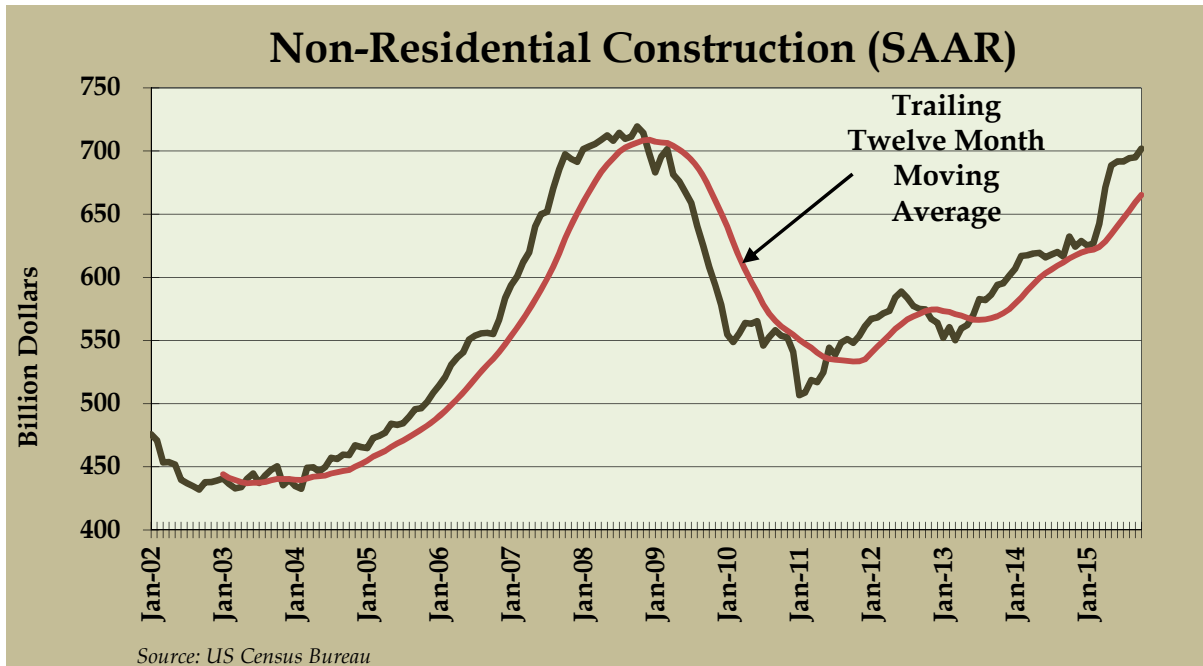
New Orders, Durable Goods, Electrical & Appliance

New orders, durable goods, electrical & appliance for October were up for the second consecutive month. On a trailing twelve month moving average basis, new orders were down for the 8th consecutive month.



Non-Residential Construction

Non-residential construction spending in October was up for the third consecutive month. On a trailing twelve month moving average basis, non-residential construction spending has been up for 27 consecutive months.

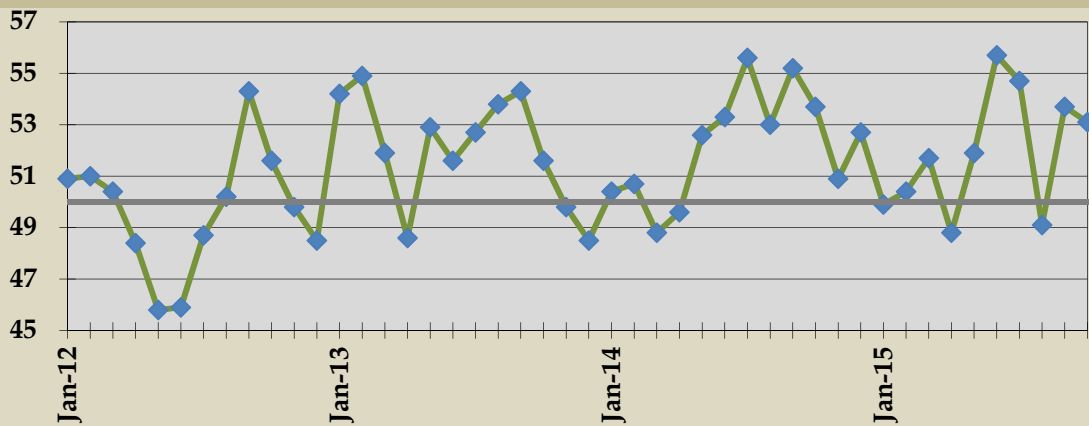


AIA Architecture Billings Index

The AIA ABI in October was down on a month-to-month and year-over-year basis. On a trailing twelve month moving average basis, the index has been down for the past four months.

AIA Architecture Billings Index

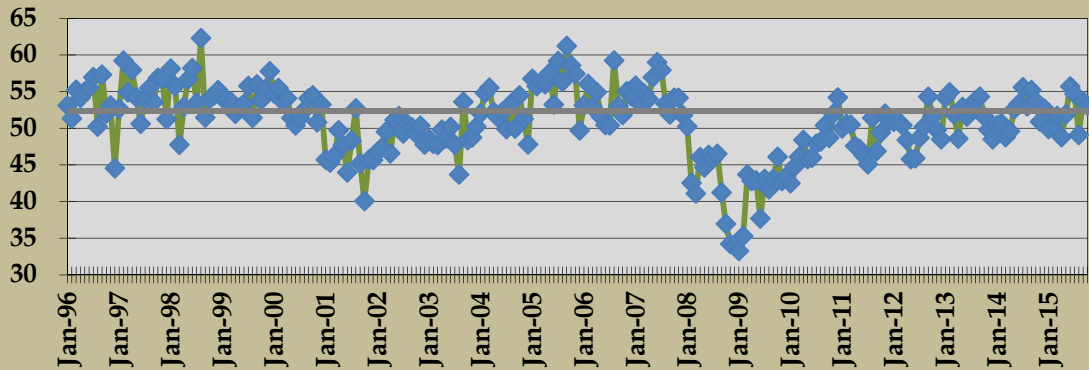
The AIA ABI serves as a leading economic indicator for non-residential construction activity about a year out. If an equal share of firms report an increase as report a decrease, the score for that month will be 50. A score above 50 indicates that firms in aggregate are reporting an increase in activity that month compared to the previous month, while a score below 50 indicates that firms are reporting a decrease in activity.



Source: The American Institute of Architects (AIA)

AIA Architecture Billings Index

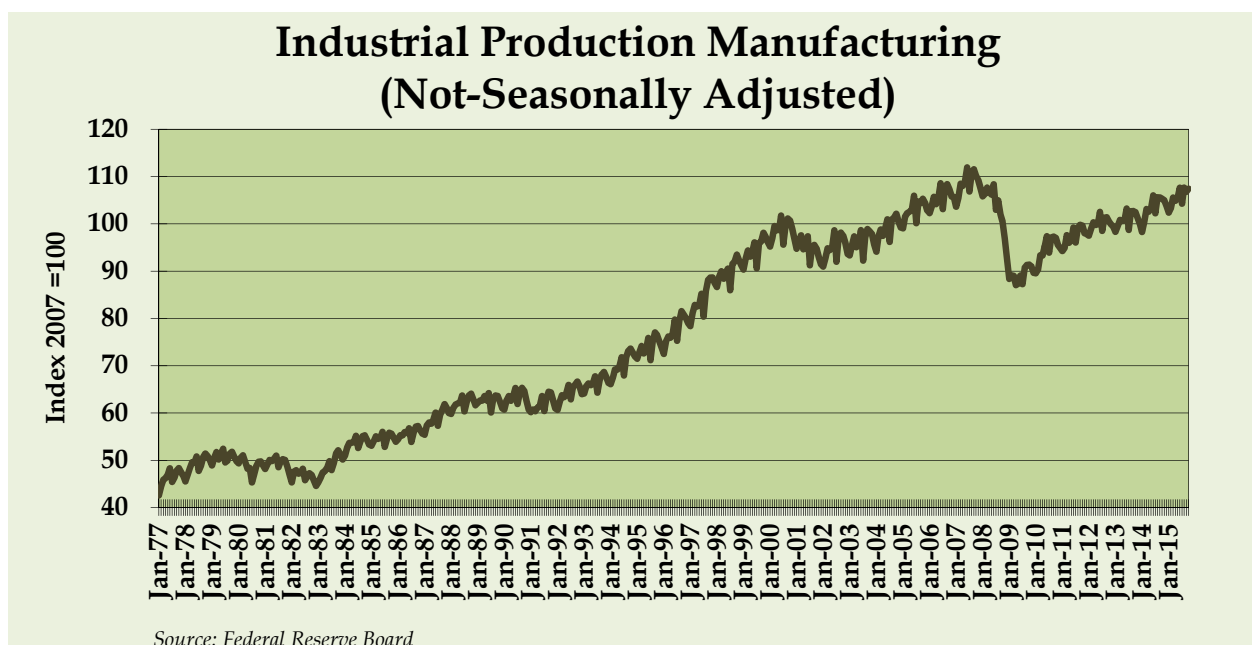
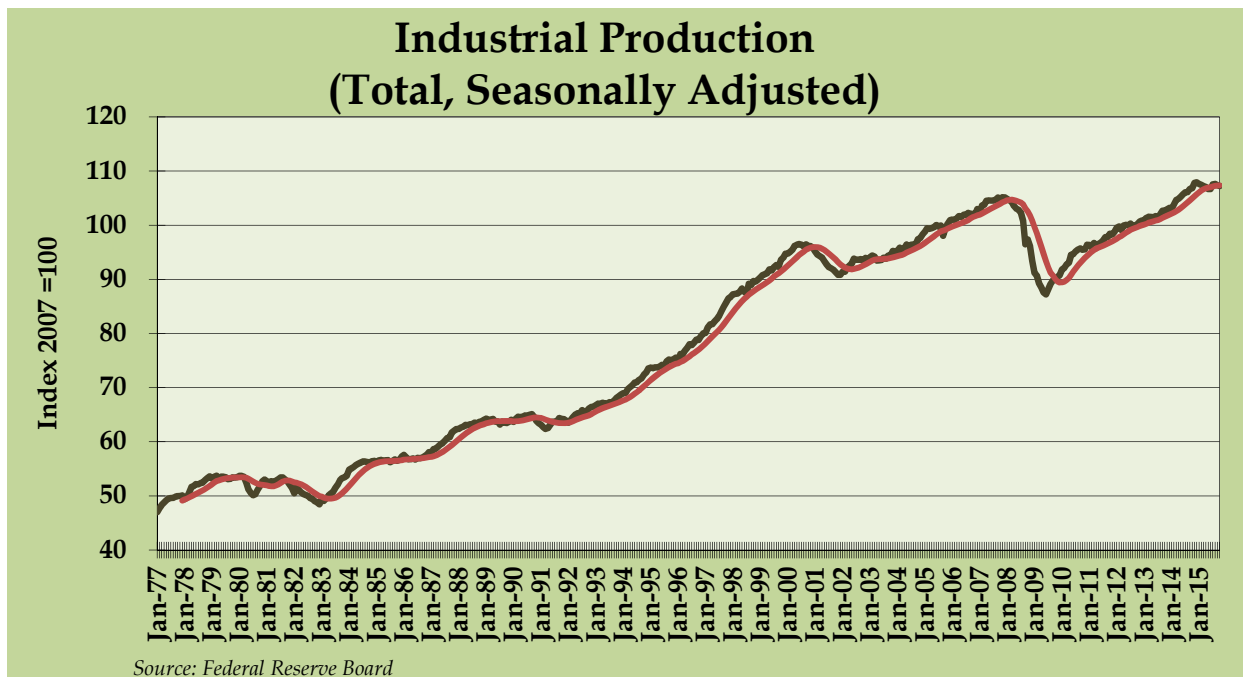
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Source: The American Institute of Architects (AIA)

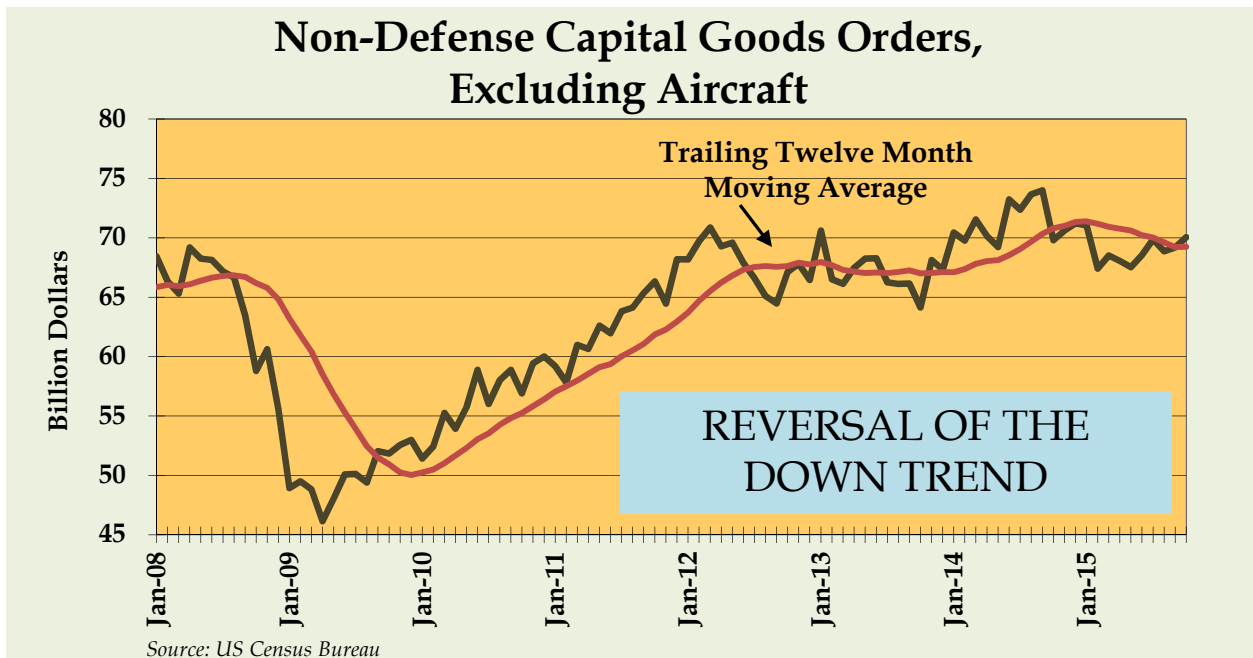
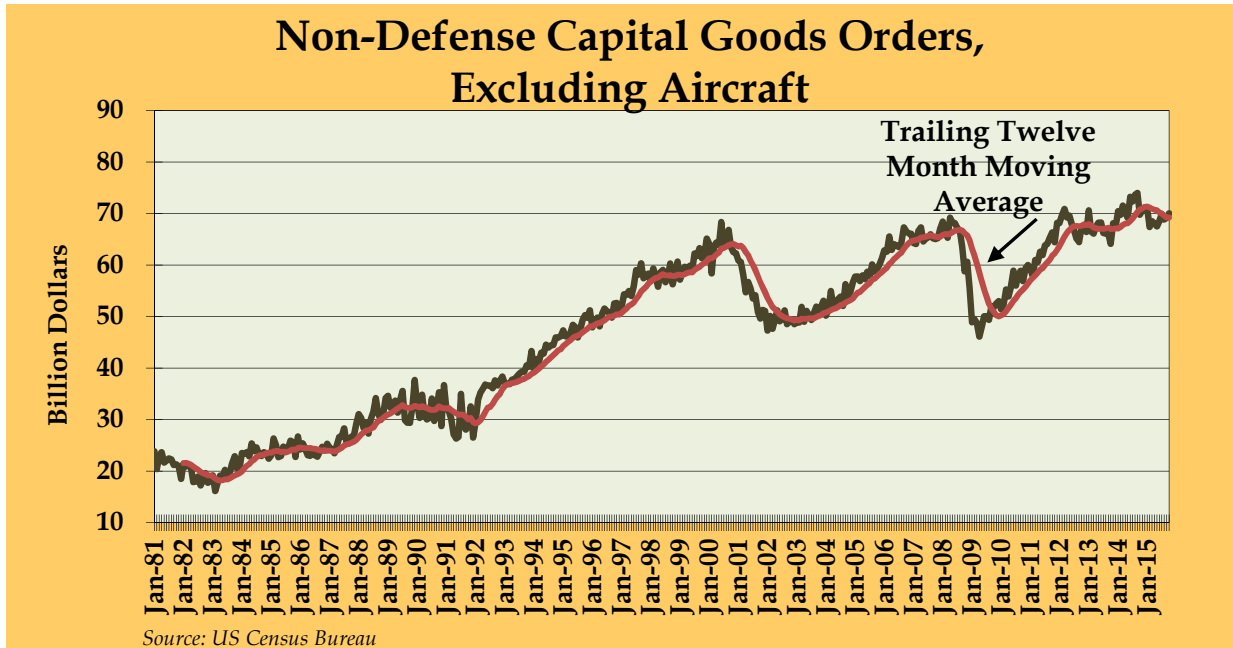
Industrial Production Index Revised to 2012=100

The IP index for October was down for the second month but up year-over-year and on a trailing twelve month moving average basis for an incredible SEVENTY consecutive months, or 5 years. The IP manufacturing index was up month-to-month and year-over-year. On a trailing twelve month moving average basis, the IP index has been up for the past 20 months.



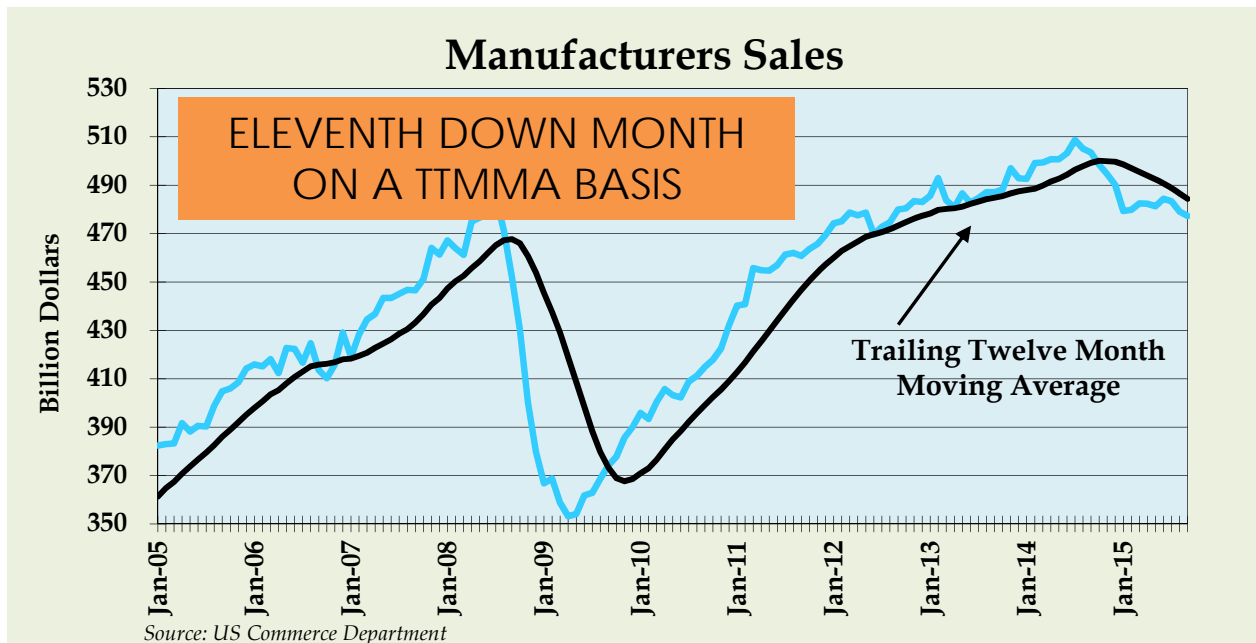
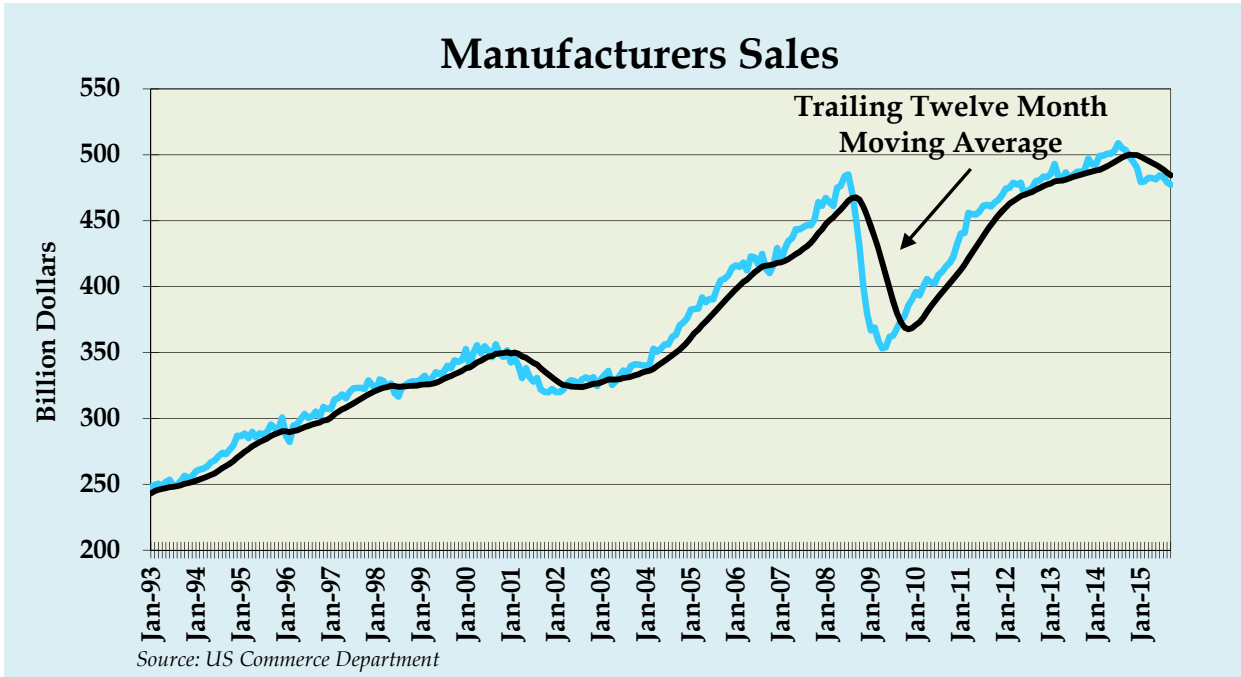
Non-Defense Capital Goods Orders

Non-defense capital goods orders were up in October for the second consecutive month and up year-over-year following 8 months of down comps. On a trailing twelve month moving average basis, capital goods orders were up following 8 down consecutive months.



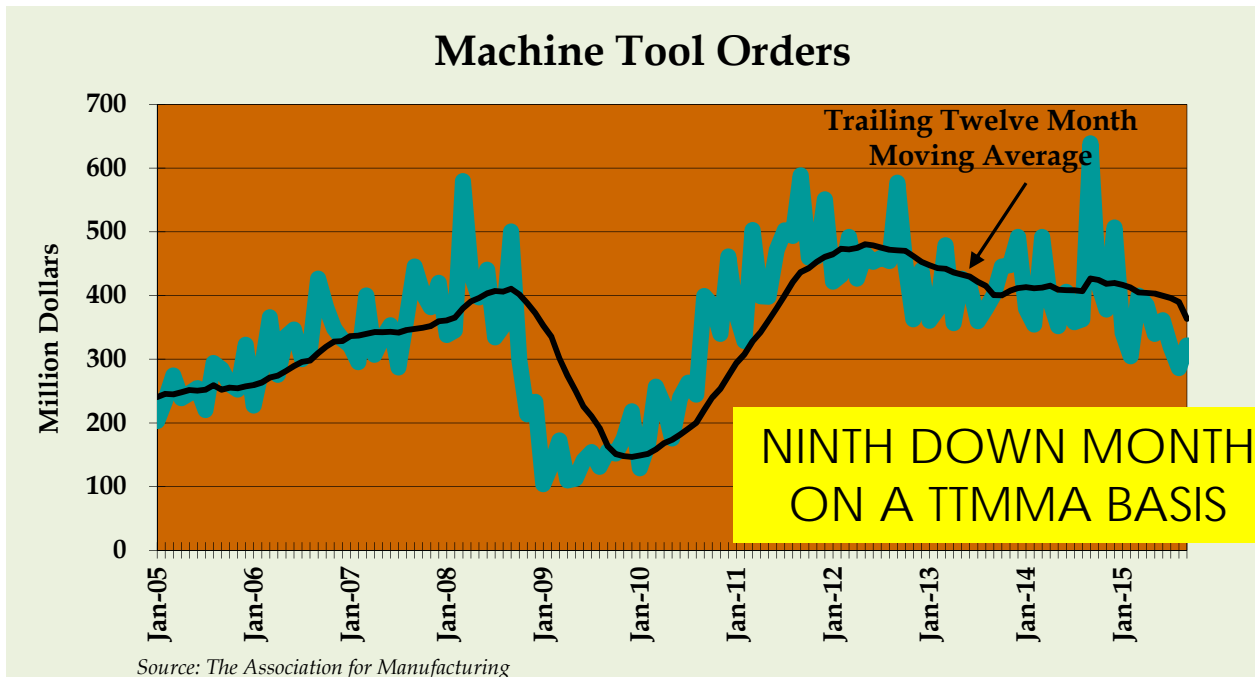
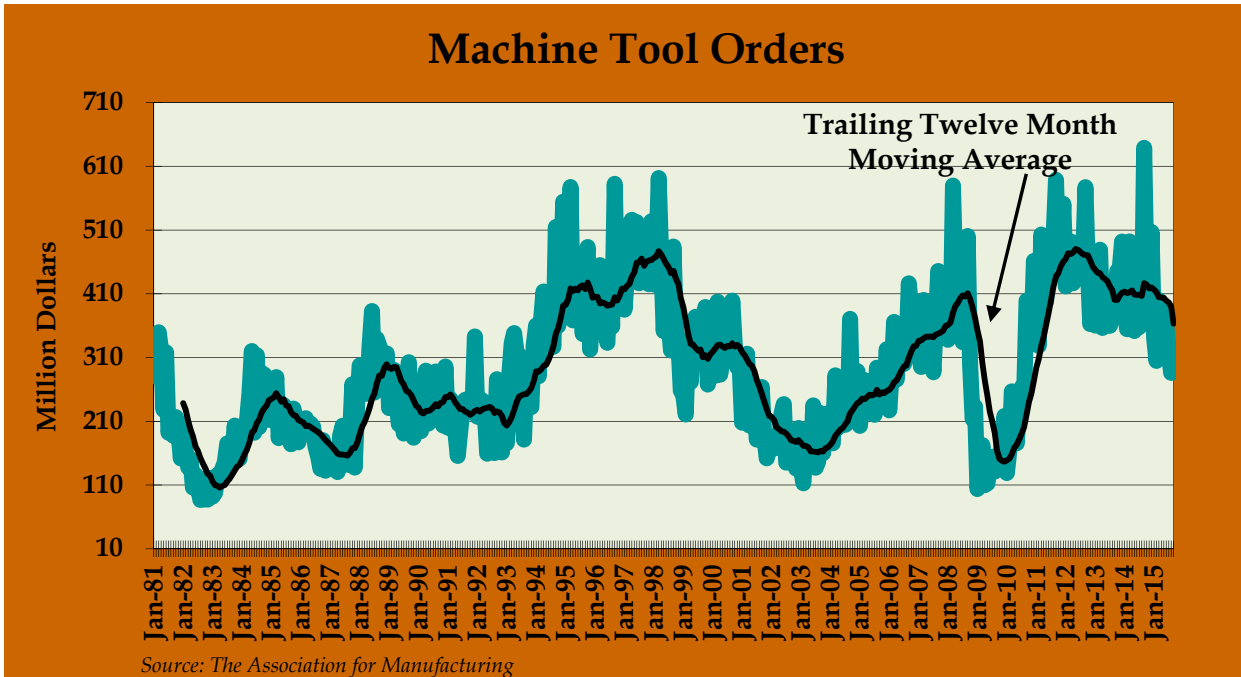
Manufacturers Sales

Manufacturers sales in September were down for the 3rd consecutive month and were down year-over-year for the 11th time. On a trailing twelve month moving average basis, manufacturers sales have been down for 11 consecutive months.



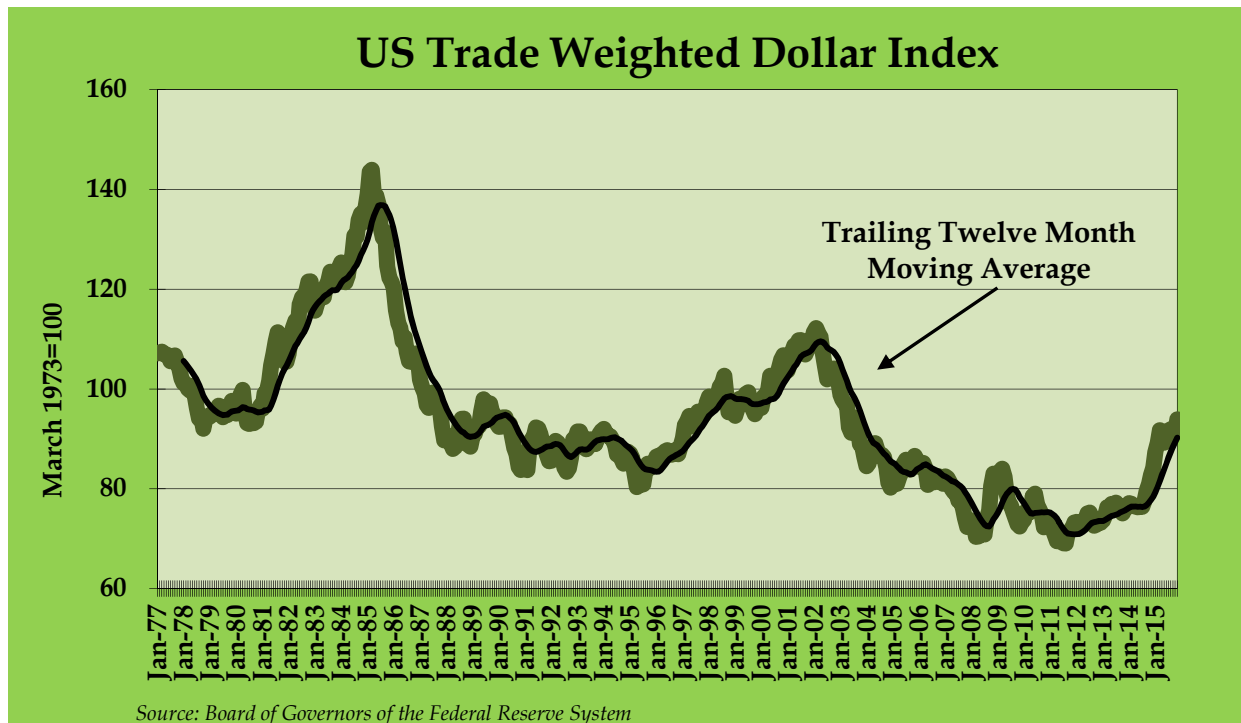
Machine Tool Orders

Machine tool orders in September were up month-to-month but down year-over-year. On a trailing twelve month moving average basis, MTOs have been down for 9 months.



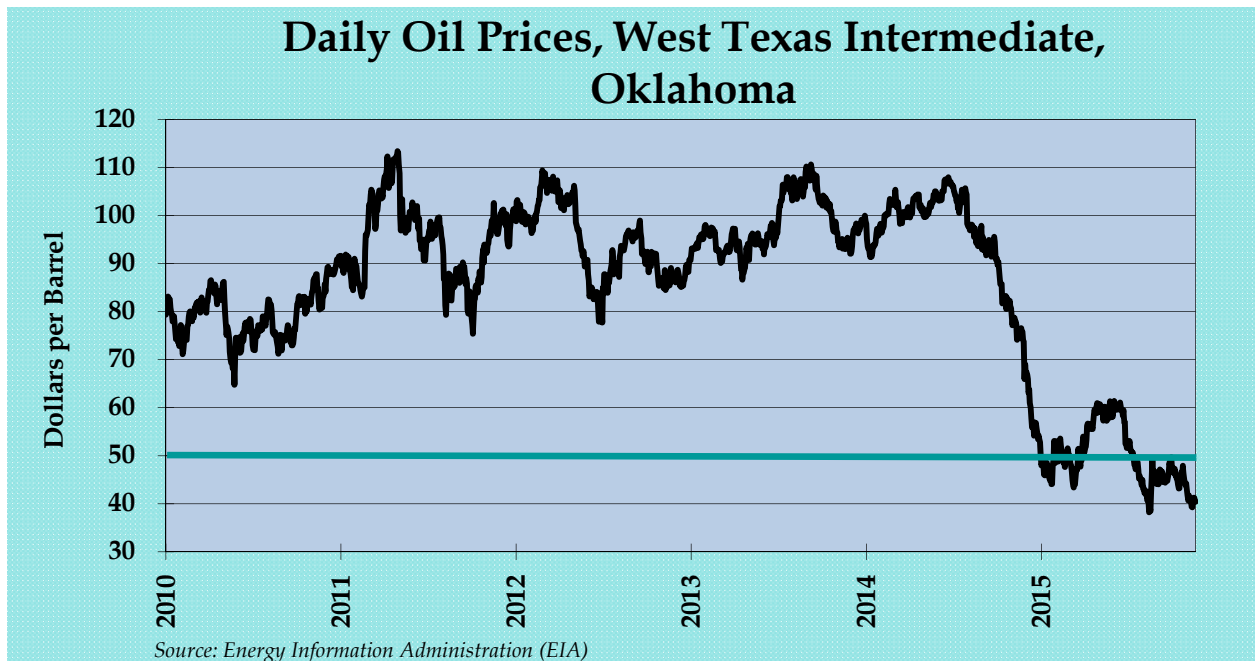
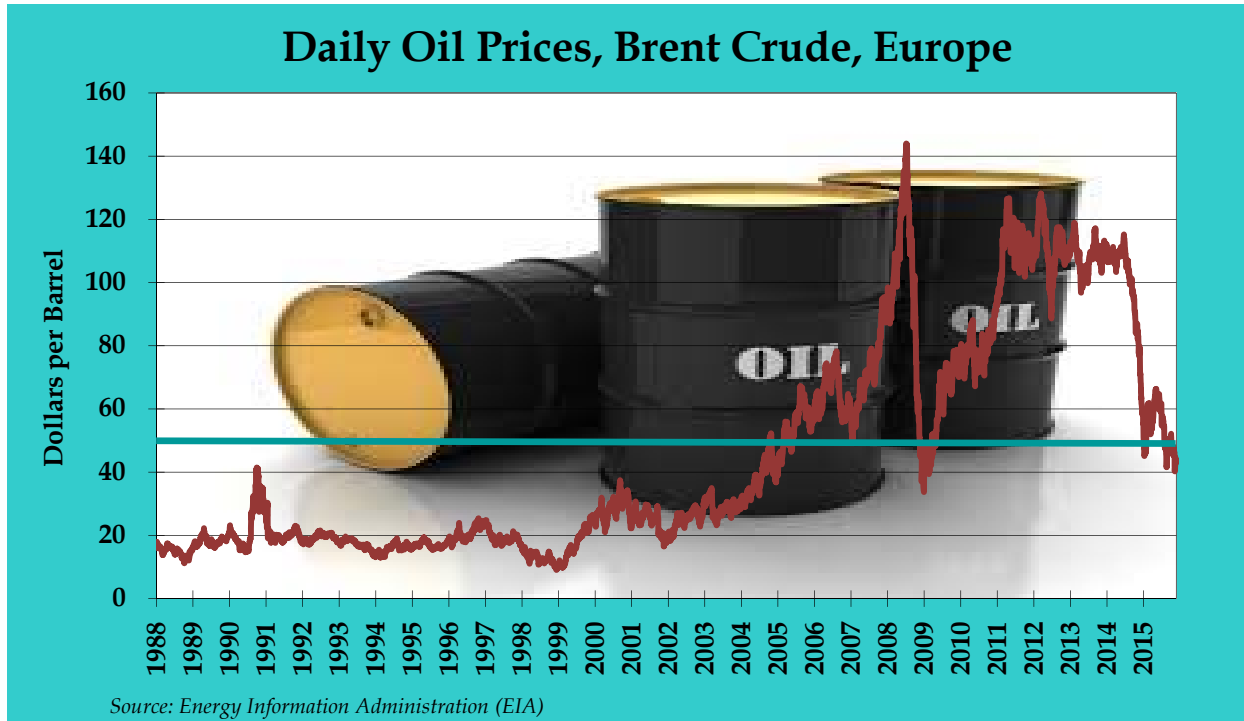
US Trade Weighted Dollar Index

The US trade weighted dollar index in November was up month-to-month after 2 down months and up year-over-year for the 16th consecutive month. On a trailing twelve month moving average basis, the index has been up for 16 consecutive months.



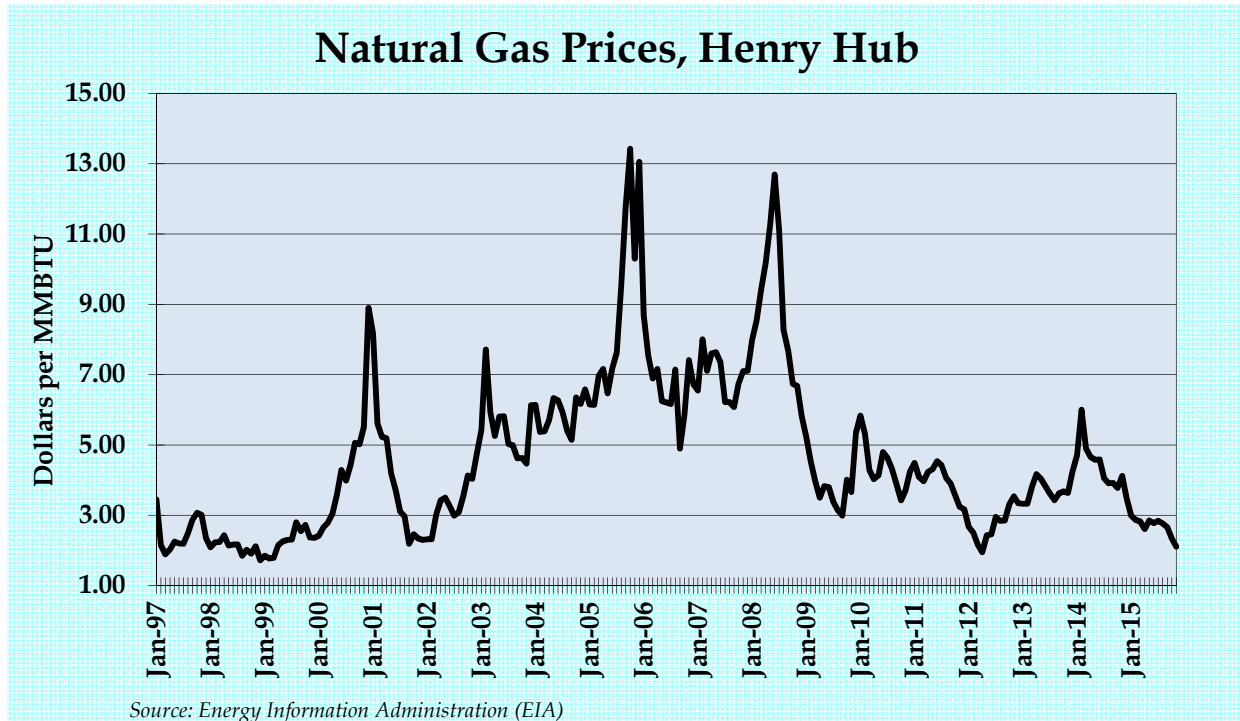
Oil Prices

Brent Crude, Europe closed at \$43.73 per barrel on October 26, 2015 and West Texas Intermediate closed at \$40.58 per barrel.



Natural Gas Prices

Natural gas prices closed at \$2.11 per MMBTU on November 30, 2015 compared to an average \$2.34 per MMBTU in the preceding month and \$4.12 per MMBTU in the year ago period.



Steel-Insights, LLC – “Seeing” What Others Don’t – Identifying & Harnessing Resources for Success

In WWII, American submarine commanders endured despite being outclassed by superior equipment and outgunned (fully functioning torpedoes weren’t available to them for the first 21 months of the Pacific War). In the fog of war, as often is the case in business, decisions with long impacting outcomes have to be made without the luxury of complete or definitive information.

Steel-Insights was formed to assist executive management teams navigate the “noise of battle” by more effectively managing the abundant resources available today and harnessing those resources to explore thought provoking and penetrating issues in order to magnify the pivotal decisions required for the long-term success of their companies in arguably tough industries that must survive challenging cycles, i.e. training and empowering submarine commanders.

