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

Briefing: Friday 4, **November 2026**

Domestic Quick Items of Interest

- **Economic Data Comes in Strong in October.** – Between the JOLTS data (job openings), ADP private payroll report, BLS Labor Report this morning, ISM and S&P Global manufacturing and services PMI data, retail sales, etc., **there wasn't anything in any of those releases (private or public) worth being concerned about**. I could sit and pick them apart for you, but the headlines show that the current momentum (despite some inflation concerns) seems to be resilient. That was this week, next week will give us a new wave of data that we can process and try to figure out how resilient it is. The biggest factors will come from the inflation reports and whether that spurs the Fed to act (largely to tighten conditions if they feel that the economy is "overheating" and pushing inflation higher). And much of that could come down to what happens between the US and Iran between now and December (when the Fed is scheduled to meet again). - KP

- **Another Governor Makes "the Call".** There was a report (and the actual state that it came from remains secret), but a new governor that ran against data centers called a Meta executive in the wake of the election (remember, which was just 48 hours ago) and **that governor asked how they could work with Meta to ensure that a proposed data center project continues and to prevent the jobs that were attached to the construction of the data center from "going away"?** I also noticed the new governor of Texas is already walking back her strong rhetoric against data centers, saying that this is not a business-killing action, it's simply trying to ensure that any new construction is in the best interest of Texas citizens. This is a far cry from the campaign trail rhetoric of extending moratoriums (some pushing for a national moratorium) or killing projects altogether as some governors campaigned on.

  I'm not writing this to pick on a specific party, I'm simply showing that **perhaps part of the big sell-off yesterday may have been a little misguided**. Sure, some speculative fear in the AI trade is warranted for other reasons (overvaluations, overbuilding, the risk of a Black Swan event which in-turn forces regulation and slowing, credit issues in the banking sector, etc.). **But those concerns were there before Tuesday…there's nothing different in 48 hours other than new leaders walking back their statements, which should fuel optimism, not fear**. - KP

- **Worth Reporting.** I feel the need to report this, you'll see the blowout data on the jobs report in the Domestic Econ section in today's report. The BLS came out with revisions in previous monthly data today as well, restating August and September. The administration could have loaded the data, but they didn't. **The revisions this morning showed August understated by 53,000 and September was underreported by 31,000**. I'm reporting this because I was nervous about the reporting and replacement of the head of data at the Bureau. **I think we know we can trust the data moving forward** to be free of political bent (to the degree that you can trust anything prior to revision). - KP

Additional Items we are watching.

Florida, North Dakota, and Wyoming Winners? – The AI Data Center world is changing, in two key ways.

First, it was estimated a year or so ago that 60% of the data centers in the country were not latency dependent (speed of data transfer was not critical). But the growth rates for items like real-time AI inference and core enterprise and cloud SaaS applications are growing more rapidly than those applications that are not latency dependent.

It is now estimated that about 40% of current data centers could be put anywhere. That still leaves $2T to $3T in data center construction (if all of them get built as expected) up for competitors between now and 2033.

Coming out of the midterms, analysts believe that three states are heavily competing to draw those facilities (those that are not latency dependent) away from states were approvals may get delayed, postponed, or too expensive.

"Standing with their hand out per se'" is Florida, North Dakota, and Wyoming. Other states are trying to get their act together because they realize that new data center construction has water and power generation solutions (they bring their own low-water cooling solutions and bring their own power behind-the-meter).

Again, 60% would now seemingly be limited in their ability to move to alternative markets because of their latency issues, but for those markets willing to accommodate, get ready for low personal taxes, funded schools, and modern infrastructure in some areas. - KP

Important Domestic Economic Releases

- 11/10 Consumer Price Index (CPI)
- 11/12 NAR Existing Home Sales
- 11/13 Producer Price Index (PPI)
- 11/16 Empire State Manuf. Survey
- 11/17 Advance Retail Sales
- 11/17 Industrial Production
- 11/17 Business Inventories
- 11/18 New Residential Construction
- 11/18 NAR Pending Home Sales

Global Quick Items of Interest

- **Data Center Pushback Gaining Global Momentum. –** Protestors in Amsterdam infiltrated a data center construction site, protesting a wide variety of things. What might be more concerning is that there is a movement (at least one) under the name "Geef Tegengas" (Push Back) and they say that they are protesting saying that "we don't want it to be built. Nobody needs it. The only thing this will be used for is AI slop. AI warfare, data surveillance, and committing genocides. We don't want that." The protest was joined by Pro-Palestinian protestors that were jumping on the disruption being created. **Similar protests were being coordinated for Friday and Saturday across 15 European Countries**.

  What is interesting (as the West rebels whether at the polling place or with protestors fighting back against "dirty data centers") is that **Chinese citizens are embracing it and love the capabilities that it is bringing them**. This could be an interesting tipping point for China vs the rest of the world and what could become their lead in AI, robotics, and advanced computing if the rest of the world isn't careful. You might want to circle this period of time on the historical calendar and remember it a decade from now. - KP

- **Bomb Threat November. –** A coordinated wave of false bomb threats that initially disrupted dozens of commercial passenger flights across Europe escalated beyond the aviation sector to target major public institutions and media organizations Friday. Over the course of the week, more than **35 passenger flights were diverted, grounded, or escorted by scrambled NATO fighter jets after receiving digital hoax warnings**. The **campaign then spread to newsrooms and public broadcasters in Ireland and Bulgaria** receiving emailed threats headlined as a "Message to the West" warning of wider disruptions across European transit networks.

  Security officials and intelligence agencies view this deliberate expansion as a textbook example of sub-threshold "grey zone" or hybrid psychological warfare. European officials and defense analysts noted that this mirrors earlier campaigns that targeted thousands of schools, shopping centers, and municipal buildings across Central and Eastern Europe, and they increasingly assess it as a **pressure campaign intended to punish Western European nations for their financial and military backing of Ukraine**. The source for these is (surprise): Russian hackers. - KP

- **Crossing the line. –** Cyber attacks going after refrigeration systems in Europe just crossed a critical line. They have hit a blood bank in France. Warning signals on the HVAC units gave officials enough time to go in and move the blood and plasma samples to alternative cooling areas, saving the materials. But this was a highly organized attack. **It went through a supplier of HVAC equipment and chillers and used that breach to knowingly go after the blood bank**. This crosses a line (at least in my book) between going after food stores and big name brand companies that might be able to absorb it and now creating a life or death situation. Hackers are getting far more sophisticated, and I think we are seeing the early signs of how serious AI-assisted hacking activities are. This could be the Black Swan to watch for 2027. – KP

Additional Global Items we are watching.

Go or 'Go'? – I know that sounds repetitive and doesn't make sense, but when it comes to the Middle East and what the next few days/weeks will bring, it seems like the options are down to three.

The first is to "go", as in pull away and out of the region. That doesn't seem like the immediate plan although some pulling back of all assets is possible (especially in the case of a new cease fire agreement).

The second "go" is to go in and strike certain areas of the country. It could be a ploy or a decoy, but Iran released a report that they were issuing iodine pills to people in and around Pickaxe Mountain (where the latest nuclear facility is reportedly located). We don't think this means a nuclear strike, but could be in response to the President mentioning that we might use the "Mother of All Bombs" (MOAB) on it. In that case, any uranium enrichment in the area could be destroyed and contaminate the area. In that scenario, the pills may help to a degree. As a reminder, the President dropped the MOAB in Afghanistan in his first term. So he's deployed it before.

The last option is simply to stay put and keep the economic squeeze on Iran. There is some evidence that this might be working, but in order for it to be fully effective, there would have to be some signs of riots or uprising in the streets. The last time that happened, an undetermined number of people were gunned down in the streets. It will be very difficult to starve a dictatorship without starving the population. And this makes the entire situation almost unwinnable.

That's why it makes sense to talk about the "walk away" point and what that looks like indefinitely. Iran won't lose their ability to close the Strait anytime they want to. That's in place now and you can't stop simple drone risk anytime they choose to use it. Economic conditions can be in place, but without a blockade they aren't enforceable. - KP

US Domestic Economic Items

- **Labor Blowout.** The October Labor Report came in very strong. The economy created 165,000 jobs in the month, and when peeling back the layers of the onion it shows that the growth was well-balanced and not just seasonal hiring getting ready for the peak retail season.

  Headline unemployment was 4.1%, down slightly from 4.2% last month but reasonably low on a historical basis. The broader U6 rate came in at 7.9%, up a bit from 7.6% in September. The pressure came primarily from a 339,000 increase in **involuntary** part-time workers (those employed part time for economic reasons, rising to 4.84 million), driven by slack work conditions. That bears some watching in the months ahead.

  Annual wage growth was steady at 3.1% vs. 3.0% last month. Even when adjusting for inflation, all household categories saw positive wage growth. Net inflation, the lowest income quartiles saw a 0.5% wage growth during a high energy price inflation environment, the middle quartiles (2 and 3) saw 1.0% growth and top quartile saw 0.7%. Job jumpers saw a 2% increase, net of inflation.

  The table below from the BLS shows that the job creation was balanced and broad-based. The oil sector shed 1,000 jobs (which seems to be seasonal) and construction was also down 3,000 (which might also be seasonal looking at 2025 performance.

  Professional and business services was the big gainer (+70K) followed by Health Care (55K) and Private education (53K).

Industry Sector / Category	Oct. 2025 (Thousands)	Oct. 2026(p) (Thousands)	Variance (Thousands)	Direction / Trend
Total Nonfarm	**-140.0**	**+165.0**	**+305.0**	**Major turnaround**
Total Private	**+13.0**	**+159.0**	**+146.0**	**Significant acceleration**
Goods-Producing	**-20.0**	**+15.0**	**+35.0**	**Shift to expansion**
Mining and logging	**+1.0**	**-1.0**	**-2.0**	**Modest decline**
Construction	**-12.0**	**-3.0**	**+9.0**	**Smaller contraction**
Manufacturing	**-9.0**	**+19.0**	**+28.0**	**Sharp rebound**
Durable goods	***-9.0***	***+25.0***	***+34.0***	**Strong expansion**
Motor vehicles and parts	***-5.3***	***+4.1***	***+9.4***	**Rebounded**
Nondurable goods	***0.0***	***-6.0***	***-6.0***	**Weakened**
Private Service-Providing	**+33.0**	**+144.0**	**+111.0**	**Strong acceleration**
Wholesale trade	**+2.8**	**-9.1**	**-11.9**	**Turned negative**
Retail trade	**-15.4**	**+6.0**	**+21.4**	**Rebounded**
Transportation and warehousing	**+0.6**	**+24.8**	**+24.2**	**Sharp acceleration**

Industry Sector / Category	Oct. 2025 (Thousands)	Oct. 2026(p) (Thousands)	Variance (Thousands)	Direction / Trend
Utilities	**+0.5**	**+0.1**	**-0.4**	**Steady**
Information	**-6.0**	**-1.0**	**+5.0**	**Narrowed decline**
Financial activities	**-5.0**	**+7.0**	**+12.0**	**Shift to expansion**
Professional and business services	**-24.0**	**+70.0**	**+94.0**	**Massive turnaround**
Temporary help services	***-19.8***	***+18.6***	***+38.4***	**Leading indicator rebound**
Private education and health services	**+44.0**	**+53.0**	**+9.0**	**Continued growth**
Health care and social assistance	***+47.6***	***+55.1***	***+7.5***	**Core growth engine**
Leisure and hospitality	**+41.0**	**-13.0**	**-54.0**	**Sharp deceleration/drop**
Other services	**-6.0**	**+6.0**	**+12.0**	**Shift to expansion**
Government	**-153.0**	**+6.0**	**+159.0**	**Neutralized baseline drag**

Earlier in the month, we saw the job openings data showing that the US had 7.5 million jobs open, which is 1.5 million more than a “balanced” environment. For now, there’s no question that the job environment is strong. But a stable wage figure also tells us that outside of certain industries (skilled trade and professional), employers are not having a hard time finding workers and aren’t really being forced to compete hard for them. In other words, the wage growth rate would suggest that the market might be more balanced in most cases and places than what other data might suggest. – KP

- **Have you Heard of “$20 by ‘30”? –** There is a new, popular notion starting to make the rounds among sitting and incoming Congressional members. They are calling it “$20 by ‘30” and it references a national $20 minimum wage by 2030. Today, it wouldn’t get through a Presidential veto. But, just as the President is confident in his “art of the deal”, who knows what might be put on the table (to incent him to allow it to pass) before 2028?

  I don’t think it has a chance right now, but that could change.

  We know that at least one example has moved into this territory (California), and there’s a bit of a track record as a result. But there are also competing analyses on what the real impact has been. Here’s what we know about the impact from the California hike of the minimum wage (just showing both sides of the argument in full disclosure):

  - **Measurable Net Disemployment**: Research led by Jeffrey Clemens (UC San Diego), Jonathan Meer (Texas A&M), and Olivia Edwards (NBER Working Paper 34033) used difference-in-differences models against unaffected California industries and out-of-state chains. **They estimated a 2.3% to 3.9% net decline in California fast-food employment, equating to approximately 18,000 foregone or eliminated jobs**.

- **Negligible Disemployment**: Alternative research by Arindrajit Dube (NBER Working Paper 35171) and Michael Reich (UC Berkeley Center on Wage and Employment Dynamics) utilized synthetic controls and mobile foot-traffic microdata. Their models found an own-wage employment elasticity between -0.04 and -0.19, concluding that employment changes were not statistically different from zero once pre-treatment trajectories were matched.

- Both studies found that companies reduced weekly hours as opposed to mass layoffs, in many cases pushing employees to work multiple jobs to create the same level of income as prior to the minimum wage increase. They used automation and other work-arounds to try and create the same level of output.

The big impact was on local inflation. Many companies simply increased their menu prices to cover the increases in labor and since the minimum wage hike was in a geographic area, there was little share shifting. An NBER price analysis (Working Paper 34990) tracking BLS Food Away from Home indices found that **California restaurant prices increased by 3.3% to 3.6% relative to 17 control MSAs**. Fast-food businesses passed the majority of their variable labor-cost increases directly to consumers through higher menu prices.

"A national $20 floor represents a sudden 176% pay hike that fundamentally breaks the local business math".

When a state like California moves its wage floor from $16 to $20, it is stepping up 25% in an economy where a burger flipper already made close to $17 or $18. In lower-cost states operating on the federal $7.25 minimum wage, a national $20 floor represents a sudden 176% pay hike that fundamentally breaks the local business math.

The Domino Effect: my problem with it is what happens to middle-manager jobs? For example: **a college cannot pay the entry-level groundskeeper $20/hour ($41,600) while paying the financial aid counselor, admissions recruiter, lab technician, or administrative assistant $21/hour**. Staff with bachelor's degrees and 5–10 years of experience will immediately demand raises to maintain their standard wage premium over entry-level work.

The problem: **A regional private or small state university cannot simply jack up tuition 20% or 30%** (and they are already under pressure for exorbitant tuition rates) enrollment is already fragile, demographic cliff pressures are mounting, and students will simply walk away. Without massive cash reserves, institutions facing that wage mandate must either cut programs, slash headcount, or close their doors entirely.

And that's just a microcosm of what could happen across any number of industries. And the bankruptcies among fast food restaurants seems to be accelerating as we wrote about several weeks ago. A franchisee of Checkers and Rally's just filed for Chapter 11 on October 28th. Wendy's franchises have been filing, Carl's Jr. etc. It's widespread.

Anyway, this will be debated until the cows come home. Just be aware of some of the political machinery starting to chat about such things and the catchy little slogan that they have developed to talk about it. - KP

Global Economic Items

- **Strong Global Conditions.** – I think we get caught up in the worry and panic around the "what if" more so than we should. We see riots in France and think that the whole country is falling apart. And typically, it's a small fraction of the country. Now, that could be a bad example because the situation there is serious. But it might not be having a macroeconomic impact as we might think.

The chart on the right shows the global PMIs and it was pretty strong. The services sectors account for nearly 60% of a developed nation's economic activity and only four countries saw some contraction in their most important sectors. Canada, France, Brazil, and Australia had decelerating services sectors.

Brazil and France were both geopolitically impacted. Canada's services PMI survey is still not as stable as we might think it should be (its only a year or so old). But Australia was odd.

In manufacturing (which can be 16-20% of a developed nation's GDP), we some some monthly deceleration between September and October, but most of those countries were generally still growing.

Only 7 nations had manufacturing sectors in contraction and **only one was in true contraction (Brazil)**. All others were just in marginal contraction and theoretically were in the midpoint between expansion/contraction.

			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		Oct	54.9	55.9	-1.0	Oct	58.8	58.8	0.0
Global PMI	$ 4,700	Oct	52.6	53.0	-0.4	Oct	53.2	54.5	-1.3
Canada	$ 665	Oct	49.6	51.5	-1.9	Oct	48.1	48.3	-0.2
Mexico	$ 661	Oct	49.5	50.3	-0.8				
China	$ 655	Oct	52.0	52.1	-0.1	Oct	50.8	51.6	-0.8
Eurozone PMI	$ 632	Oct	52.7	52.9	-0.2	Oct	51.7	53.1	-1.4
ASEAN	$ 369	Oct	53.1	52.1	1.0				
Japan	$ 210	Oct	53.3	54.1	-0.8	Oct	52.0	51.3	0.7
Germany	$ 201	Oct	54.2	53.9	0.3	Oct	52.5	52.9	-0.4
South Korea	Oct	Oct	51.3	53.9	-2.6				
UK	$ 118	Oct	52.8	51.9	0.9	Oct	52.8	52.1	0.7
Taiwan	$ 114	Oct	54.9	56.7	-1.8				
India	$ 113	Oct	54.7	55.1	-0.4	Oct	55.8	55.2	0.6
Vietnam	Oct	Oct	52.3	51.9	0.4				
Netherlands	$ 88	Oct	55.0	55.6	-0.6				
Ireland	$ 88	Oct	55.2	55.5	-0.3	Oct	54.3	54.1	0.2
Switzerland	$ 87	Oct	56.7	55.3	1.4				
Italy	$ 83	Oct	49.4	50.4	-1.0	Oct	52.1	51.7	0.4
France	$ 80	Oct	49.5	50.6	-1.1	Oct	46.2	51.2	-5.0
Brazil	$ 78	Oct	46.1	44.8	1.3	Oct	47.7	49.2	-1.5
Singapore	$ 65	Oct	51.4	51.7	-0.3				
Thailand	$ 60	Oct	54.8	54.3	0.5				
Australia	$ 39	Oct	49.6	49.6	0.0	Oct	48.5	51.9	-3.4
Indonesia	$ 37	Oct	54.0	52.4	1.6				
Russia	$ 36	Oct	49.9	49.8	0.1	Oct	51.7	51.3	0.4
Spain	$ 35	Oct	52.2	51.0	1.2	Oct	57.2	58.3	-1.1
Hong Kong	$ 34	Oct	50.2	49.2	1.0				
Philippines	$ 23	Oct	50.1	49.6	0.5				
Poland	$ 11	Oct	50.0	49.0	1.0				
Greece	$ 3	Oct	53.3	54.0	-0.7				

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

Across the board, new orders were generally positive. Only a few countries saw a significant slowing in new orders, all others were touting strong conditions.

All countries were complaining of input price inflation (both services and manufacturing) that was still at some of the highest rates since 2022 and the start of the Ukraine War. But most have a pretty good perception of potential growth for 2027 and **seem to be optimistic that the war in the Middle East will end and some sanity will come back into commodity prices**.

There will be more to come on this, but for now, conditions are very positive. - KP

Consider This: Personal Thoughts and Insights from Chris and Keith

- **Gut Punches and Rebounds. –** I watched a number of interviews this morning with Federal officials in the administration. Granted, it's 48 hours post-election and they are disappointed, but I noticed something subtle yet important. This administration has been punched in the gut, and they haven't recovered yet, as a group of individuals.

  Kevin Hasstert is the proverbial "smiling Joe", and he is always upbeat. I've never seen him not upbeat, until this morning. He seemed to be going through the motions in the interview, his heart just wasn't in it. Even though he could have been really celebrating a phenomenal jobs report this morning, he kind of went through the data and the motions, but wasn't really into it (and wasn't really cheerleading at all). And I sensed that the CNBC anchors also felt it, they started the interview loaded for bear and then backed off right away, flipped, and started trying to almost encourage him. It was really interesting.

He was asked about data centers and the impacts of moratoriums and even in explaining that data, his attitude was a bit more akin to: if you want a data center and the benefits from it, approve it. If not, that's your state's problem, don't take the benefit and deal with it. And the country will have states that grow, and some that don't. That's ironic, because this morning, even the new Texas Governor is somewhat backtracking what she said on the campaign trail regarding data centers after yesterday's blood bath. Now, she's using the messaging that data center growth and approvals and "safety for the local community" aren't mutually exclusive, they'll get approved, but maybe not as fast as before. There are amazing differences between campaign trails and the economic realities that punch leaders in the face when they get ready to sit in the chair. She reiterated that Texas is still a pro-business state…but…and then she filled in with **a bunch of stuff that will throw those projects that have a choice right into Florida and North Dakota's lap**.

The individuals in the administration are tired. They simply are. We normally see turnover in the Presidential cabinet after midterms, and this one will be no different. The calls are already resounding for certain "heads". But don't lose sight of the fact that when you take the oath (as the nation's leader or a cabinet member), you have a responsibility to do your job, and they know it.

However, like the rest of us, **the zeal with which you do your job and your personal willingness and desire to go into a room and get into passionate fights with adversaries over an issue, is limited**. I can already see a turn in a few individuals, and I don't know how much capacity they personally have to keep up the fight. Vance and Rubio, sure…they have Presidential aspirations. But the rest…I'm not sure.

And now with them likely being bogged down by investigating committees, subpoenas, and impeachment proceedings, etc., we'll see what energy they have for anything else.

It doesn't matter what side of the aisle you sit on. I saw this with Reagan, both Bush's and the Obama administration. It's a group of people that burn the candle 24/7/365 and they tire. And this is an administration running on empty while a number of new entrants, with a lot of energy and new ideas, are going to be taking seats in Washington. We'll see how many administration officials vow to fight on or simply go through the paces and deal with true emergencies. - KP

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.

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

Forecast

Real GDP

2019	2.3%
.....	
2024	2.7%
2025	2.2%
2026 (Est)	2.4%

Private Investment (GPDI)

2019	5.2%
.....	
2024	5.8%
2025	2.0%
2026 (Est)	3.0%

Business Investment

2019	-0.1%
.....	
2024	0.3%
2025	3.8%
2026 (Est)	2.5%

Retail Sales

2019	3.0%
.....	
2024	2.4%
2025	3.8%
2026 (Est)	2.3%

New Housing Starts

2019	1.3M
.....	
2024	1.4M
2025	1.4M
2026 (Est)	1.4M

Auto Sales (Annual)

2019	16.9M
.....	
2024	15.8M
2025	16.2M
2026 (Est)	15.8M

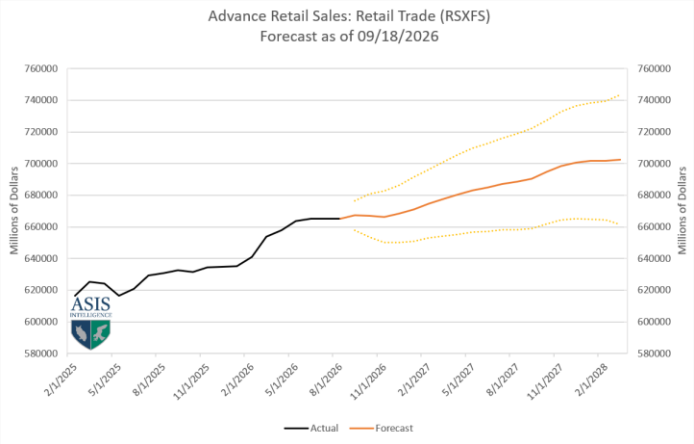
The Flagship Briefing is an intelligence briefing for corporate executives written in the spirit of the President's Daily Brief. It focuses on opportunities and risks bearing down on corporations spanning global economics, geopolitics, raw materials, supply chain, and environmental issues. Subscriptions are $7 a month and include The Watch predictive economic models. Please go to http://www.asisreports.com to learn more about an individual subscription or to get a free trial.

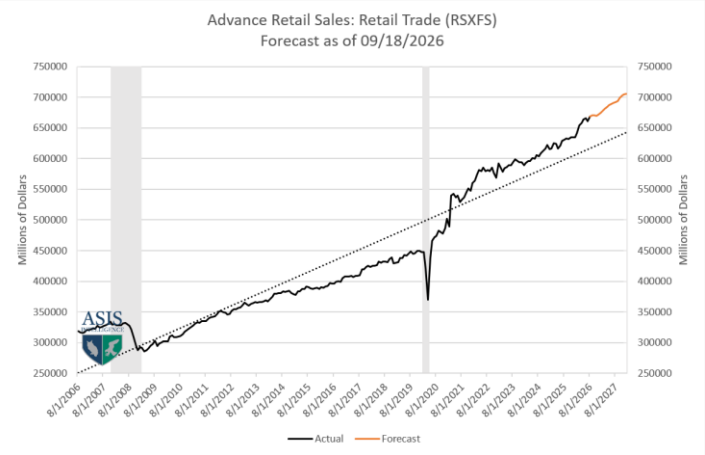
The Watch – September Update

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*.

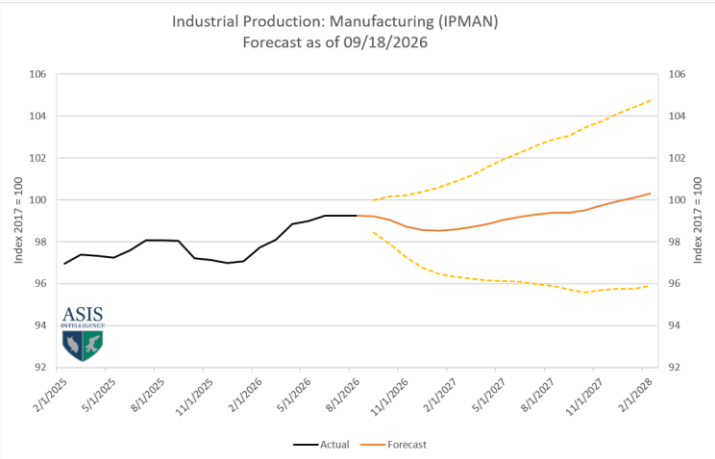
Retail Sales

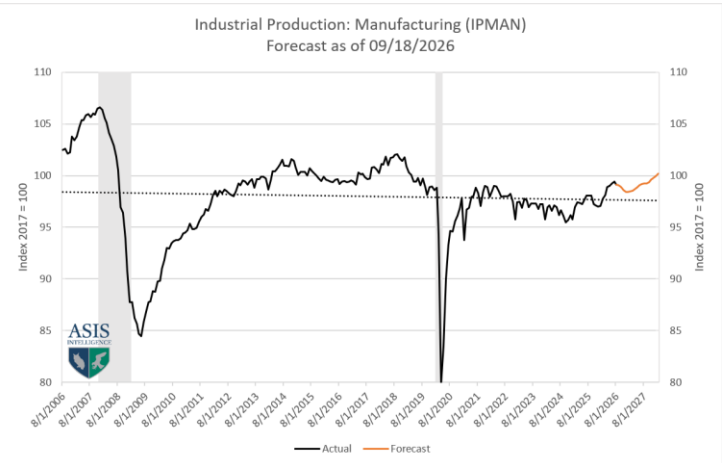




	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Advanced Retail Sales RSXFS	0.60%	-0.74%	1.87%	0.39%	2.98%	1.76%	0.84%	0.16%	1.38%	1.09%	0.80%	1.48%	2.11%	5.84%	4.83%

Manufacturing

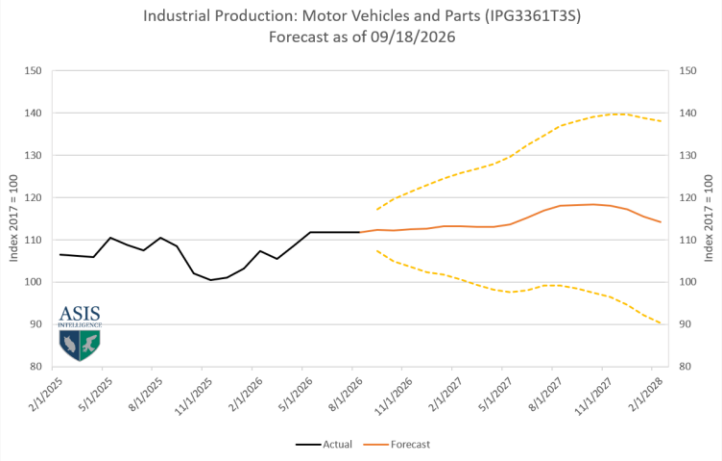


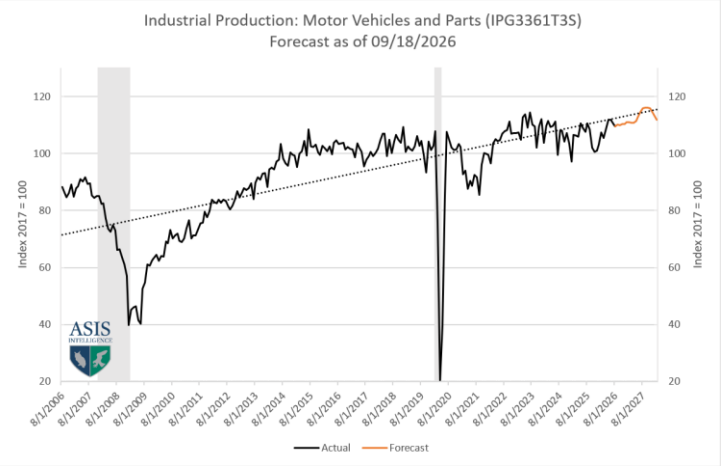


	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Industrial Production: Manufacturing	1.29%	0.19%	0.48%	-1.08%	1.14%	1.17%	-0.17%	-0.65%	0.12%	0.49%	0.22%	0.54%	0.87%	1.49%	1.38%

The Watch: Predictive Model Economic Outlooks

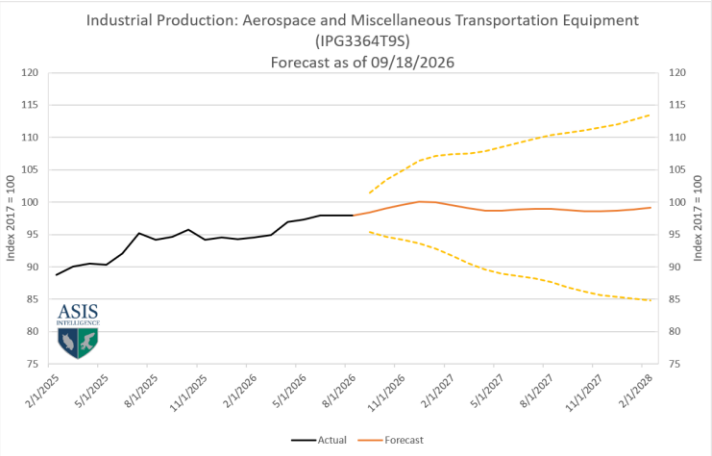
Automotive

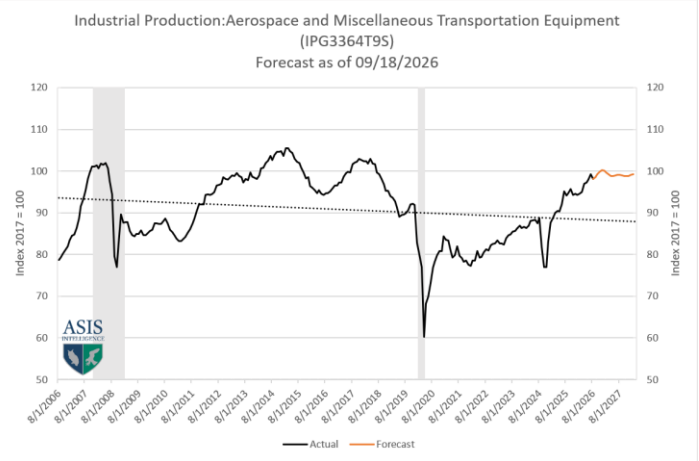




	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Motor Vehicles and Parts IPG3361T3S	2.61%	2.44%	-0.33%	-6.80%	4.38%	5.93%	-1.55%	0.27%	0.41%	1.96%	2.69%	-0.95%	-2.35%	9.16%	4.14%

Aerospace

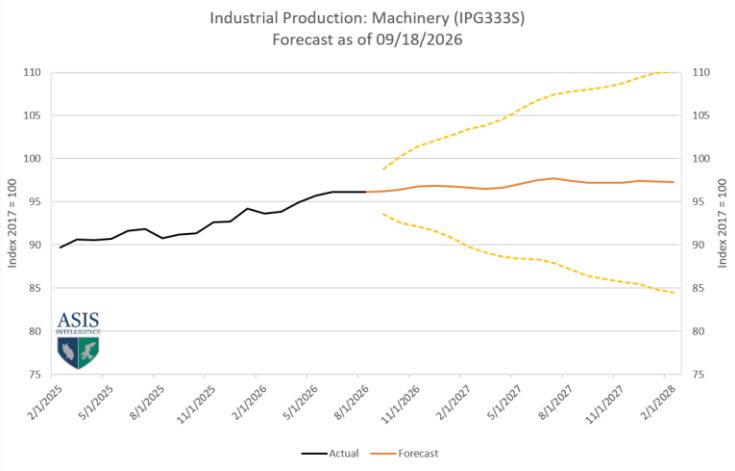


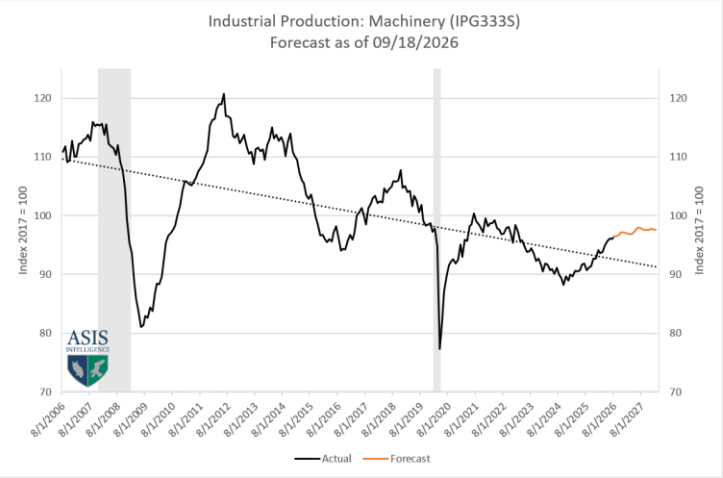


	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Aerospace and miscellaneous transportation equipment IPG3364T9S	8.42%	2.19%	2.84%	-0.05%	0.36%	3.21%	0.57%	1.68%	-1.00%	-0.18%	-0.09%	-0.11%	13.88%	5.92%	-1.36%

The Watch: Predictive Model Economic Outlooks

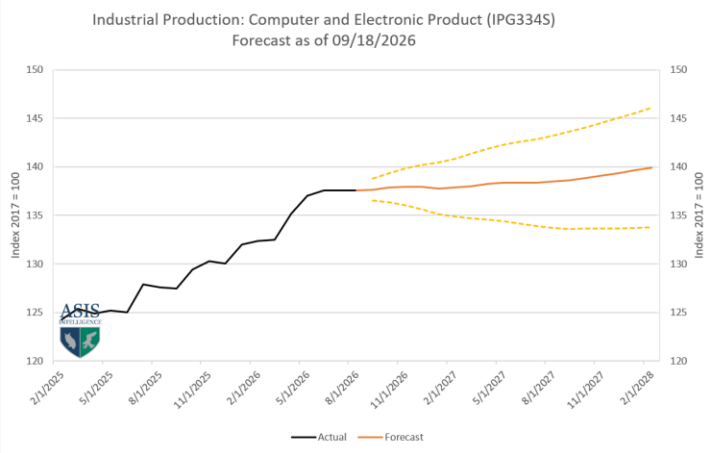
Machinery

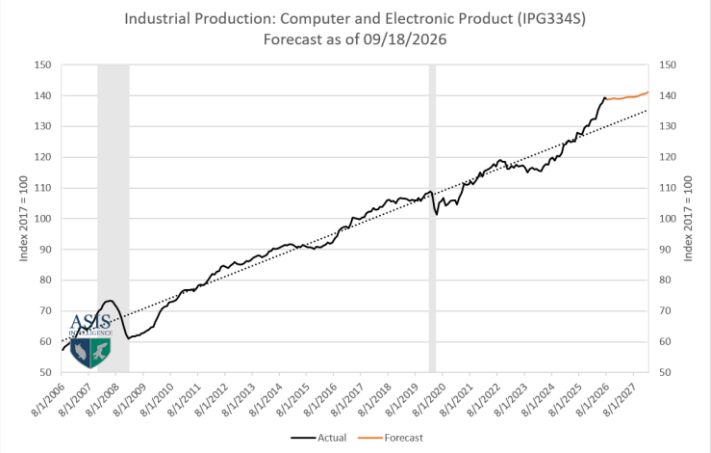




	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Machinery IPG333S	1.91%	1.10%	-0.40%	1.58%	1.29%	2.39%	0.42%	0.66%	-0.35%	1.06%	-0.30%	0.19%	4.23%	4.84%	0.59%

Computer and Electronic Products

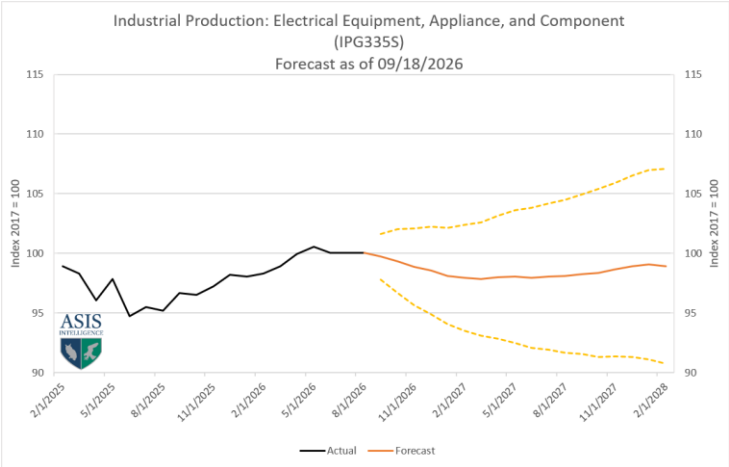


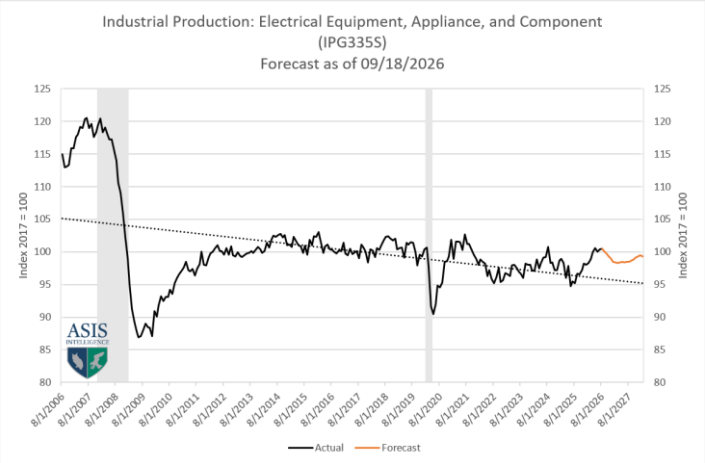


	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Computer and electronic product IPG334S	3.22%	-0.30%	1.94%	2.05%	1.87%	3.83%	0.91%	0.19%	0.07%	0.27%	0.17%	0.51%	7.05%	6.92%	1.02%

The Watch: Predictive Model Economic Outlooks

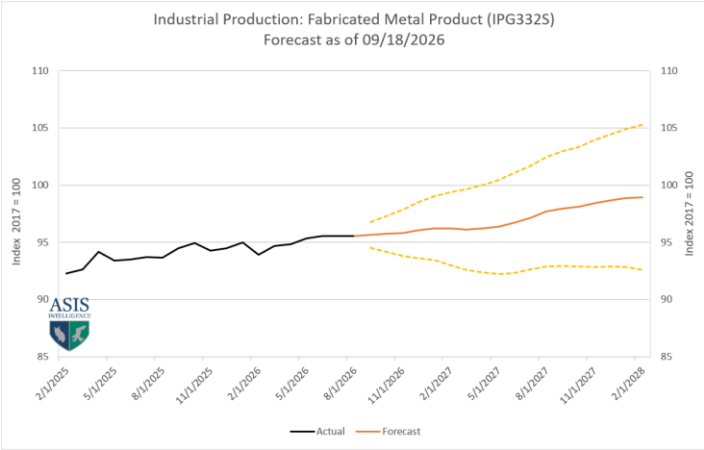
Electrical Equipment and Appliances

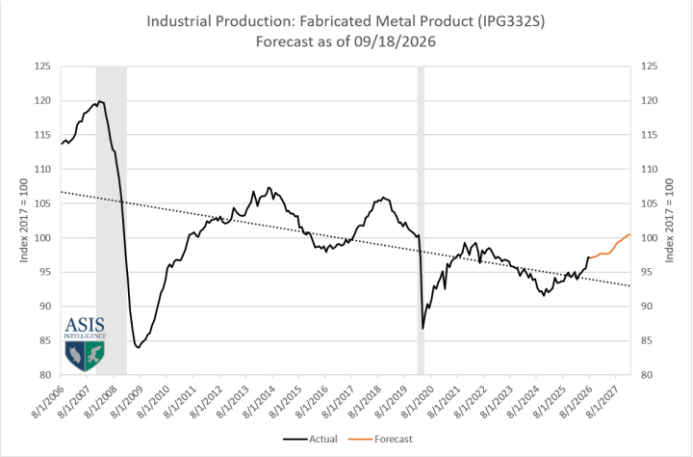




	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Electrical equipment, appliance, and component IPG335S	1.11%	-3.66%	2.05%	1.61%	0.69%	1.14%	0.12%	-1.17%	-0.71%	0.11%	0.31%	0.66%	1.01%	0.76%	0.36%

Fabricated Metal Products

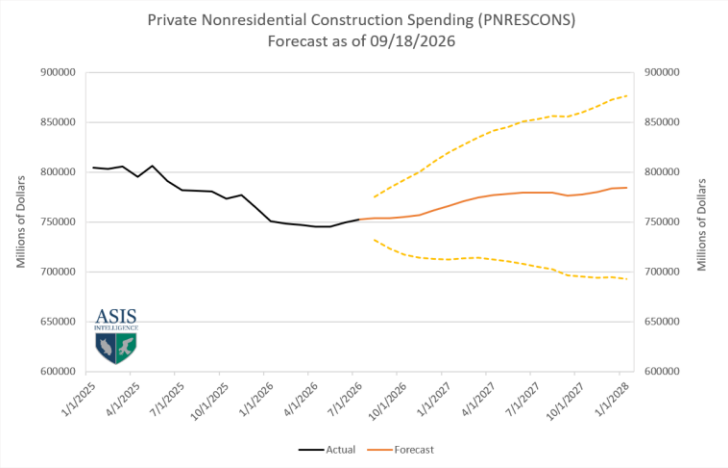


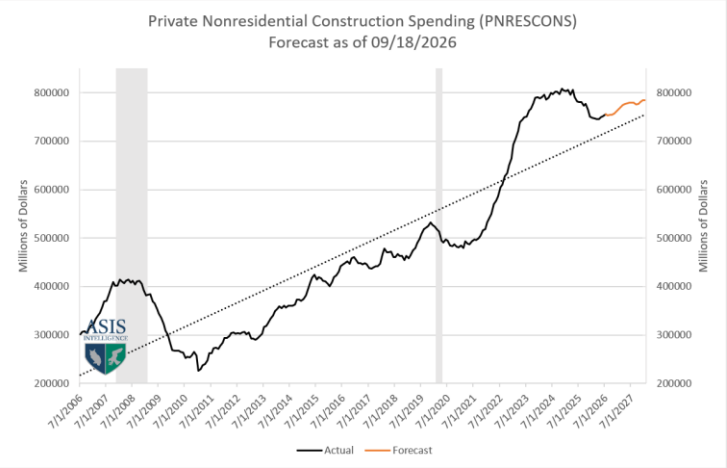


	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Fabricated metal product IPG332S	0.04%	0.94%	1.05%	-0.01%	0.24%	0.90%	1.67%	0.42%	0.06%	0.60%	1.27%	0.70%	2.03%	3.26%	2.66%

The Watch: Predictive Model Economic Outlooks

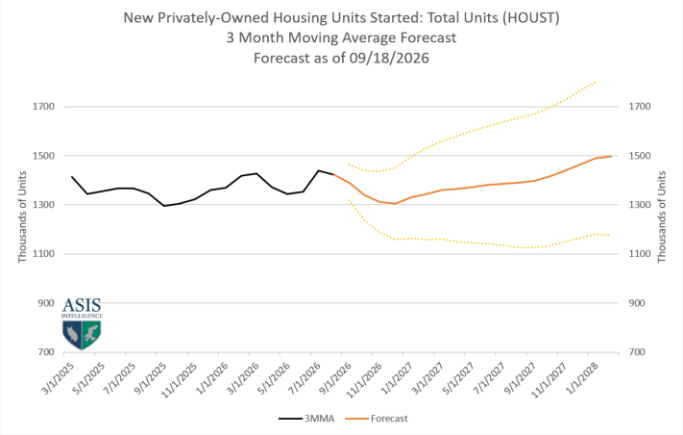
Nonresidential Construction

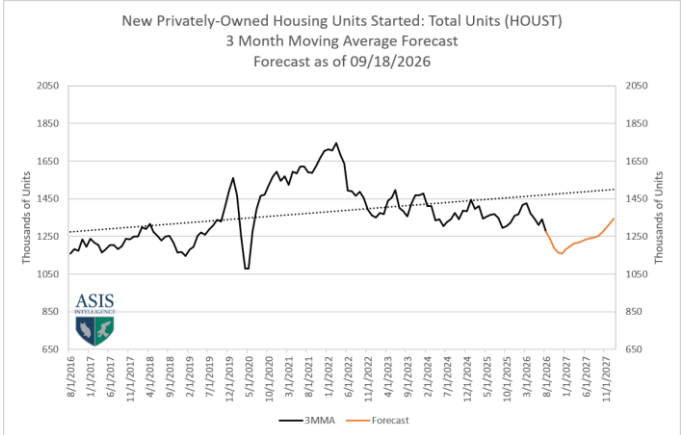




	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Private Nonresidential Construction PNRESCONS	-1.16%	-1.66%	-1.15%	-2.89%	-0.75%	0.97%	0.22%	1.03%	1.71%	0.63%	-0.44%	1.00%	-6.70%	1.47%	2.91%

Residential Construction

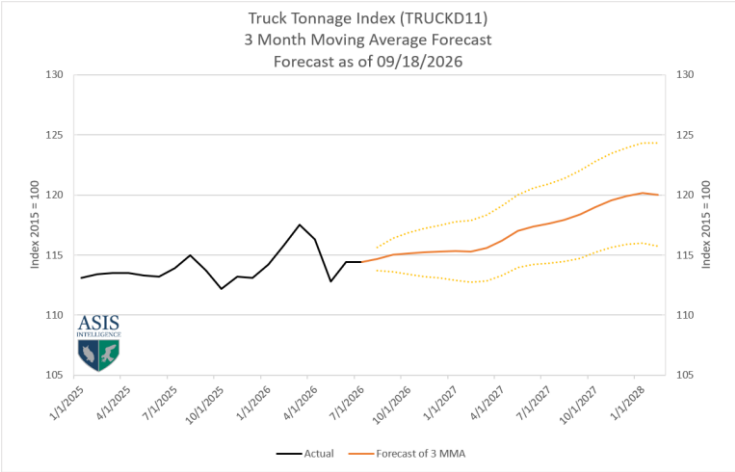


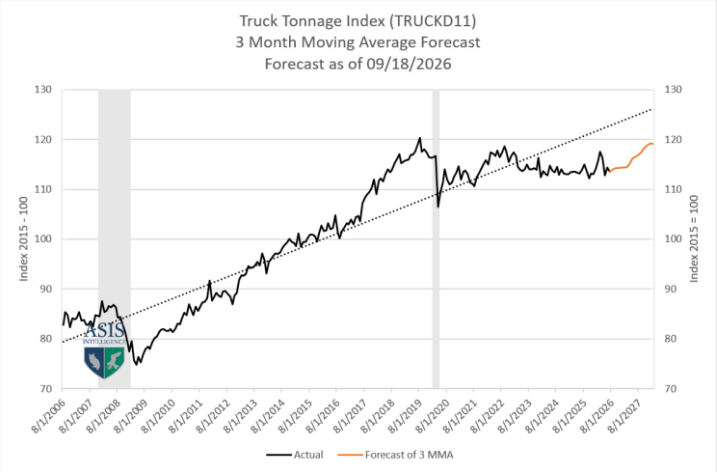


	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
New Privately-Owned Housing Units Started: Total Units HOUST	2.17%	-3.23%	-5.29%	5.12%	4.90%	-8.22%	-5.62%	-6.44%	4.80%	1.77%	1.36%	5.37%	-1.57%	-14.98%	13.91%

The Watch: Predictive Model Economic Outlooks

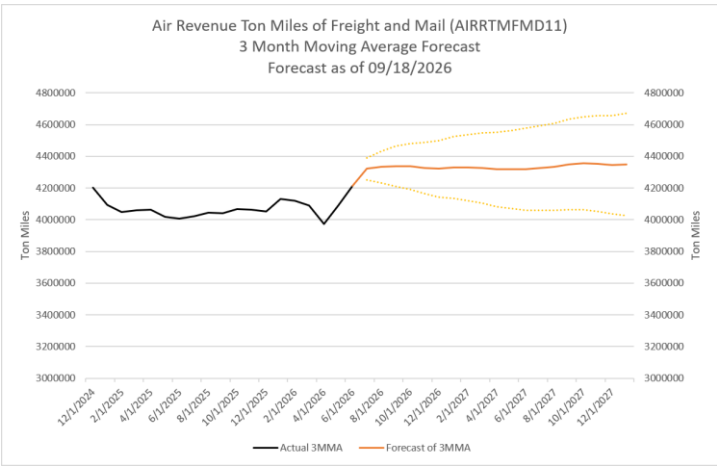
Trucking Tonnage Outlook

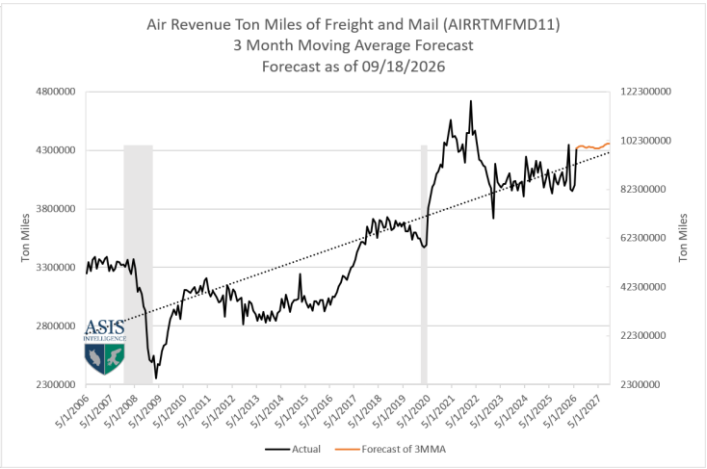




	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Truck Tonnage TRUCKD11	0.44%	-0.26%	0.44%	-0.53%	3.89%	-2.64%	-0.26%	0.23%	0.27%	1.58%	0.87%	1.28%	0.09%	1.12%	4.05%

Air Cargo Outlook

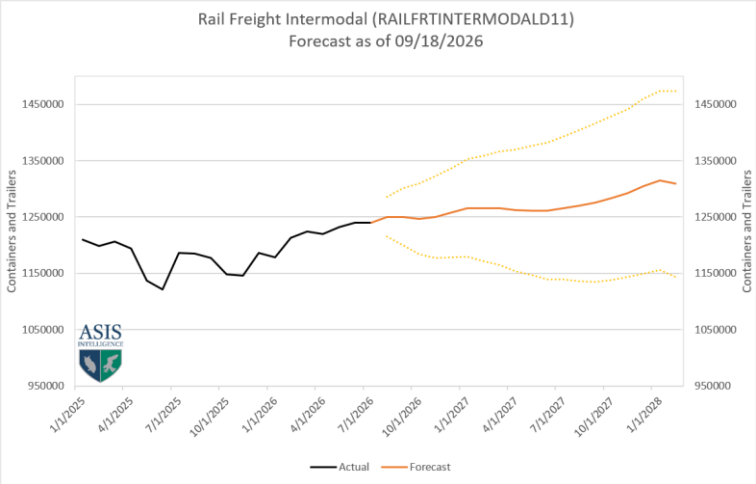


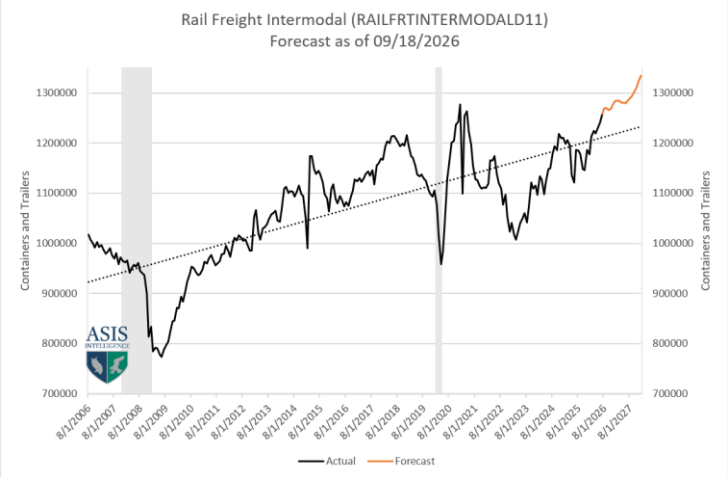


	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Air Revenue Ton Miles of Freight and Mail AIRRTMFMD11	-3.29%	-3.26%	1.93%	-0.18%	-0.81%	8.83%	0.43%	-0.12%	-0.30%	0.17%	0.72%	-0.18%	-4.81%	8.28%	0.41%

The Watch: Predictive Model Economic Outlooks

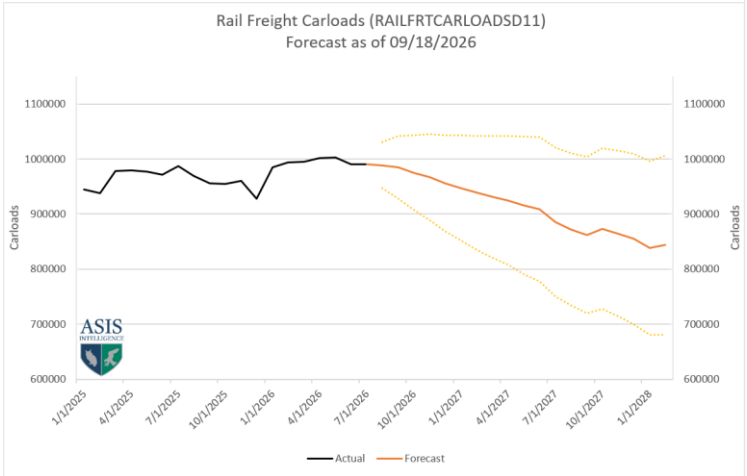
Rail Intermodal

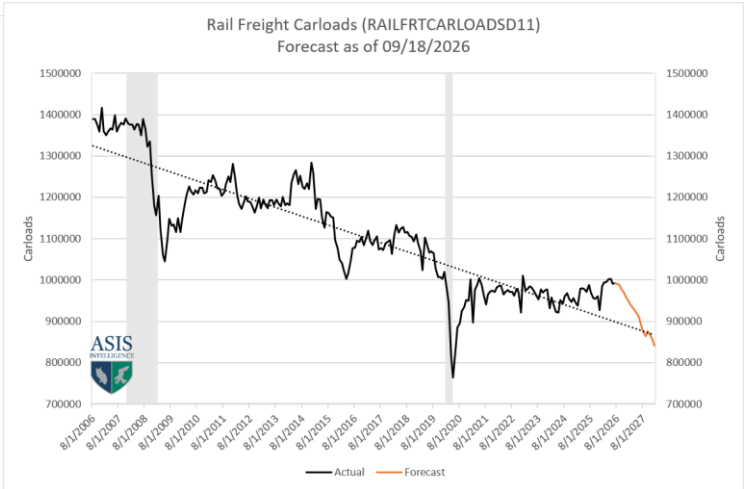




	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Rail Freight Intermodal RAILFRTINTERMODALD11	-0.34%	-7.06%	5.08%	0.71%	3.26%	1.26%	2.33%	0.58%	0.66%	-0.38%	1.18%	2.21%	-1.97%	7.60%	3.70%

Rail Carload

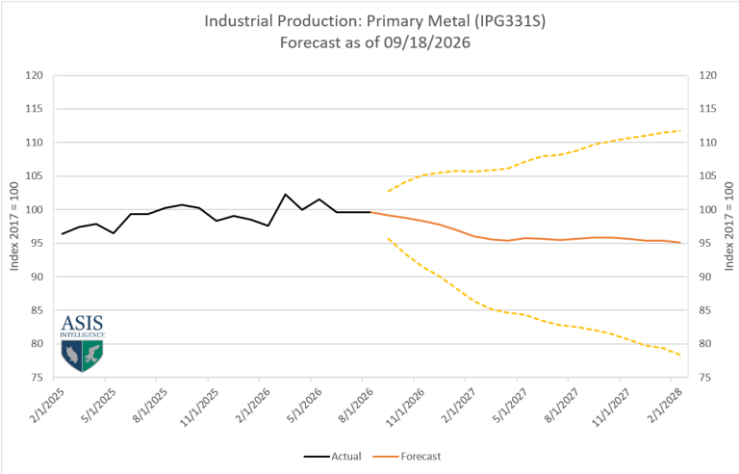


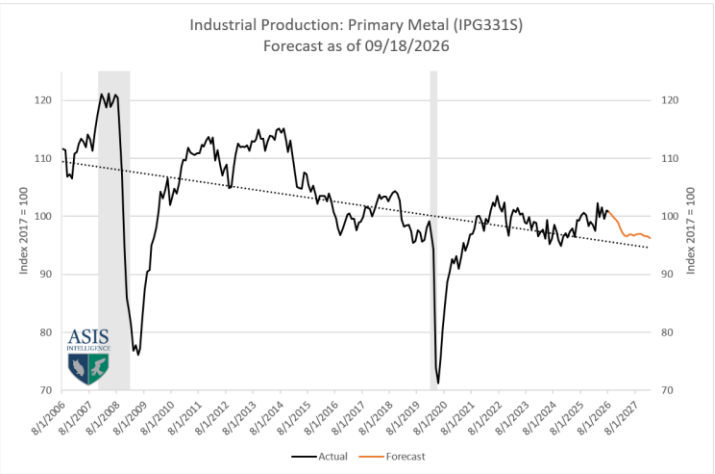


	2025				2026				2027				2025	2026*	2027*
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*	Q1*	Q2*	Q3*	Q4*			
Rail Freight Carloads RAILFRTCARLOADSD11	2.34%	-0.71%	-1.58%	-2.92%	7.23%	-0.45%	-0.32%	-2.95%	-2.61%	-2.41%	-5.11%	-0.80%	-2.92%	3.26%	-10.54%

The Watch: Predictive Model Economic Outlooks

Primary Metal Products





	2025 Q1	Q2	Q3	Q4	2026 Q1	Q2	Q3*	Q4*	2027 Q1*	Q2*	Q3*	Q4*	2025	2026*	2027*
Primary Metal IPG331S	0.84%	1.96%	1.32%	-1.60%	3.28%	-2.65%	0.79%	-1.44%	-2.24%	0.18%	0.16%	-0.51%	2.51%	-0.13%	-2.40%

ASIS INTELLIGENCE

Performance Scorecard

	3-month	6-month
Industrial Production: Manufacturing IPMAN	100.0%	99.94%
Aerospace and miscellaneous transportation equipment IPG3364T9S	97.0%	96.8%
Computer and electronic product IPG334S	97.7%	96.7%
Electrical equipment, appliance, and component IPG335S	99.2%	98.6%
Fabricated metal product IPG332S	98.9%	99.1%
Machinery IPG333S	99.1%	100.0%
Motor vehicles and parts IPG3361T3S	98.1%	94.1%
Primary metal IPG331S	96.9%	99.2%

	3-month	6-month
New Privately-Owned Housing Units Started: Total Units HOUST	84.5%	90.2%
Private Nonresidential Construction PNRESCONS	96.7%	97.7%
Advanced Retail Sales RSXFS	99.6%	98.2%

	3-month	6-month
Truck Tonnage TRUCKD11	95.8%	97.6%
Rail Freight Carloads RAILFRTCARLOADSD11	97.4%	99.2%
Rail Freight Intermodal RAILFRTINTERMODALD11	97.9%	98.2%
Air Revenue Ton Miles of Freight and Mail AIRRTMFMD11	99.5%	N/A

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

Due to repeated government shutdowns, accuracy data is not available for some sectors 6-months out and is annotated as N/A (not available). Updated performance will be reported as soon as practical.

ARMADA

MORRIS, NELSON & ASSOCIATES LLC