



Economics Group

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Dodge Momentum Index Downshifts in April

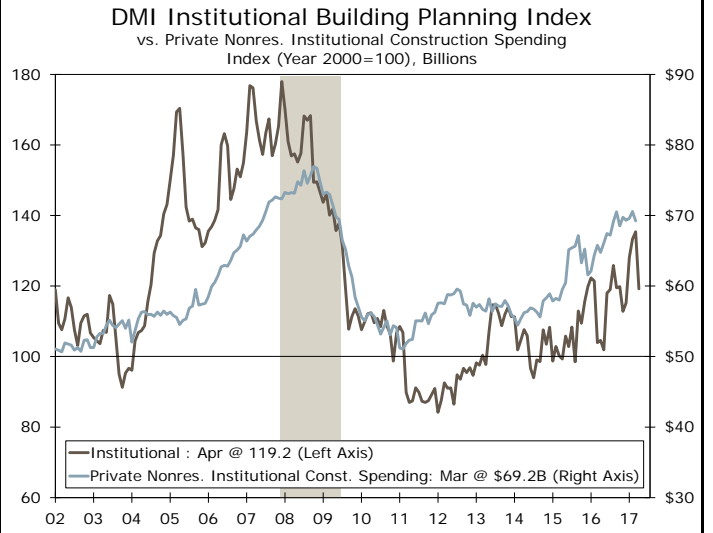
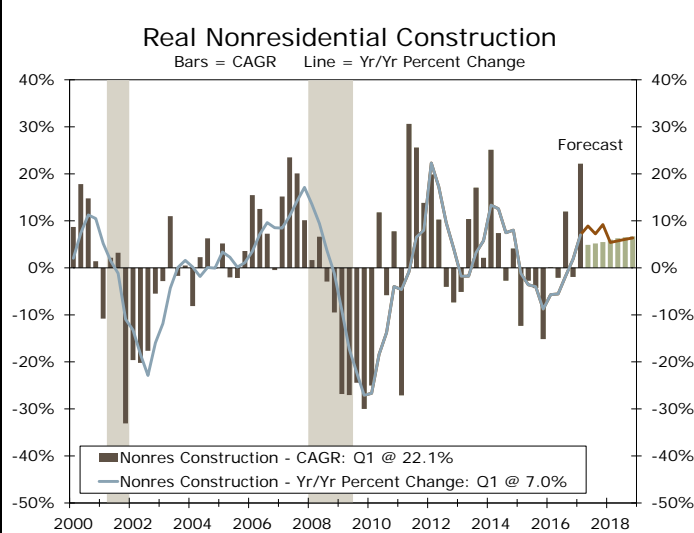
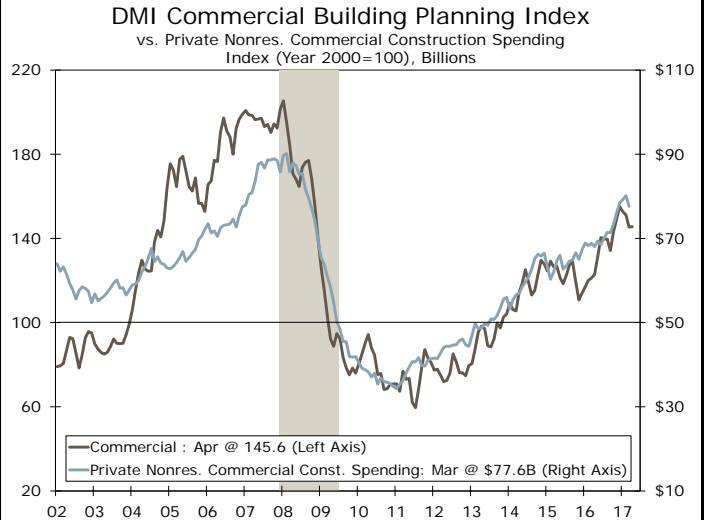
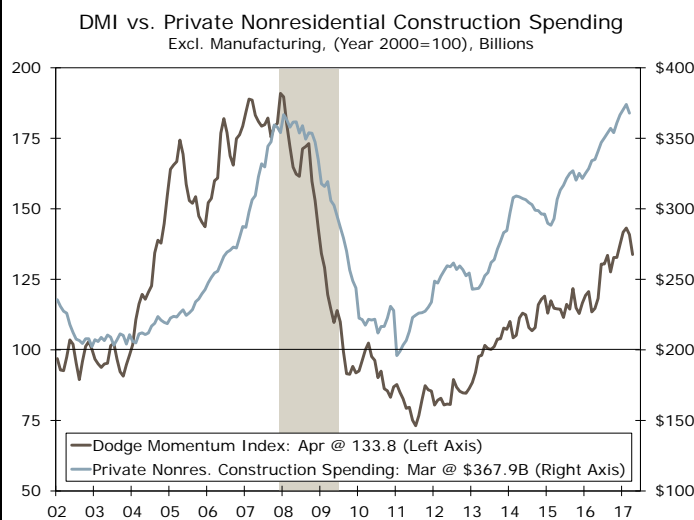
The Dodge Momentum Index slipped 5.1 percent in April from its downwardly revised March print. By sector, activity was mixed as commercial's meager gain was not enough to offset institutional's double-digit decline.

Construction Planning Is Down but Not Out

- After six months of consecutive gains, the Dodge Momentum Index declined 5.1 percent to 133.8 in April from March's downwardly revised reading. However, on a year-ago basis, the overall index is still growing at a double-digit pace (up 16.7 percent). Some payback was expected as activity in the first quarter reached a cycle high as warmer weather pulled construction activity forward. Despite April's setback, we expect private nonresidential outlays to continue to grow this year, but at a slower pace as commercial activity moderates.

Institutional Planning Tumbles

- Institutional planning dropped 12 percent in April from March's cycle high, registering the lowest reading since late last year. We suspect builders are somewhat cautious as they await the outcome of health care legislation. Despite the decline, institutional planning is up 14 percent year over year.
- Commercial planning was essentially flat in April, rising by a paltry 0.1 percent over the month. However, the rise in commercial planning does provide some optimism for activity in this sector, which is up 18.5 percent on a year-ago basis.



Source: Dodge Data & Analytics, U.S. Department of Commerce and Wells Fargo Securities

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