



# Economics Group

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## With Broad Support, Production Jumps Most in Three Years

*Despite mixed signals from survey data, the latest report on the industrial sector suggest broad firming in manufacturing activity as industrial production increased 1.0 percent—the largest gain in three years.*

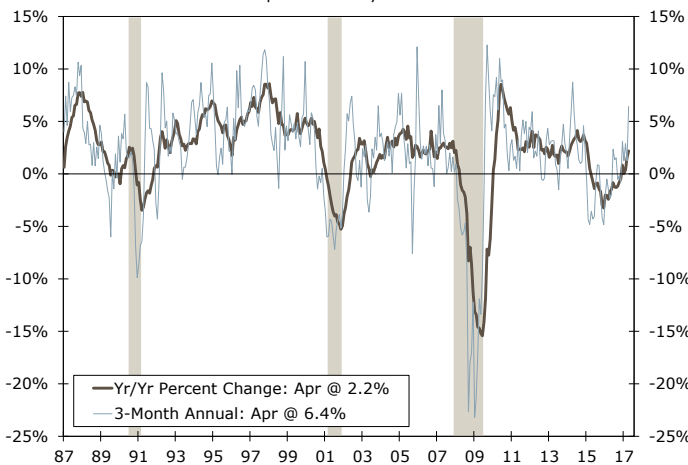
### Industrial Production Firms

- The 1.0 percent increase in industrial production for April was more than double the 0.4 percent increase that had been expected and affirms that the slow-growth recovery in the manufacturing sector remains intact.
- Encouragingly, manufacturing output also increased 1.0 percent in April and with that gain the overall level of manufacturing output is at a fresh high for this cycle.

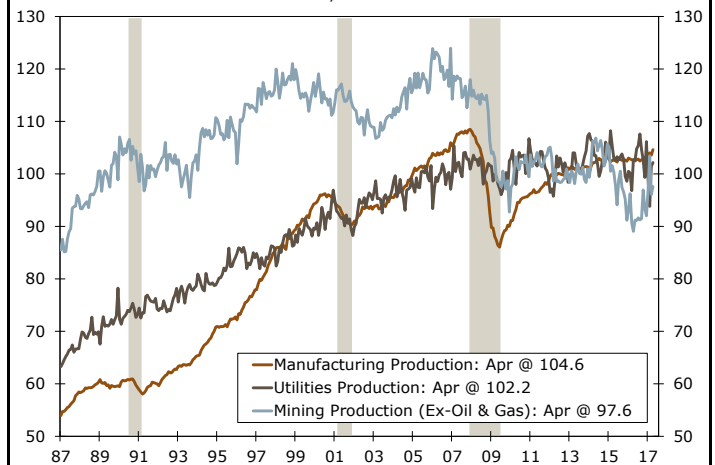
### Broad-Based Growth

- For the first time in recent memory, all three major industry groups were higher with manufacturing, mining and utilities all posting gains of at least 0.7 percent on the month.
- One lesson from the ups and downs of the manufacturing recovery in this cycle is to curb your enthusiasm when the data finally indicate firming in activity. The latest print of the ISM manufacturing survey showed a big dip in the orders component.

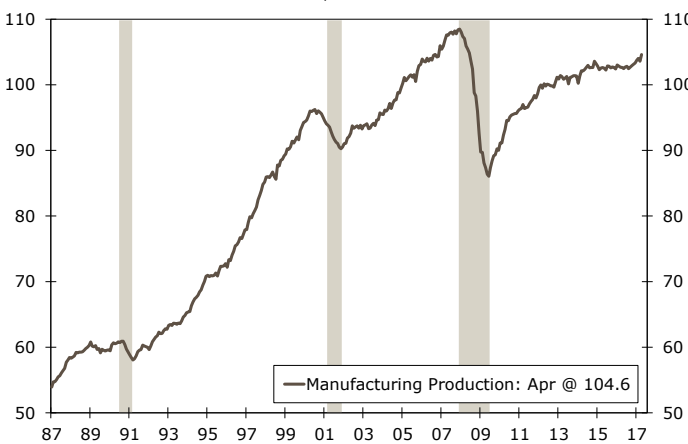
**Total Industrial Production Growth**  
Output Growth by Volume



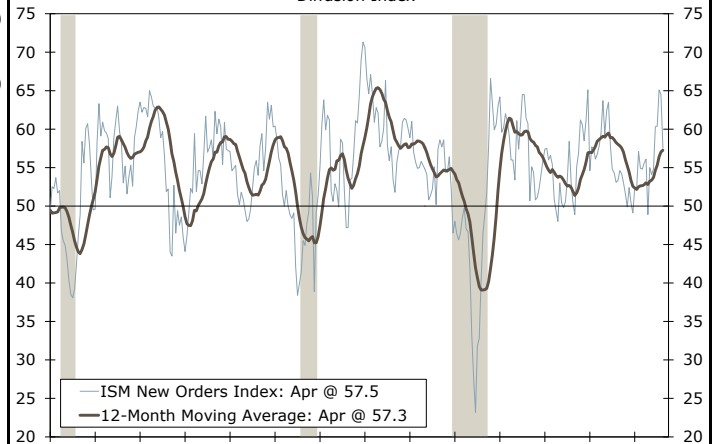
**Industrial Production**  
Index, 2012=100



**Manufacturing Production**  
Index, 2012=100



**ISM New Orders Index**  
Diffusion Index



Source: Federal Reserve Board, Institute for Supply Management and Wells Fargo Securities

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