CK: Chris Kuehl **KP: Keith Prather**

Briefing: Wed 10, **September 2025**

Domestic Quick Items of Interest

- **Bonds Inching Lower, Approaches 4%!** A weaker wholesale inflation figure released today and a blistering 10Y Treasury auction (getting a lot of international interest) pushed the 10Y yield rate closer to 4%. This would be a major breakthrough to get below 4% and would help boost big segments of the economy. Global banks bought more than 83% of the auction, far more than the most recent averages of 70%.

  Several things happen when the 10Y falls. First, it makes financing the deficit easier. Second, it helps bring down long-term borrowing costs, and will pull many corporations off the sidelines and get them to start construction projects, buy capital equipment, etc. Third, it fosters mortgage refinancing, which boosts monthly income for households and gives them more discretionary funds to spend. That helps foster retail spending in appliances, electronics, apparel, sporting goods, automobiles, home improvement, etc.

  Lastly, the fact that foreign governments are flocking to the 10Y could be in response to US Treasury Secretary Bessent changing up the auction volumes and making US treasuries (in different time maturities) a bit scarcer. Buyers had to flock to available funds and, with financial fear building in other parts of the world, spurred them to jump on the offering. In short, it's a good sign and likely an indictor that the Fed will lower interest rates next week. Never try to out-guess the bond market. – KP

- **So Much for an Inventory Surge.** – Wholesale sales and inventories were reported through July this morning and jumping to the bottom line, the inventory-to-sales-ratio fell between June and July from 1.29 months of inventory on hand to 1.28. Remember, we had some record inbound volumes hitting US ports in July and early August. But based on inventories reported by wholesalers, it did not overbuild inventories headed into the busy peak season.

  We hint at this later in today's brief, but this situation could lead to stockouts and many projects being put on hold in the construction sector if inventories stay at current levels. It could also push a little inflation risk (aside from tariff risk, stockouts could be the bigger near-term risk).

  Lastly, this data lags by about 30 days. There was some strong freight activity in August that still needs to be processed. We'll see if it ultimately starts to show up in the inventory data showing some stronger than expected building activity. But for now, it just isn't corroborating all of the stories out there to the contrary. - KP

- **2026 the Year of New Innovation.** – Just a comment: consumer level bi-pedal robots for sale at retail, helicopter rides on Uber, commercial drones in all skies, self-driving everything; there is going to be a lot of change hitting in 2026 that is a by-product of just interesting timing. A convergence of technology, desire, feasibility, and economic factors are going to push it. I'll likely see my first robot walking down the street (not part of a trade show) in 2026, that's an interesting thought. - KP

Additional Items we are watching.

- **Labor Market Pressure Still Growing.** – As labor data is released, there is still a lot of sluggishness in many of the metrics that we monitor.

  One of them came out of a US Bureau of Labor Statistics report that showed that a revision to data showed more than 911,000 fewer jobs were created over the past year (March 2024 to March 2025). This cut the number of jobs created in 2024 and early 2025 to less than half of what was reported earlier.

  Most economists believe that this all but seals at least a 25 basis point cut by the Federal Reserve in September. Remember, labor data is a lagging indicator and with only 22,000 jobs created in August, the Fed is worried that real pressure has built in the labor market.

  We also have our eye on the quits rate and it has been falling in the past few months. Typically, when quits are falling it means that workers are nervous. They aren't job jumping like they were and are working harder to try and hang on to their current job.

  Several consumer surveys show that even affluent workers are more concerned about job stability, many in those categories are concerned about system problems like AI and automation, outside of economic trends. - KP

Important Domestic Economic Releases

9/10	Producer Price Index
9/10	Wholesale Trade
9/11	Consumer Price Index
9/12	Michigan Consumer Survey (Prelim)
9/15	Empire State Manufacturing Survey
9/15	SCE Household Spending Survey
9/16	Advance Retail Sales
9/16	Business Leaders Survey
9/16	Industrial Production
9/16	Business Inventories

Global Quick Items of Interest

- **China Gets Hit by Mexican Tariffs -** There are many motivations for a tariff and that has been a big part of the confusion that has surrounded the US tariff policy. Many still operate under the assumption that this is all about economics and business. Those play a big part to be sure but that is not the only motivation. Trump wants behavior changes on the part of China, Russia, India and others. Mexico has just decided to impose stiff tariffs on the importation of electric vehicles from China and this has little or nothing to do with protecting the tiny EV sector in Mexico. The US has been pressuring the government to put restrictions on Chinese imports and threatens to impose more barriers on Mexico if they do not support the US effort. A similar tactic has been deployed against India and other nations in order to push Putin to engage in a ceasefire with Ukraine. These approaches often work but they also backfire as countries resent the manipulation and have to decide what makes better sense – work with the US or China or Russia. This is why the high-level meetings between Putin, Xi and Modi have caused concern. CK

- **Why the Decline in Producer Prices? –** Economists were shocked by the decline in producer prices as they had been expecting a rise in prices. The projected rise was 0.3% but instead there was a decline of 0.1%. Given that everyone (and their brother) was calling for inflation to show up, this reversal was initially unexpected. The reality is that companies have been preparing and strategizing about the tariff impact for the entire year. There have been at least three approaches to keeping these prices down. The most obvious has been an attempt to diversify the supply chain in reaction to the opportunities and threats. Places that are getting hit with tariffs have been offset to some degree by locations that are offering bargains. The second approach has been to focus on market share and that means eating the costs of the tariffs to some degree. The margins have been reduced and there have been more overt tactics designed to stabilize pricing. Finally, there has been the reaction from nations hit by these tariffs as they are covering the costs of these hikes. This has become a common tactic in China as the economy is much more tolerant of companies that need long term subsidies. CK

- **Indonesia Faces Tough Decisions –** The riots that have all but shut down Indonesia and stalled its development as a major rival to some of the other fast growing Asian states were ostensibly triggered by outrage over the generous housing allowance offered to members of the legislature. The current President – Probowo Subianto – was a general but lacked a well-developed political base. He has struggled to keep support in the rest of the government and the decision to back this allowance was basically a bribe. This allowance is more than 95% of Indonesians make in a year. Beyond this trigger point the issue is that people are falling further and further behind in terms of income. There is a very rich top end as far as income is concerned but a dwindling middle class and a growing lower class. This had been improving under the prior President but not since Subianto took power. CK

Additional Global Items we are watching.

- **Nepal May Be a Warning –** The Nepalese government collapsed as the government was unable to control the riots that had essentially paralyzed the nation. These protests had been building for weeks and they forced the resignation of the Prime Minister and his government. The factors that led to the protests may be an object lesson for other governments. The phrase NepoKid became a common remark on social platforms. It referred to the children of the political and business elite. They have been accused of living increasingly lavish lifestyles at the expense of the rest of the nation. There has always been an elite in Nepal and most other nations but they tried to downplay that wealth to some degree and made efforts to engage in support for those less fortunate. The current elite flaunts that wealth and prestige aggressively.
- The division between the wealthy and everybody else is not unusual but today these varying lifestyles are on full display and it stirs resentment at a greater level than before and has started to impact elections as well as not so election-based regime change. The sense is that many governments are far more fragile than would have been assumed as the emerging voter has become more attuned to these divisions. There has been a profound rise in populism of the right and left and both center on the big gap between the wealthy and everybody else. The elections in Europe have centered on populism and the US has been affected by the movement as well. Even China struggles with the attitude of the elite. CK

- **Norway Dealing with Tutti-Frutti Alliance –** The center left has managed to hold off a challenge from the populists in Norway but it has created a very unstable government made up of diverse parties only united by their opposition to the Progress party. The new government includes the Labour Party, Greens, the Communists and a Euroskeptic Agrarian Party. This is a nation that has pioneered the idea of welfare-state capitalism based on its oil business but that reliance is now in jeopardy as oil prices start to fall.

US Domestic Economic Items

- **Producer Price Index – Looking for Tariff Impact and Fed Direction.** The Producer Price Index was important this month because many analysts are 1) looking for signs of tariff pressures and 2) hints for what this could lead the Fed to do. Core measures (stripping out food, energy, and trade services) moved up 0.3% M/M, but it kept its annual rate of growth and pushed its annual pace to 2.8%, a five-month high.

  The chart at right cuts to the chase and looks at the elements that would have been most impacted by tariff pressures. Essentially, only three out of the 7 major categories were showing tariff pressures.

Category (selected tariff-sensitive items)	Aug m/m	Jul m/m
Machinery & vehicle wholesaling margins	-3.9%	+4.1%
Professional & commercial equipment wholesaling	-1.6%	+2.8%
Furniture retailing margins	-0.8%	+2.1%
Apparel wholesaling	+0.9%	+0.6%
Processed aluminum mill shapes	+5.5%	+2.3%
Printed-circuit assemblies & boards	+2.3%	+1.8%

  Cutting to the chase, there was some tariff pass-through visible in upstream goods (aluminum,. Electronics components, etc.).

  Looking backwards a month, July's 0.9% headline jump (the largest in three years) was dominated by tariff-sensitive trade-services margins and equipment prices, prompting warnings that cost pressure was "coursing through the economy". But the latest data from August reversed much of those service-margin spikes, suggesting firms discounted to hold market share rather than pass every tariff dollar forward immediately. That doesn't mean that we won't still get some adjustments through the end of the year, but it looks like the price increases may be spread out.

  Did the Federal Reserve get any help out of the latest wholesale inflation report? Maybe. There was a lot of noise in the report.

  The Fed may not have gotten clear signals out of the report. Some tariff inflation was showing up, but the overall risk to the economy was slight.

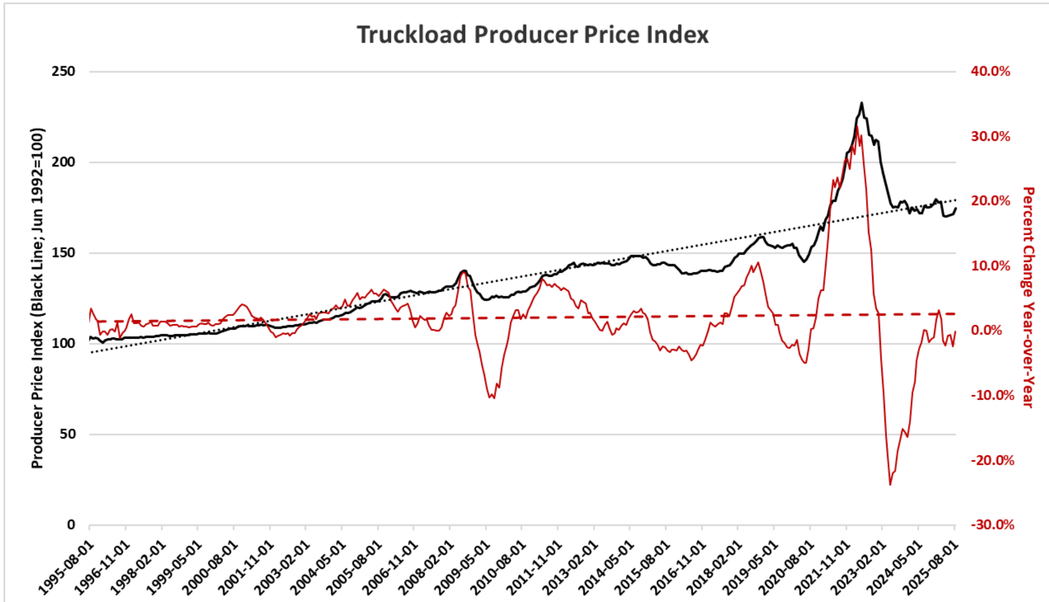
  Energy prices are falling for natural gas and final demand energy, which helped offset some tariff-driven price increases elsewhere. That softened the top-line macro-inflation measures, and we have to look at those secular areas to see where the real pressures are.

  Overall, if there is a summary, it looks like tariff inflation pressures are indeed showing up in some areas. Those product areas most exposed to Section 232 tariffs (mostly on steel, aluminum, and copper) were showing some of those pressures. Overall, the risk to the economy is low, but the impact on some sectors (like automotive, aerospace, home appliances, and other industrial sectors) could be significant. The 5.5% monthly jump in processed aluminum mill shapes was significant, and that will start to flow downstream into finished goods. So, there are some areas to keep at least a near-term focus on. - KP

Supply Chain Items

- **Transportation Producer Prices Generally Move Higher in August.** There are some seasonal impacts that hit as the country heads into the peak retail season. As retailers get ready for back-to-school and the subsequent holiday shopping season, they move a lot of freight. July and August are historically those periods in which we get some of these big increases, and according to the Producer Price Index, this was looking much like some of the traditional inventory scrambles to get ready for the holidays.

The TL Producer Price Index was still below the long-term trend, and it was down 0.2% Y/Y – which signals that there is still weakness in the data. But it was 1.8% higher M/M. Some of the strong inbound freight hitting US ports in July was being worked through and that was helping. In addition, this is harvesting season in some regions – which also helped tighten truck capacity.

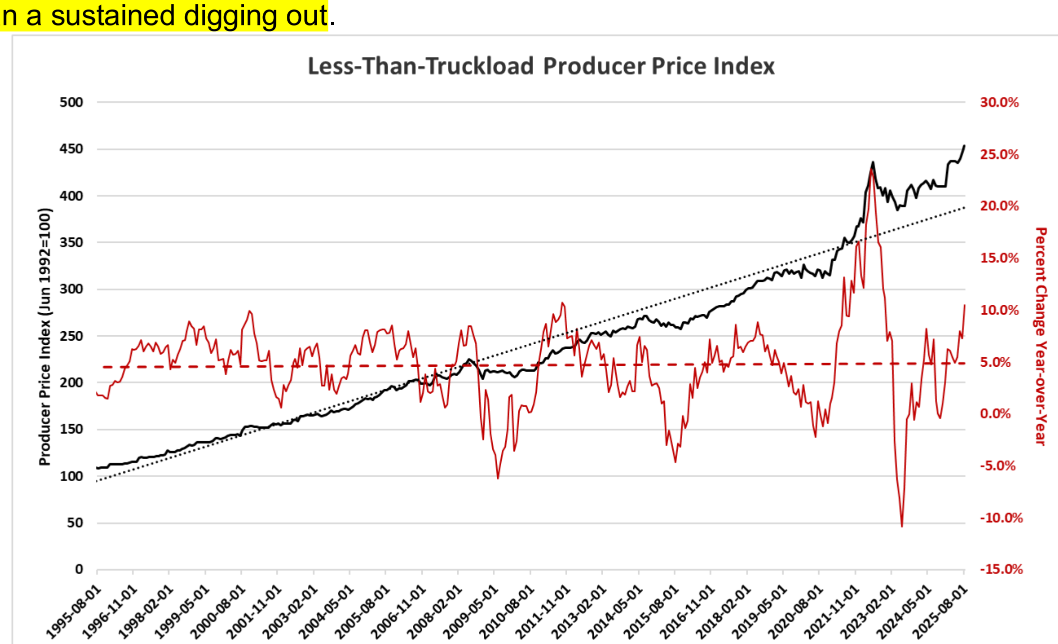


Load-to-truck ratios were still high relative to 2023 and 2024, showing nearly 6.4 loads for every available truck in recent times. The average from 2018 to current was 3.7…there is some strength showing up in the freight market.

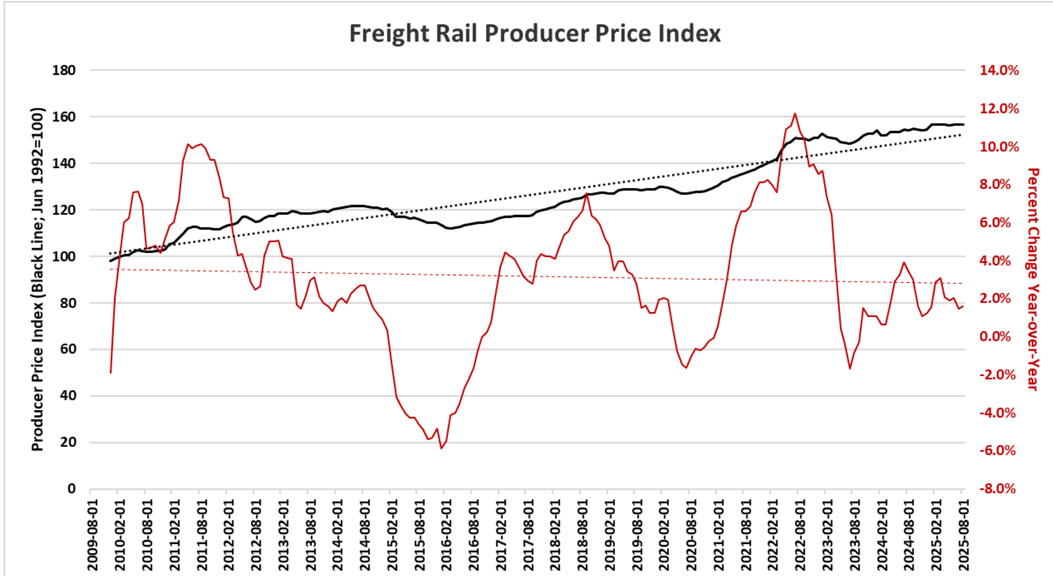
The $100 billion question is whether this is going to be sustained – or is this just a flash in the pan because of a flurry of freight trying to beat tariff pressures that hit ports in July and August. And frankly, there are some hints that there is less "freight on water" at the moment which could suggest that this might be closer to the flash in the pan scenario than a sustained digging out.

The LTL Producer Price Index surged this month, rising by 1.6% M/M and was 10.5% higher Y/Y.

With diesel prices generally staying flat to slightly decreasing, even when adjusting for fuel (which impacts LTL more than other modes of transportation), the price growth rate was still closer to 10.5%.



LTL is finding a lot of price stability, despite the industry complaining that freight volumes are still sluggish based on historical freight volumes. The Yellow Freight exit in 2023 was still working its way through the trucking industry and was providing some stability in pricing and placing some price pressure on shippers. This PPI includes both spot and contract prices as well as fuel surcharges.



Freight rail came in 1.6% higher year-over-year, and it remained just above the long-term trendline.

For the rail sector, prices were being driven across more broad-based categories. Shipments for intermodal products were up 4.1% Y/Y according to the Association of American Railroads (AAR). But there was strength in other categories as well, such as coal (up 5.4%) farm products (up 2.0%), grains (up 6.3%), and waste and nonferrous scrap (up 4.4%). The US is the only market showing this strength, Mexico and Canada were both still struggling to build momentum through Week 35 of the year.

This is all interesting. Since the freight economy historically has led the rest of the economy, this is an interesting statement on perhaps the real health of the rest of the economy. Perhaps. - KP

- **Interesting Leading Freight Indictor and Mixed Signals.** I enjoy the Drewry spot maritime data; you can find it in their weekly World Container Index (WCI) information. The latest shows us two key points that we need to consider.

First, there was a sharp spike between the last week in August and the first week in September for shipping costs (which typically means that volume was higher, and capacity was tighter). That likely notes that there was some late-cycle inventory building still taking place.

But secondly, it was modest at best. Rates are down 58% between Asia and the US West Coast and were down 56% between Asia and the US East Coast.

Route	Route code	21-Aug-25	28-Aug-25	04-Sep-25	Weekly change (%)	Annual change (%)
Composite Index	WCI-COMPOSITE	$2,250	$2,119	$2,104	-1% ▼	-56% ▼
Shanghai - Rotterdam	WCI-SHA-RTM	$2,973	$2,661	$2,385	-10% ▼	-62% ▼
Rotterdam - Shanghai	WCI-RTM-SHA	$477	$467	$461	-1% ▼	-25% ▼
Shanghai - Genoa	WCI-SHA-GOA	$2,978	$2,842	$2,653	-7% ▼	-55% ▼
Shanghai - Los Angeles	WCI-SHA-LAX	$2,412	$2,332	$2,522	8% ▲	-58% ▼
Los Angeles - Shanghai	WCI-LAX-SHA	$713	$714	$720	1% ▲	1% ▲
Shanghai - New York	WCI-SHA-NYC	$3,463	$3,291	$3,677	12% ▲	-56% ▼
New York - Rotterdam	WCI-NYC-RTM	$839	$845	$839	-1% ▼	15% ▲
Rotterdam - New York	WCI-RTM-NYC	$1,951	$1,956	$1,950	0%	-12% ▼

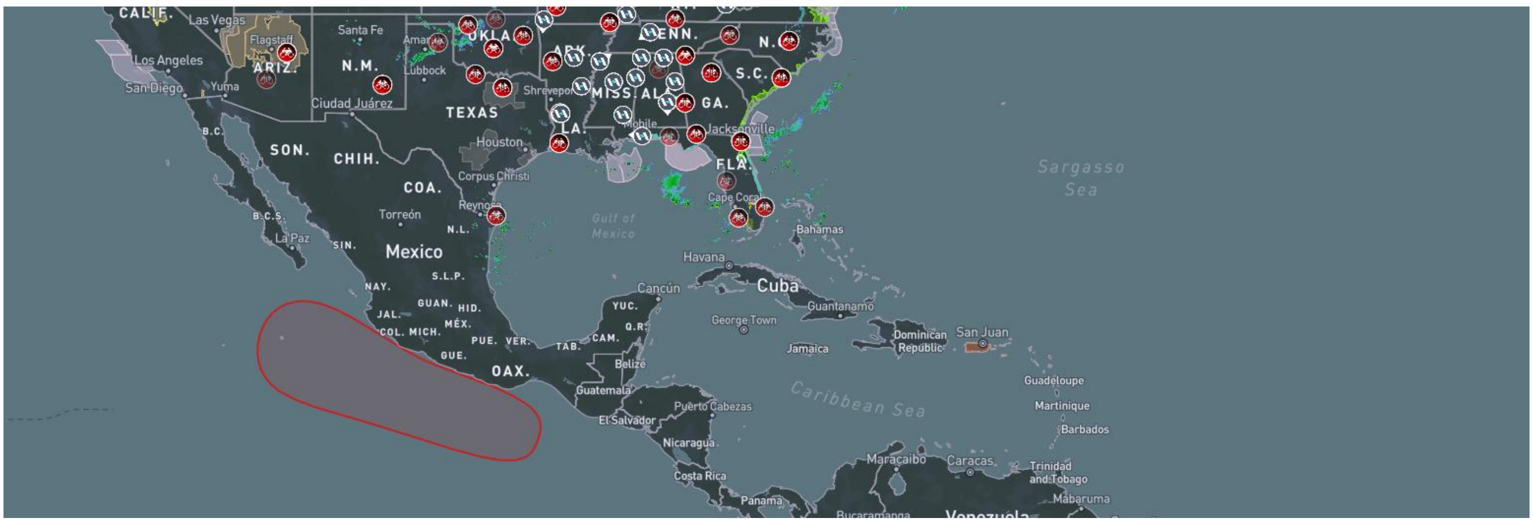
Simply put, there just isn't a lot of "freight on water" right now. That is showing up in manufacturing reports, some late-season tuck-in orders are being made, but there just isn't a lot of broader activity taking place.

It is interesting that both our assessment on inventories and the report coming out of the ISM show that manufacturer's customers inventories are still "too low". This, again, could lead to stockouts late in 2025 and early 2026, and supply chain scrambling is likely to take place as a result. - KP

Environmental Items

- **Atlantic Remains Clear – Lightest on Record?** No, but as we slice and dice the data, you have to go back into the turn of the century to find some similar data patterns to this year (assuming that it ends as we currently sit for storm counts and landfalls).

First, the current map shows a clean Atlantic. There is one storm off of the coast of Mexico – but we are just watching it for now without a lot of concern for supply chain throughput.



Second, when looking at the data, only five years since 1950 have had only 6 named storms by year's end. And we only saw 1914, 1925, and 1982 with just one hurricane.

Fourteen seasons since 1950 have not had at least one landfall, and if this year continues on this path, it would match those years.

Does it matter? There are only a few risks (and many, many benefits from not having destructive storm activity this year). One risk is that we normally consider hurricane activity (especially in the Gulf) as a natural "flush" that brings nutrient-rich freshwater to redistribute sediment. It also helps keep the red algae growth down, which could hurt the fishing industry this year if we get a significant bloom.

But generally, as mentioned, maybe this gives the insurance industry a chance to take a deep breath.

Now, most of you are saying "way to go Keith, you just jinxed it"! I hope not, but I've been accused of doing worse! - KP

Consider This: Personal Thoughts and Insights from Chris and Keith

- **Some Reports From the Front –** This has been a road week. French Lick on Tuesday, Phoenix today, Dallas on Thursday and Austin on Friday. Manufacturers, bankers, dealers and others. I always hear about unique issues to each industry but there are also plenty of common laments. Tariffs and trade have been top of mind but the bigger issues are actually more familiar and it starts with LABOR. This has been building for years and very little has been done. The Boomers are leaving the workforce and there are no replacements in sight. More frustrating is that people are not being educated for the jobs that exist. Some 9 million people are ostensibly looking for work but they lack the relevant skill. How is it possible that there are nearly 6,000 colleges and universities in the US and we don't have enough trained people? The education establishment is not keeping up and hasn't for years. It has become a crisis and an expensive one. The costs of education have risen sharply but the students lack the skills needed – it is a very costly disconnect.

Business Cycle Indicators We Are Watching

An Early Warning System for Cycle Changes

We use the following indicators as early warning devices; when they move, it typically signals a change in the current business cycle. We will continue to update these on a weekly basis as new data is available and specific, deeper-dive commentary on these factors will be included in the written portion of the briefing as changes occur.

		Manufacturing				Services			
Country PMI	Trade with US (in billions)	Current Month	Latest Month PMI	Prior Month PMI	M/M Change	Current Month	Latest Month PMI	Prior Month PMI	M/M Change
US		July	49.8	52.9	-3.1	July	55.7	52.9	2.8
Global PMI	$ 4,700	July	49.7	50.4	-0.7	July	53.4	51.8	1.6
Canada	$ 665	July	46.1	45.6	0.5	July	49.3	44.3	5.0
Mexico	$ 661	July	49.1	46.3	2.8				
China	$ 655	July	49.5	50.4	-0.9	July	52.6	50.6	2.0
Eurozone PMI	$ 632	July	49.8	49.5	0.3	July	51.0	50.5	0.5
ASEAN	$ 369	July	50.1	48.6	1.5				
Japan	$ 210	July	48.9	50.1	-1.2	July	53.6	51.7	1.9
Germany	$ 201	July	49.1	49.0	0.1	July	50.6	49.7	0.9
South Korea	$ 161	July	48.0	48.7	-0.7				
UK	$ 118	July	48.0	47.7	0.3	July	51.8	52.8	-1.0
Taiwan	$ 114	July	46.2	47.2	-1.0				
India	$ 113	July	59.1	58.4	0.7	July	60.5	60.4	0.1
Vietnam	$ 113	July	52.4	48.9	3.5				
Netherlands	$ 88	July	51.9	51.2	0.7				
Ireland	$ 88	July	53.2	53.7	-0.5	July	50.9	51.5	-0.6
Switzerland	$ 87	July	48.8	49.6	-0.8				
Italy	$ 83	July	49.8	48.4	1.4	July	52.3	52.1	0.2
France	$ 80	July	48.2	48.1	0.1	July	48.5	49.6	-1.1
Brazil	$ 78	July	48.2	48.3	-0.1	July	46.3	49.3	-3.0
Singapore	$ 65	July	49.9	50.0	-0.1				
Thailand	$ 60	July	51.9	51.7	0.2				
Australia	$ 39	July	51.3	50.6	0.7	July	54.1	51.8	2.3
Indonesia	$ 37	July	49.2	46.9	2.3				
Russia	$ 36	July	47.0	47.5	-0.5	July	48.6	49.2	-0.6
Spain	$ 35	July	51.9	51.4	0.5	July	55.1	51.9	3.2
Hong Kong	$ 34	July	49.2	47.8	1.4				
Philippines	$ 23	July	50.9	50.7	0.2				
Poland	$ 11	July	45.9	44.8	1.1				
Greece	$ 3	July	51.7	53.1	-1.4				

Sources: S&P Global, Caixin, JP Morgan, Jibun Bank, Nevi, BME, CIPS

Forecast

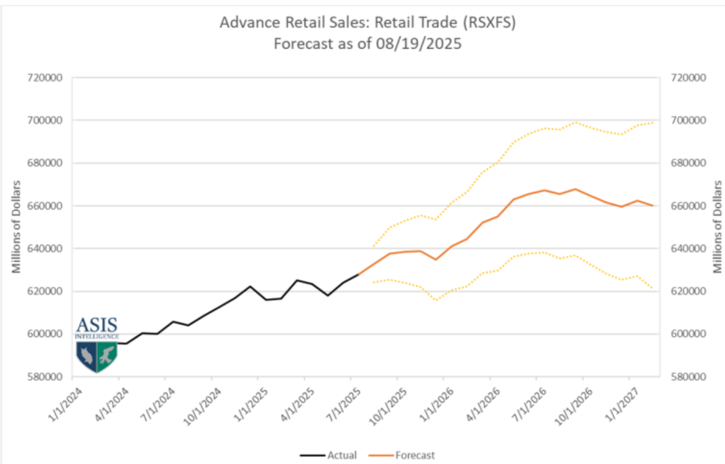
Real GDP	
2019	2.3%
……..	
2023	2.1%
2024	2.7%
2025 (Est)	1.5%
Private Investment (GPDI)	
2019	5.2%
……..	
2023	2.1%
2024	5.8%
2025 (Est)	4.5%
Business Investment	
2019	-0.1%
……..	
2023	1.6%
2024	0.3%
2025 (Est)	2.5%
Retail Sales	
2019	3.0%
……..	
2023	2.4%
2024	2.4%
2025 (Est)	2.0%
New Housing Starts	
2019	1.3M
……..	
2023	1.4M
2024	1.4M
2025 (Est)	1.2M
Auto Sales (Annual)	
2019	16.9M
……..	
2023	15.5M
2024	15.8M
2025 (Est)	15.0M

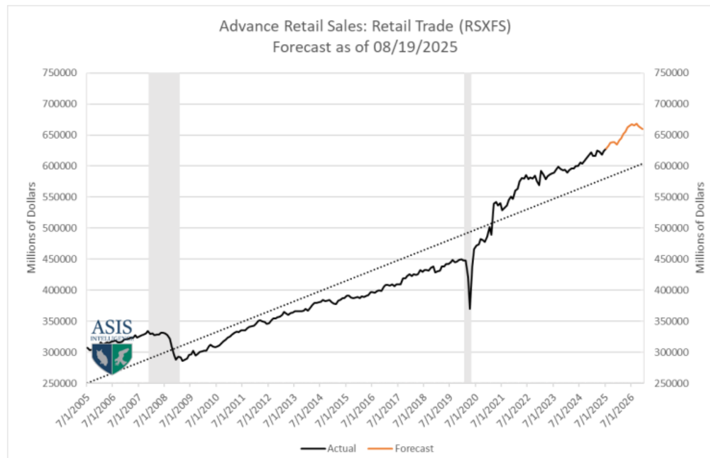
The Watch – July Update

Predictive Models Covering ~85% of US GDP

The following section from The Watch (which is part of the Armada Strategic Intelligence System) includes predictive models developed by Armada and MNA covering sectors that contribute more than 85% of US GDP. These models are updated monthly and include an 18 month forward outlook. **Disclaimer**: *Armada and MNA offer these models as educational instruments only, individuals making business or investment decisions based on these forecasts* ***do so at their own risk****. Armada and MNA* ***assume no responsibility*** *for any decisions made by organizations or individuals as a result of this information.*

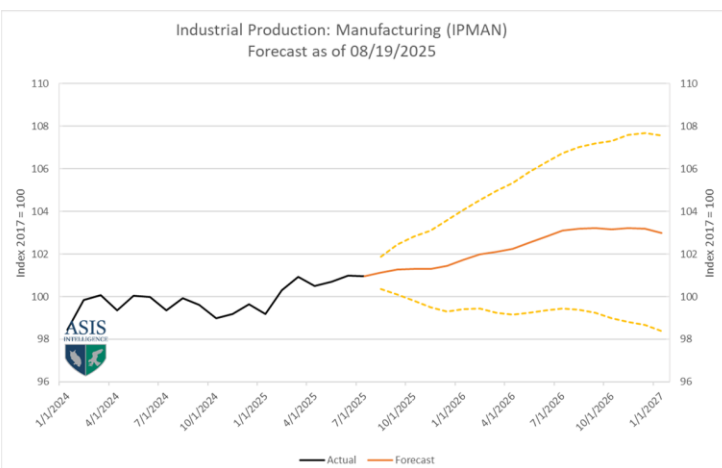
Retail Sales

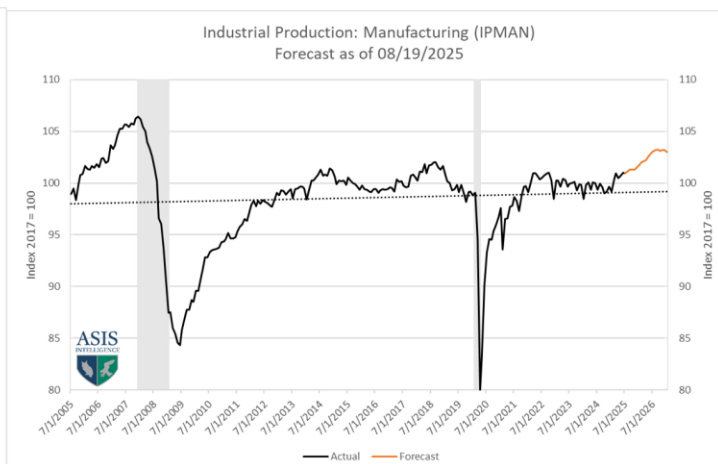




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Advanced Retail Sales RSXFS	1.70%	1.70%	1.75%	-0.78%	0.29%	0.67%	1.45%	2.25%	0.44%	-0.20%	2.19%	-0.45%	4.42%	4.74%	1.98%

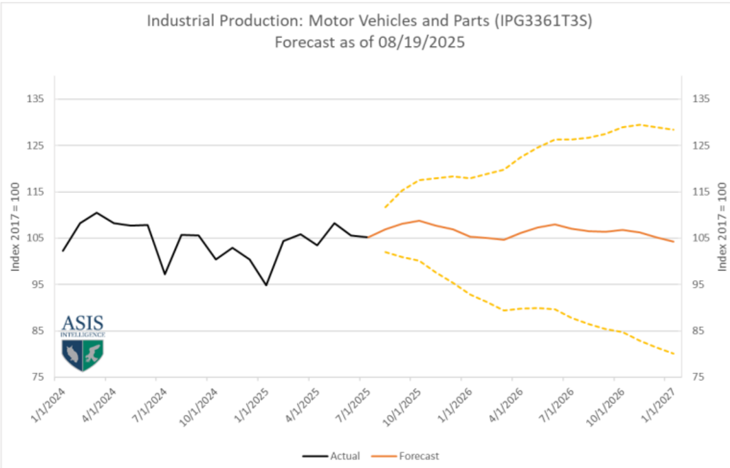
Manufacturing

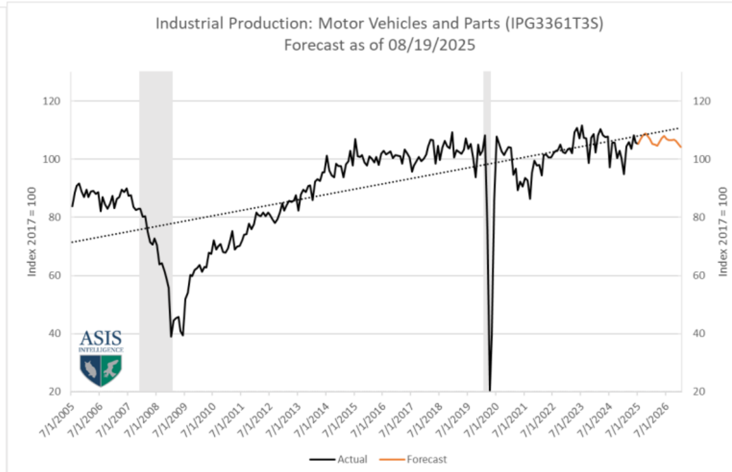




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Industrial Production: Manufacturing	1.22%	0.01%	0.45%	-0.27%	0.24%	-0.07%	-0.38%	0.03%	1.29%	0.07%	0.27%	0.17%	1.41%	-0.18%	1.81%

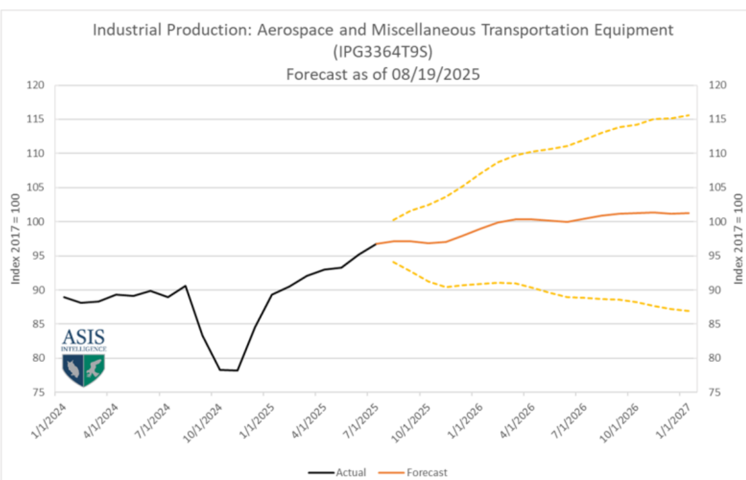
Automotive

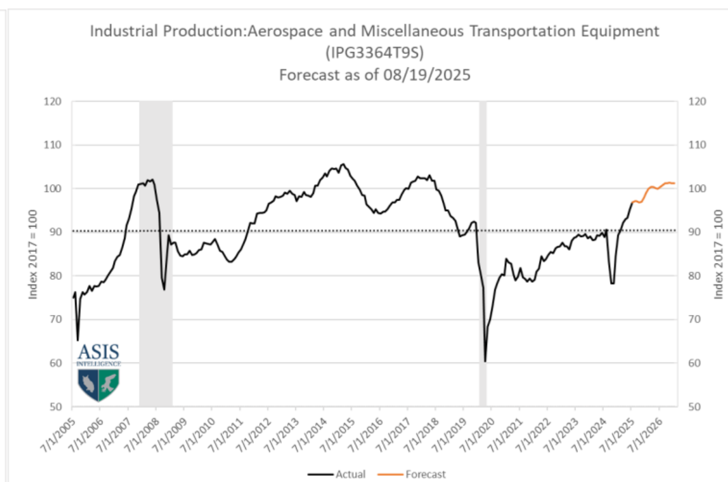




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Motor Vehicles and Parts IPG3361T3S	0.14%	4.84%	0.16%	1.38%	1.60%	-2.39%	-2.01%	-5.01%	5.49%	-0.27%	2.41%	-1.16%	6.60%	-7.68%	6.48%

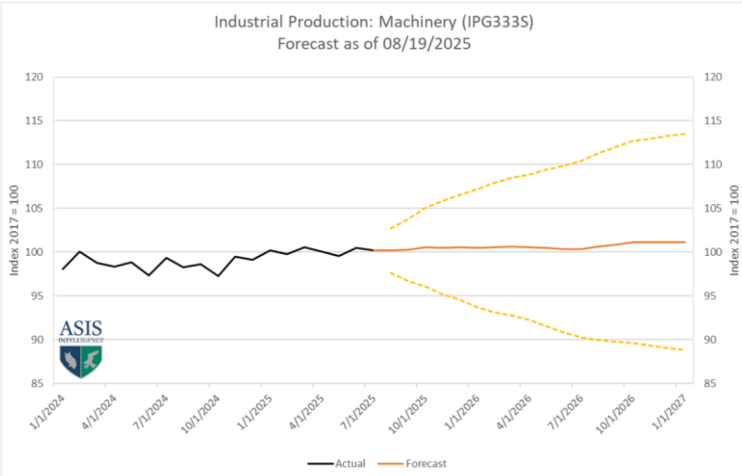
Aerospace

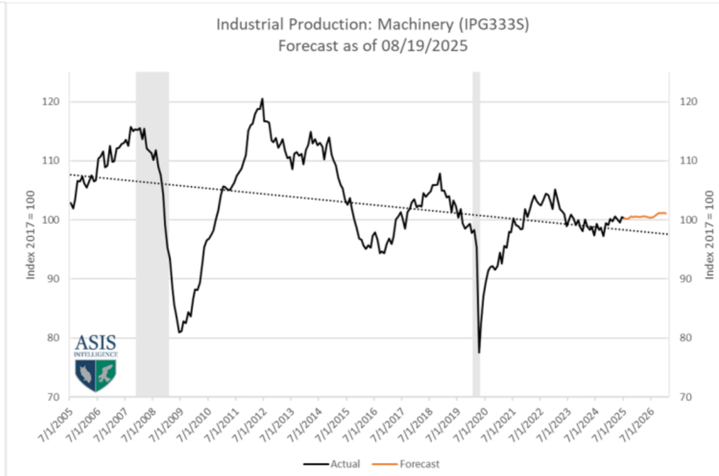




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Aerospace and miscellaneous transportation equipment IPG3364T9S	0.01%	2.39%	0.31%	-0.53%	-0.41%	1.78%	-7.26%	1.46%	8.94%	3.39%	2.04%	0.78%	2.18%	-4.62%	15.84%

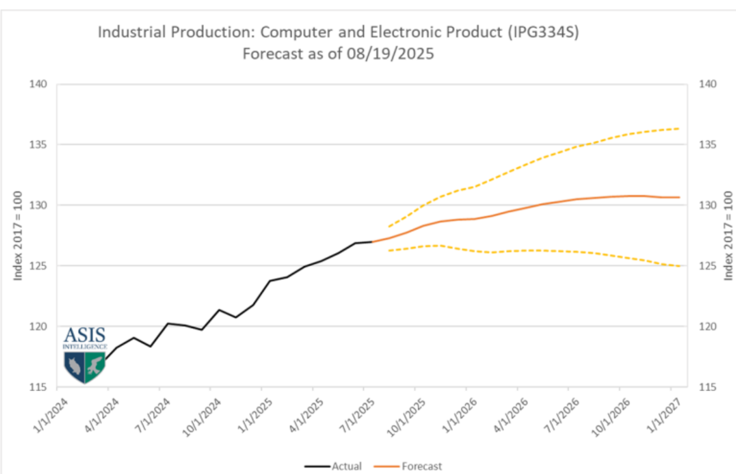
Machinery

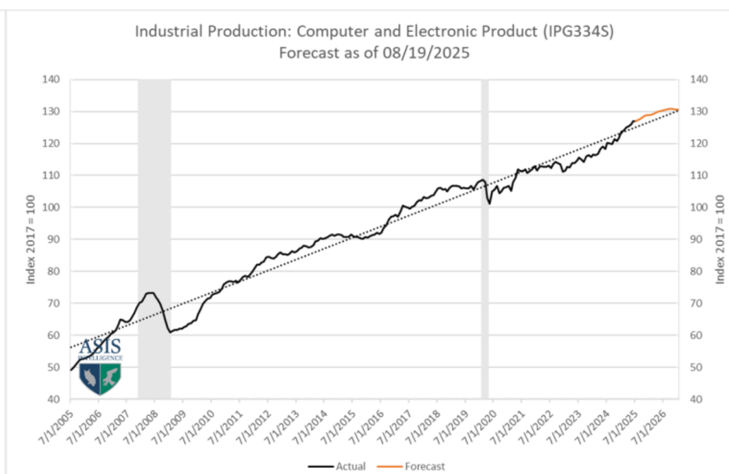




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Machinery IPG333S	0.04%	-2.87%	1.31%	-1.43%	-0.03%	-1.44%	1.29%	0.52%	1.46%	-0.11%	-0.24%	0.30%	-2.96%	0.33%	1.42%

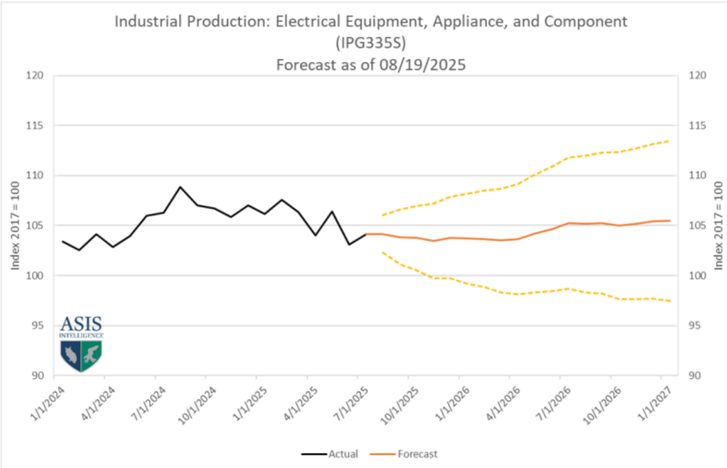
Computer and Electronic Products

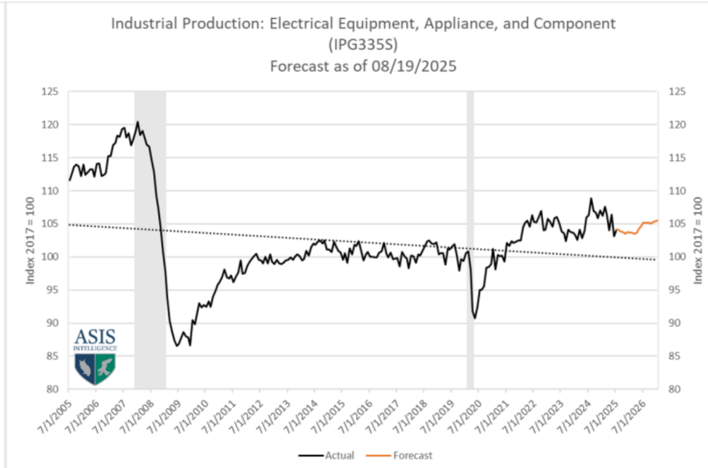




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Computer and electronic product IPG334S	1.29%	1.79%	-0.23%	1.31%	0.88%	1.31%	1.20%	1.67%	2.62%	1.56%	0.68%	0.83%	4.21%	5.16%	5.80%

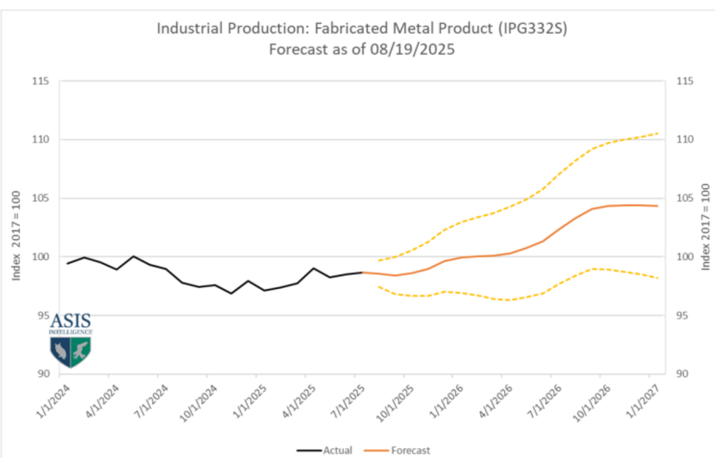
Electrical Equipment and Appliances





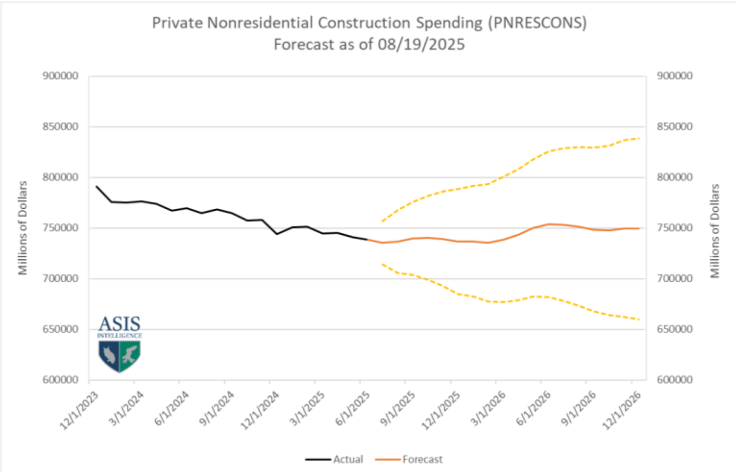
	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Electrical equipment, appliance, and component IPG335S	0.42%	0.52%	-2.56%	1.19%	0.48%	1.71%	0.98%	0.05%	-0.63%	-3.09%	0.74%	-0.06%	-0.47%	3.26%	-3.04%

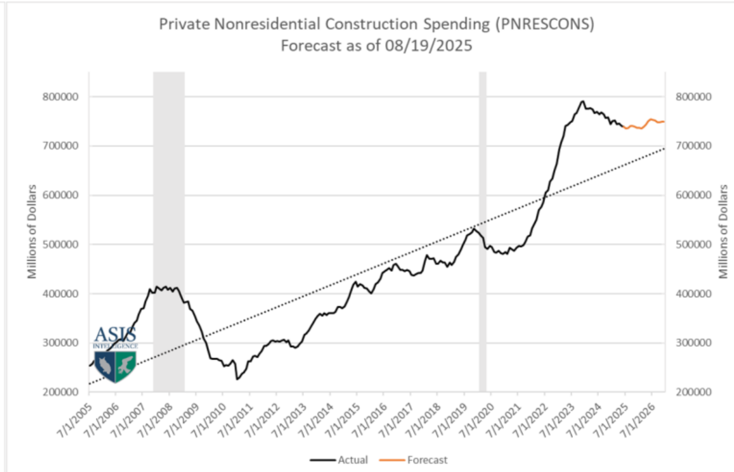
Fabricated Metal Products



	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Fabricated metal product IPG332S	-0.45%	0.13%	-0.67%	-0.70%	0.89%	-0.21%	-1.93%	0.54%	-0.23%	0.81%	-0.08%	1.23%	-1.68%	-0.73%	1.73%

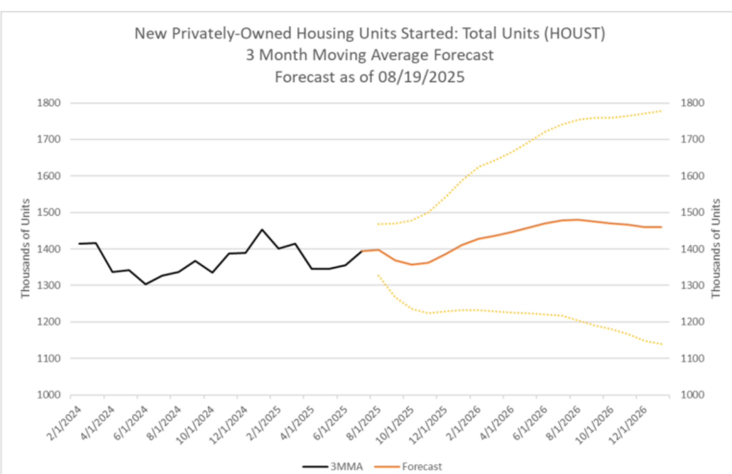
Nonresidential Construction

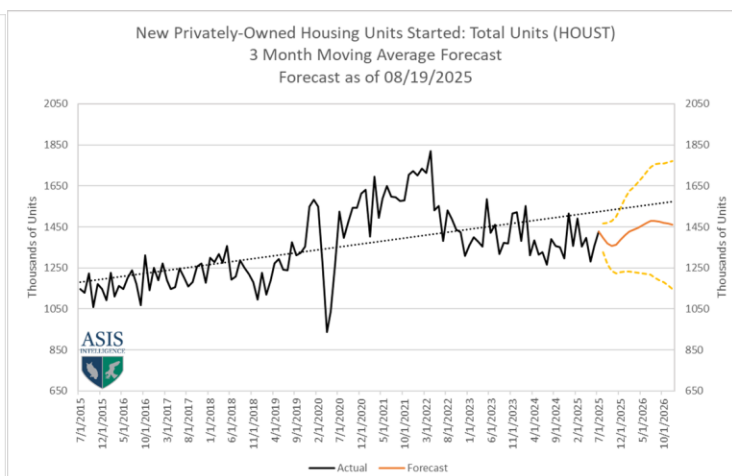




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Private Nonresidential Construction PNRESCONS	8.56%	3.76%	2.57%	3.19%	-1.87%	-0.89%	-0.63%	-2.69%	0.12%	-0.81%	0.16%	-0.43%	19.22%	-5.97%	-0.97%

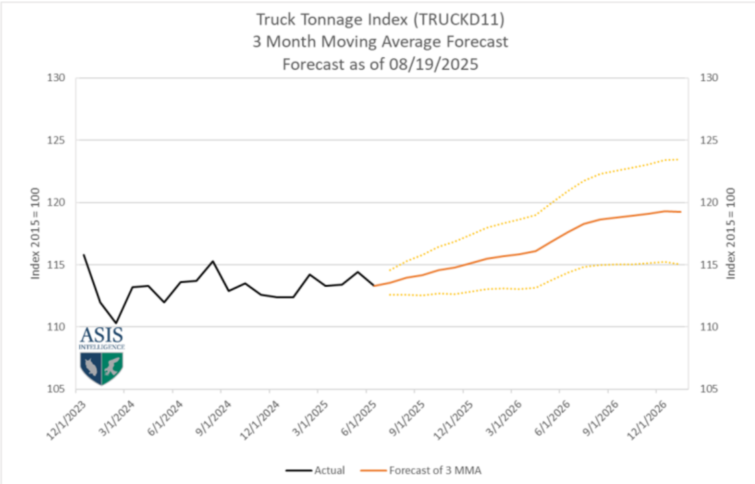
Residential Construction

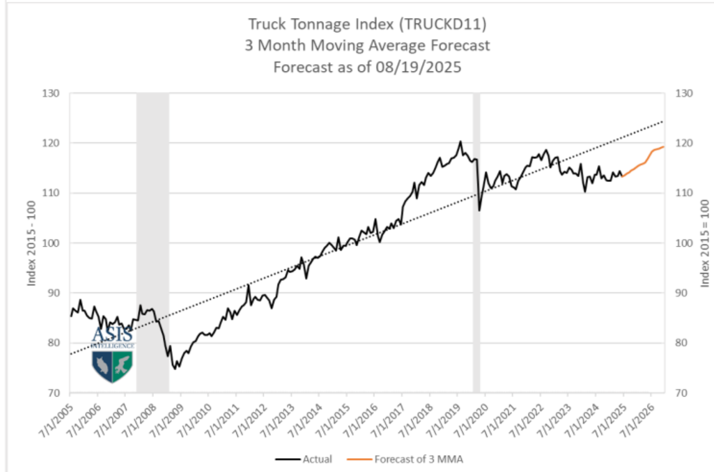




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
New Privately-Owned Housing Units Started: Total Units HOUST	5.28%	3.20%	-3.52%	10.94%	-13.74%	1.14%	2.26%	11.57%	-10.50%	0.22%	0.85%	1.22%	16.28%	-0.46%	-8.44%

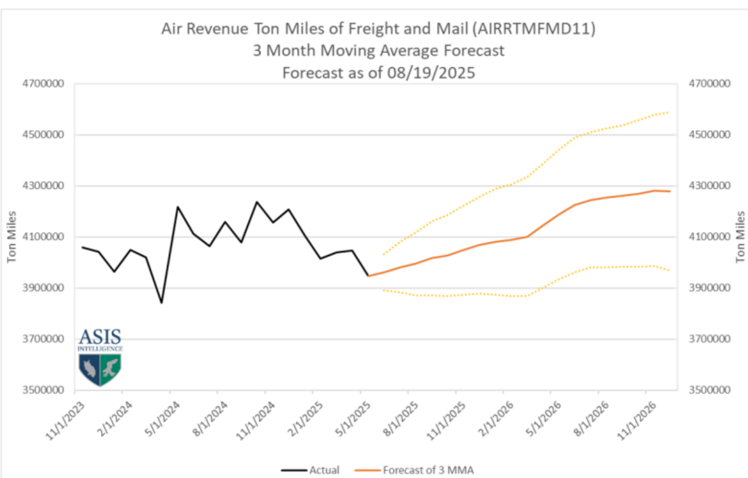
Trucking Tonnage Outlook

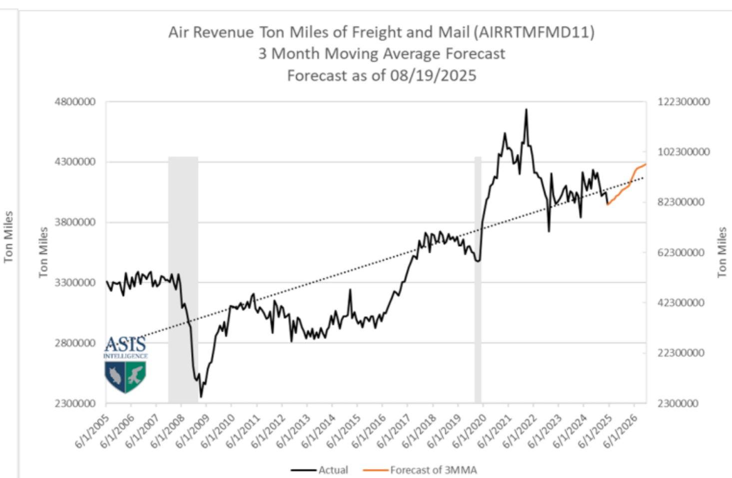




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Truck Tonnage TRUCKD11	-1.72%	-0.35%	-0.09%	1.67%	-2.25%	0.35%	-0.62%	-0.44%	0.80%	0.00%	0.78%	0.85%	-0.52%	-2.94%	2.44%

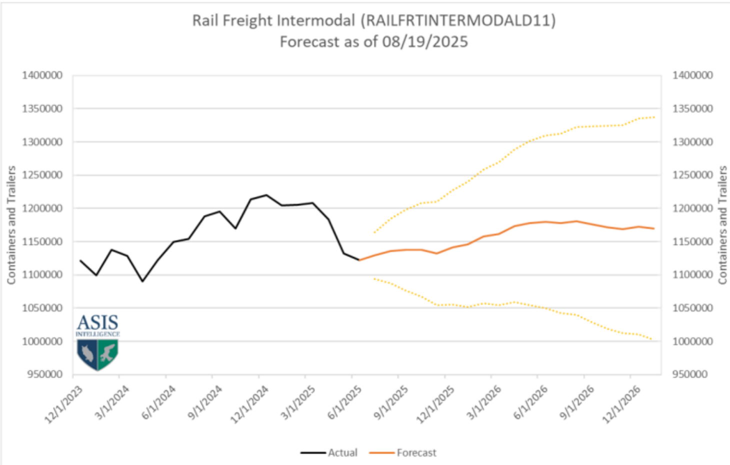
Air Cargo Outlook

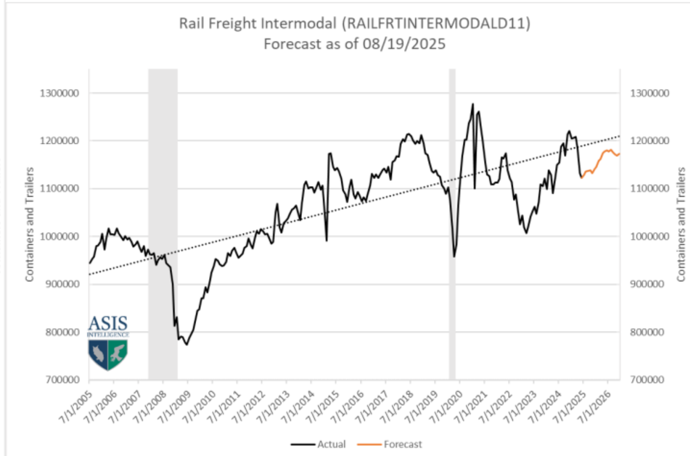




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Air Revenue Ton Miles of Freight and Mail AIRRTMFMD11	0.93%	-0.69%	2.69%	-1.51%	-0.59%	2.35%	-0.85%	3.19%	-4.02%	-1.95%	1.42%	1.28%	1.38%	4.09%	-3.34%

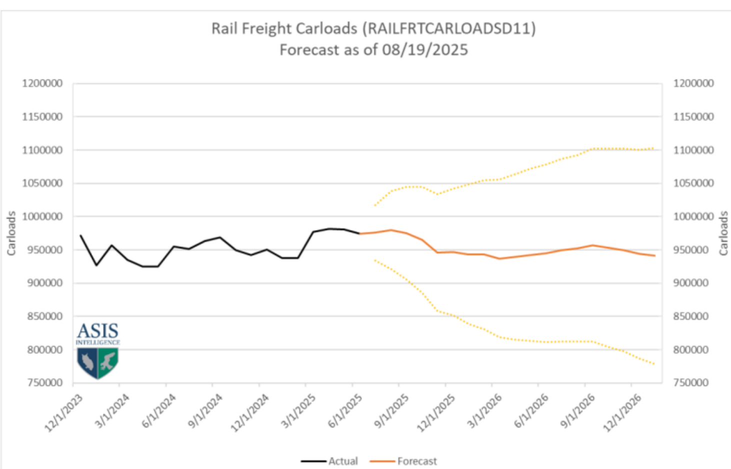
Rail Intermodal

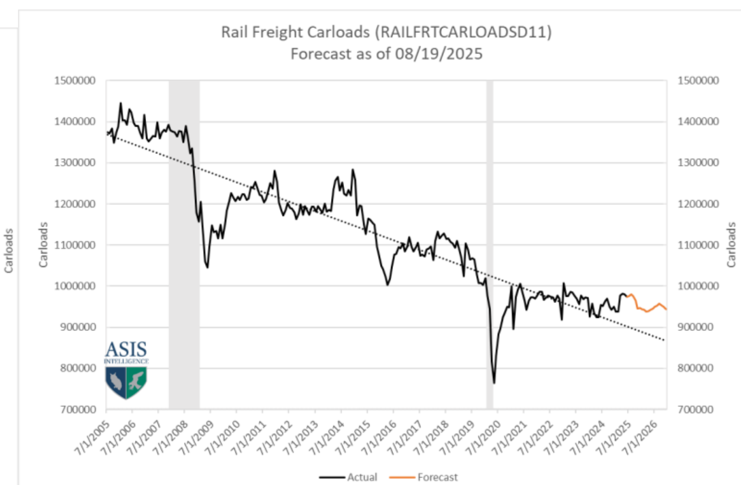




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Rail Freight Intermodal RAILFRTINTERMODALD11	-1.75%	4.40%	1.97%	4.50%	0.65%	1.93%	3.93%	2.09%	-0.99%	-7.13%	1.40%	0.32%	9.30%	8.86%	-6.46%

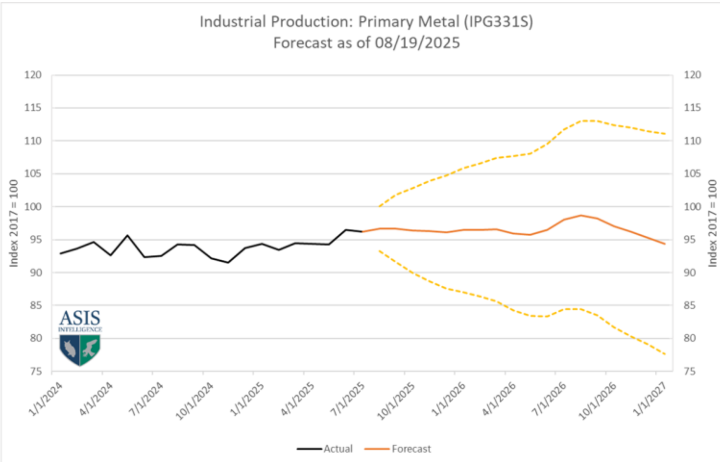
Rail Carload

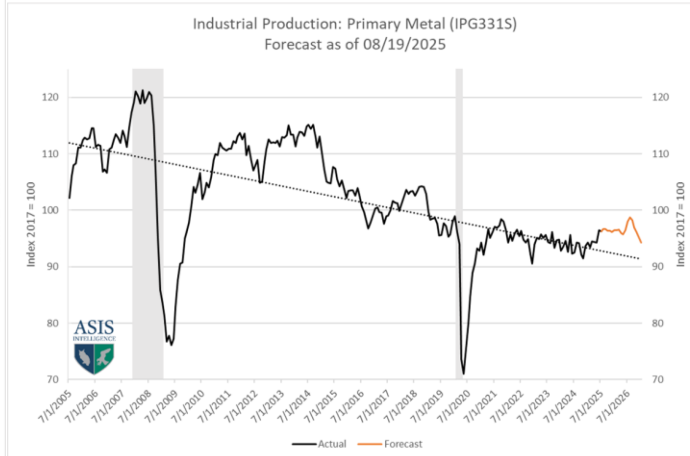




	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Rail Freight Carloads RAILFRTCARLOADSD11	6.33%	-0.04%	0.15%	-0.53%	-3.78%	2.12%	1.48%	-1.92%	2.85%	-0.27%	0.05%	-2.90%	5.89%	-2.20%	-0.36%

Primary Metal Products





	2023				2024				2025				2023	2024	2025*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*			
Primary Metal IPG331S	4.81%	0.79%	0.45%	-1.32%	-0.25%	-2.43%	2.06%	-0.55%	0.82%	2.13%	0.23%	-0.58%	4.72%	-1.21%	2.60%

ASIS INTELLIGENCE

Performance Scorecard

	3-month	6-month
Industrial Production: Manufacturing IPMAN	99.3%	99.49%
Aerospace and miscellaneous transportation equipment IPG3364T9S	99.2%	90.6%
Computer and electronic product IPG334S	97.4%	99.4%
Electrical equipment, appliance, and component IPG335S	98.0%	98.8%
Fabricated metal product IPG332S	97.646%	99.5%
Machinery IPG333S	96.2%	97.6%
Motor vehicles and parts IPG3361T3S	99.1%	98.4%
Primary metal IPG331S	95.6%	97.4%

	3-month	6-month
New Privately-Owned Housing Units Started: Total Units HOUST	99.4%	85.2%
Private Nonresidential Construction PNRESCONS	97.8%	99.7%
Advanced Retail Sales RSXFS	98.7%	99.7%

	3-month	6-month
Truck Tonnage TRUCKD11	96.2%	96.2%
Rail Freight Carloads RAILFRTCARLOADSD11	99.8%	95.2%
Rail Freight Intermodal RAILFRTINTERMODALD11	99.0%	96.1%
Air Revenue Ton Miles of Freight and Mail AIRRTMFMD11	97.0%	97.0%

The charts shown depict the Watch accuracy for the 3- and 6-month timeframes and is updated monthly.

ARMADA

MORRIS, NELSON & ASSOCIATES LLC