



# Economics Group

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## Production Slowed in July, but Survey Data Looking Better

*Industrial production slowed 0.2% in July although the prior month's reading got a 0.2% upward revision. More worrying is that both manufacturing and mining are in a trend decline thus far in 2019.*

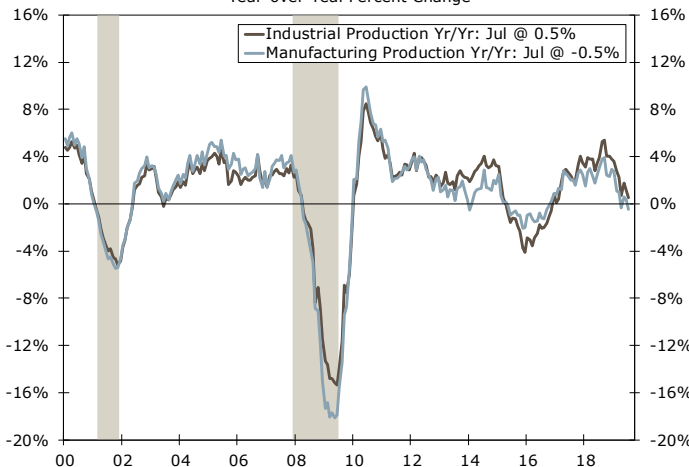
### Global Growth Worries as Production Scaled Back

- Manufacturing output fell 0.4% in July, marking the fifth monthly decline in the first seven months of the year. Headwinds from the trade war and the related slowdown in global growth have been weighing on the sector.
- A silver lining to the gloom is that the New York Fed's Empire Index rose slightly in August, while the Philadelphia Fed's business outlook survey did not slow as much as expected.

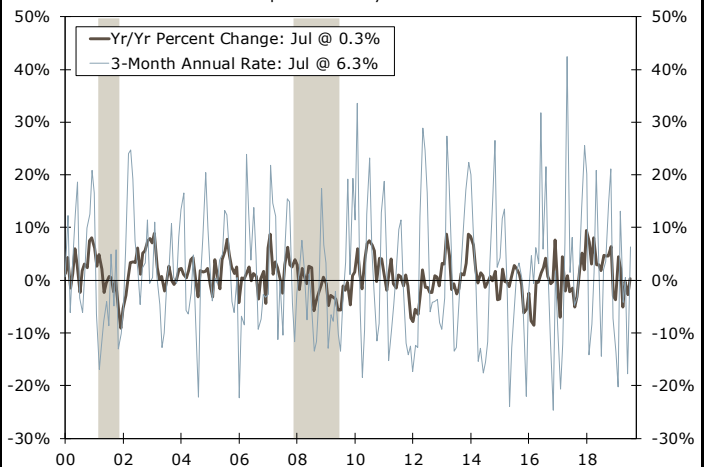
### Seek Not Your Fortune in a Dark Dreary Mine

- The heat wave in July may have been a factor in the surge in utilities output. The 3.1% increase in this category helped offset some of the losses in other areas.
- The trend decline in commodity prices may be weighing on activity in the mining sector. Production at the country's mines slowed 1.8%, the biggest monthly drop in three years and also the fifth monthly decline in the first seven months of the year.

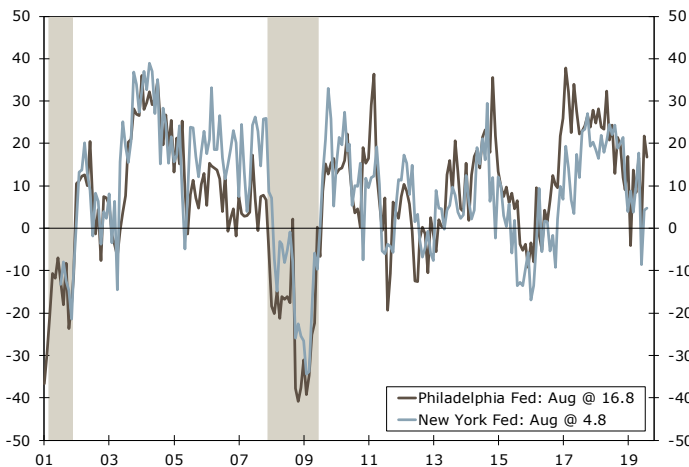
**Industrial vs. Manufacturing Production**  
 Year-over-Year Percent Change



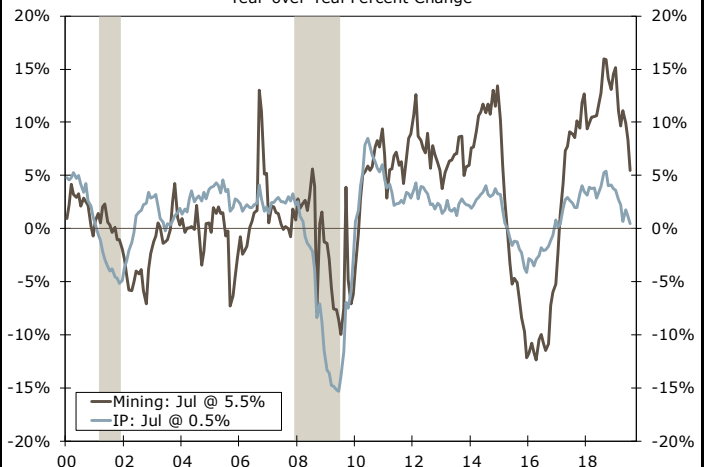
**Industrial Production - Utilities**  
 Output Growth by Volume



**Philadelphia & New York Fed General Activity Indices**  
 Diffusion Index



**Mining vs. Total Industrial Production**  
 Year-over-Year Percent Change



Source: Federal Reserve System and Wells Fargo Securities

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