

Still Dodging that Bullet? SFSA 09.24.23



ARMADA

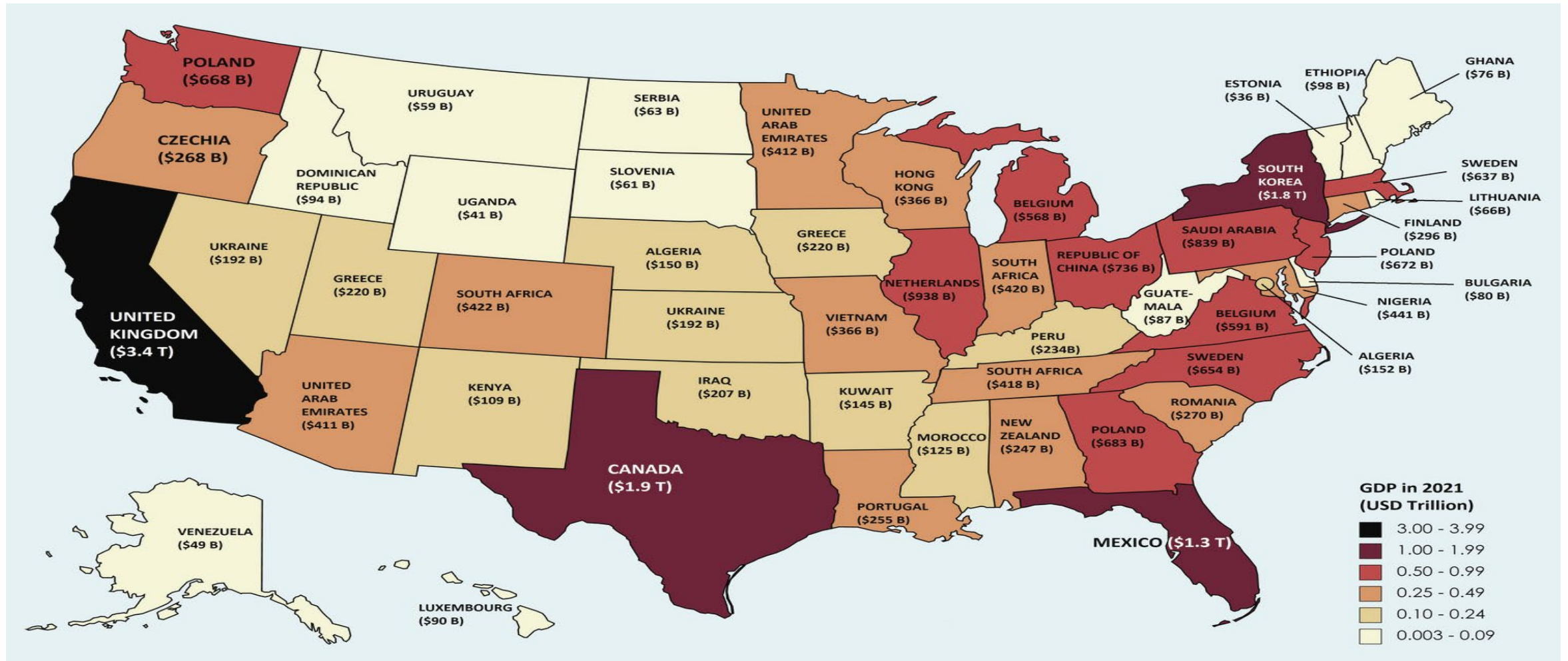
Prepared by: Armada Corporate Intelligence
Dr. Chris Kuehl

That feeling you
get when you
realize you
dodged a bullet.



someecards
user card

State GDP Compared to Nations



Macroeconomic Outlook

3. Back to sub-2% growth through '25

	2023				2024				2019	2020	2021	2022	2023	2024	2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4							
Real GDP	1.1	2.4	2.5	1.0	-1.0	-0.7	2.2	2.3	2.3	-2.8	5.9	2.1	2.1	0.7	1.8
Unemployment rate (%)	3.5	3.6	3.8	4.0	4.5	4.5	4.4	4.3	3.7	8.1	5.4	3.6	3.8	4.3	4.5
PCE Inflation (%Y/Y)	4.6	3.6	3.1	3.1	3.1	2.5	2.1	2.0	1.5	1.1	4.0	5.6	3.1	2.2	2.0
Core PCE Inflation (%Y/Y)	4.7	4.3	3.8	3.5	3.1	2.5	2.1	2.0	1.7	1.3	3.5	4.8	3.5	2.2	2.0
Fed Funds Rate	4.9	5.1	5.3	5.6	5.6	5.2	4.7	4.0	1.6	0.1	0.1	4.4	5.5	4.0	3.1
Canada Real GDP	-	-	-	-	-	-	-	-	1.8	-5.2	4.5	3.4	1.3	1.5	-
Unemployment rate (%)	-	-	-	-	-	-	-	-	5.8	9.5	7.4	5.3	5.7	6.0	-
Mexico Real GDP	-	-	-	-	-	-	-	-	-1.8	-8.2	5.0	2.7	1.6	2.1	-
Unemployment rate (%)	-	-	-	-	-	-	-	-	3.6	4.4	4.1	3.3	3.4	3.3	-

1. Greatest recession risk is being pushed further out, but it appears greatest between Q4 and Q2 of 2024.

2. Some estimates suggest that this could still easily get pushed out, depending on how quickly the unemployment rate rises (which will have a disinflation effect and reduce inflation risk).

4. To hit 2% inflation target, estimates suggest the Fed will have to hit a peak Effective Funds Rate of 5.1% to 5.5% and unemployment will likely still approach 4.5%.

(Bluf) bottom line up front

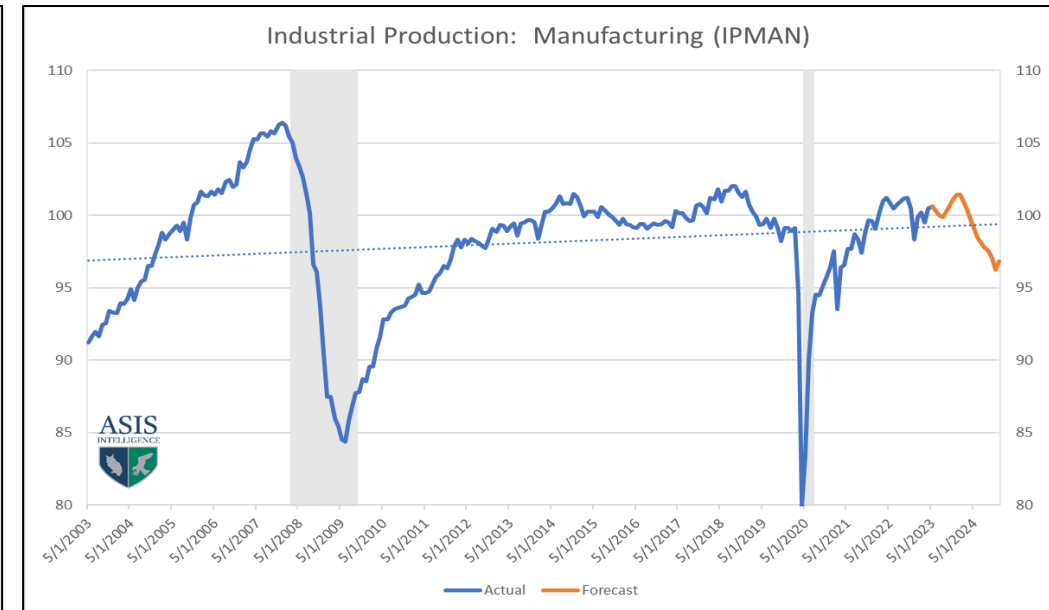
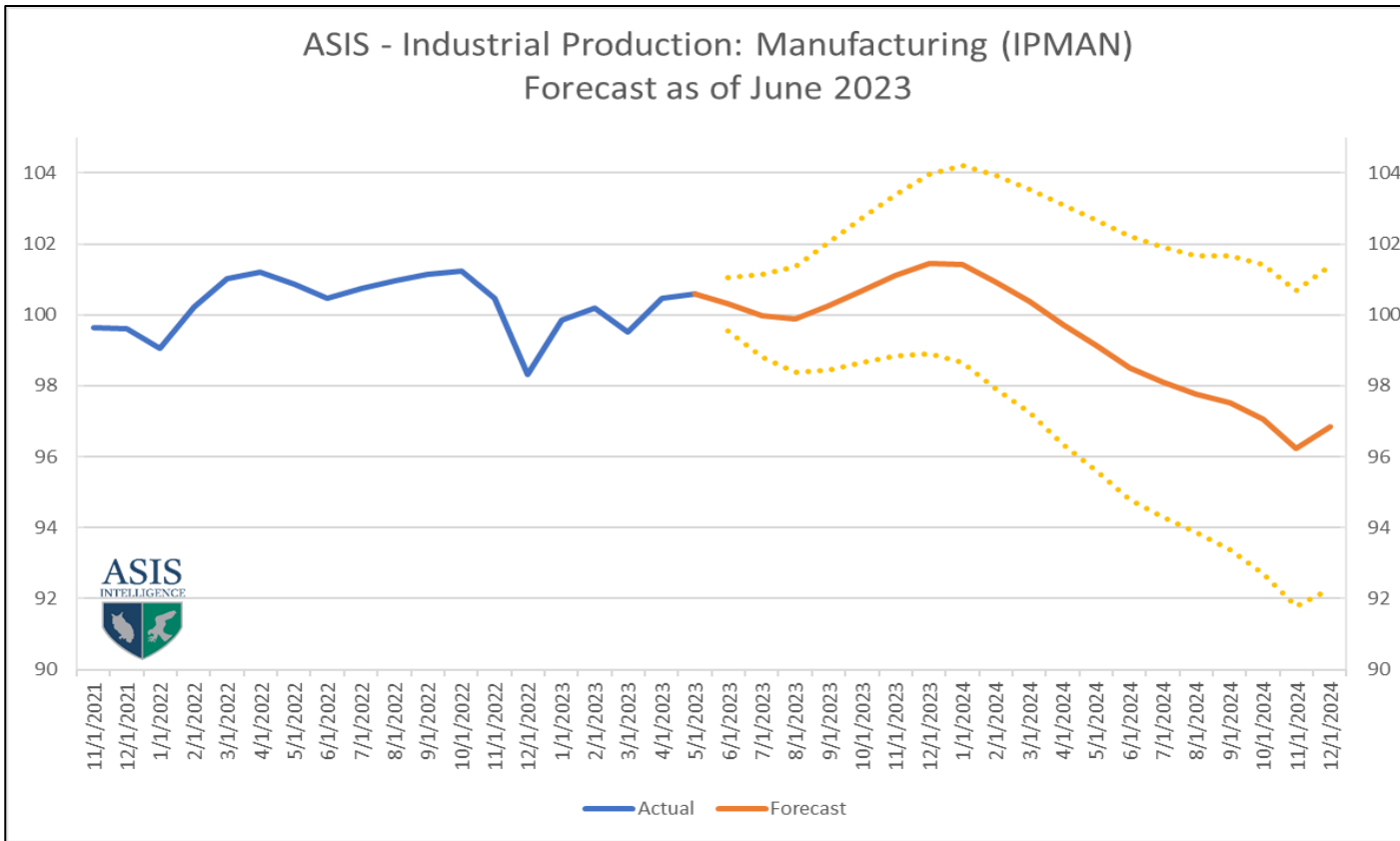
- **Q3 GDP still running at over 3.0%, well above initial expectations for contraction. Recession threat much reduced.**
- **Global growth between 3.0% and 3.5%. Up slightly but still historically low. Europe at between 1.1% and 1.5%. China likely to miss 5.0% growth target.**
- **The Federal Reserve is thought likely to take another quarter-point interest rate increase before the end of the year, pushing the Fed Effective Funds Rate to 5.6%, the highest since the year 2000. ECB still talking rate hikes. BoE may be slowing. BoJ still low. Jackson Hole conversation mixed.**
- **Positive economic activity is being propped up by strong nonresidential construction activity, automotive, aerospace, defense sector spending, and stable consumer spending.**
- **Global commodity inventories are still generally low, but there was some improvement in the last 30 days. Oil prices still in the 70s. US oil production hitting a record again.**

BLUF for Mexico

- **Growth is picking up again – a 5.4% annualized increase over a revised 4.1% increase the month prior**
- **Industrial production was up (smoothed version) by 0.3% and that compares with the 0.2% increase in the US.**
- **Oil exports were down in the last reading – 3.8% and overall exports therefore fell by 1.5%. Manufacturing overall was down by 1.6% but on an annual basis manufacturing was up 1.4% and oil exports were down by over 24%. This decline has been attributed to slipping global demand**
- **Retail sales index was up by 3.5%. This stronger than expected retail activity has been linked to remittances and growth in the northern tier of Mexico.**
- **Unemployment rate is still officially low at 2.8% but a significant percentage of the working population is not counted – similar to the division between U-3 and U-6 in the US**

The Watch – A Macro Intelligence Estimate for Business Strategy

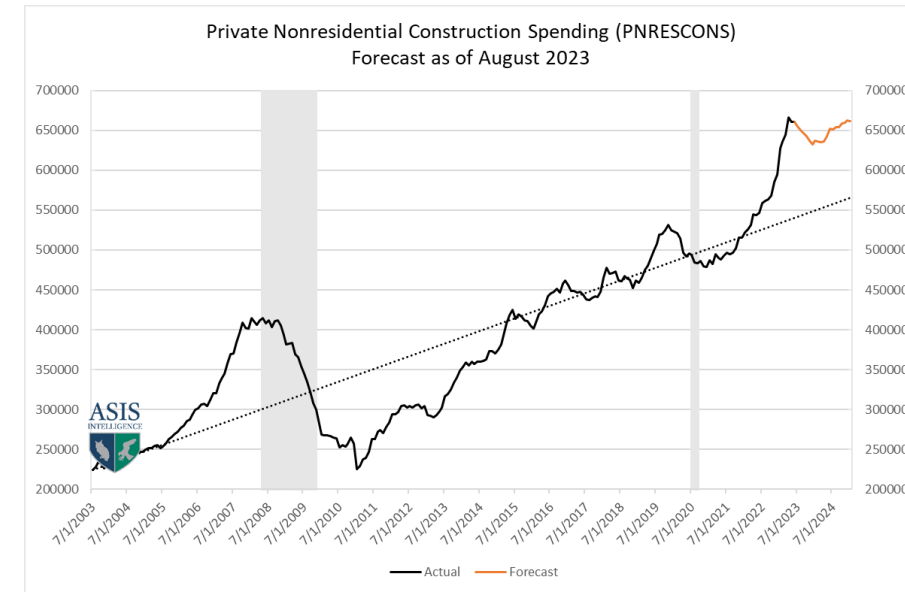
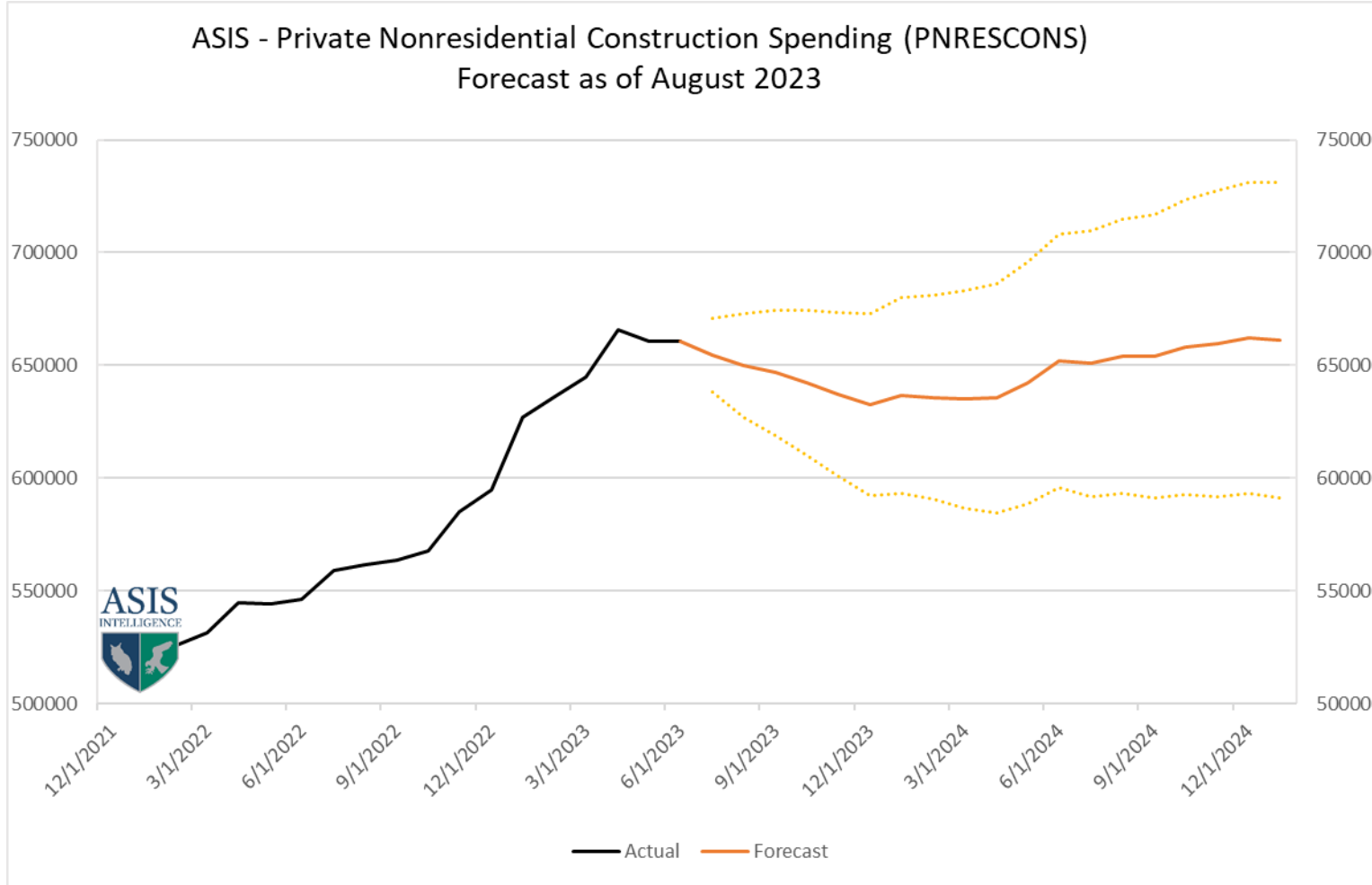
1. These models use 18-22 economic metrics to forecast output from each of the following sectors of durable manufacturing.
2. The following models show a forecast over the next 18 months, these models are updated monthly.



Accuracy:

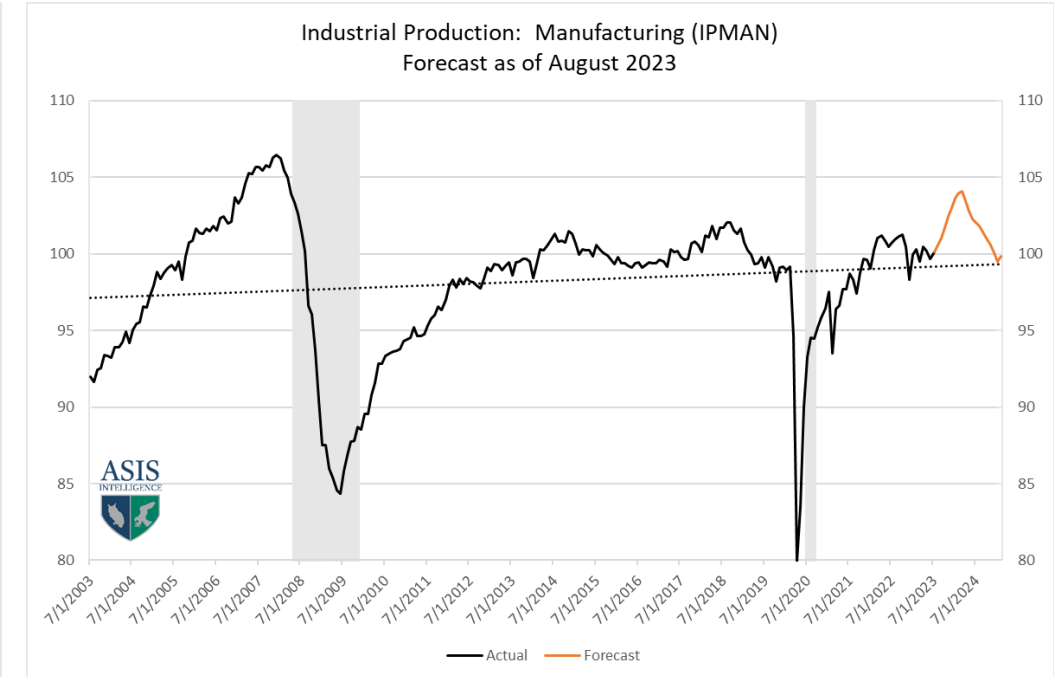
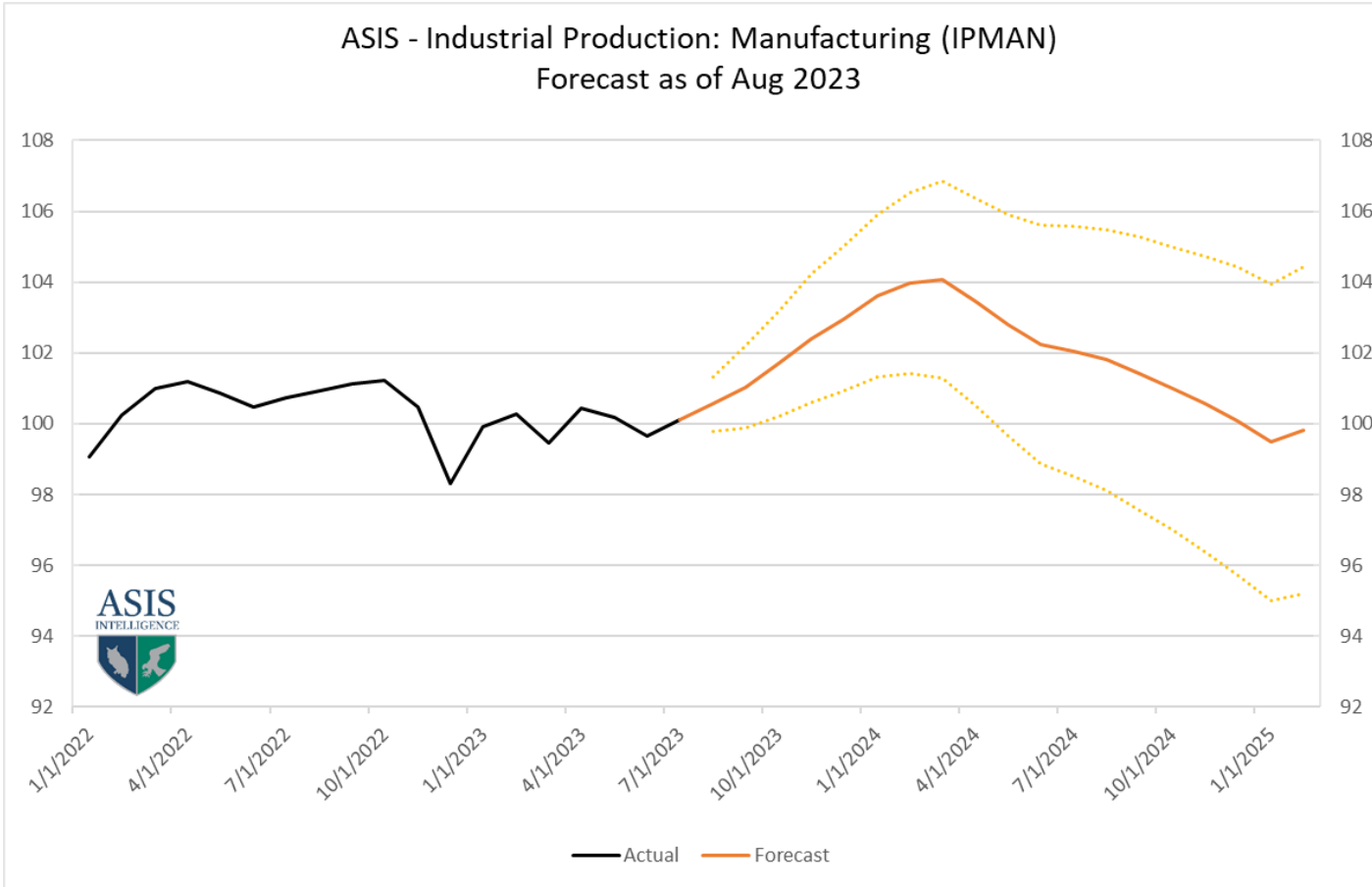
- 3 months: 99.65%
- 6 months: 93.88%

Forecast: Armada forecast model for the next 18 months. Flattening of the curve, but the outlook remains stable.



Armada Forecast For Industrial Production in Manufacturing

1. These models use 18-22 economic metrics to forecast output from each of the following sectors of durable manufacturing.
2. The following models show a forecast over the next 18 months, these models are updated monthly.

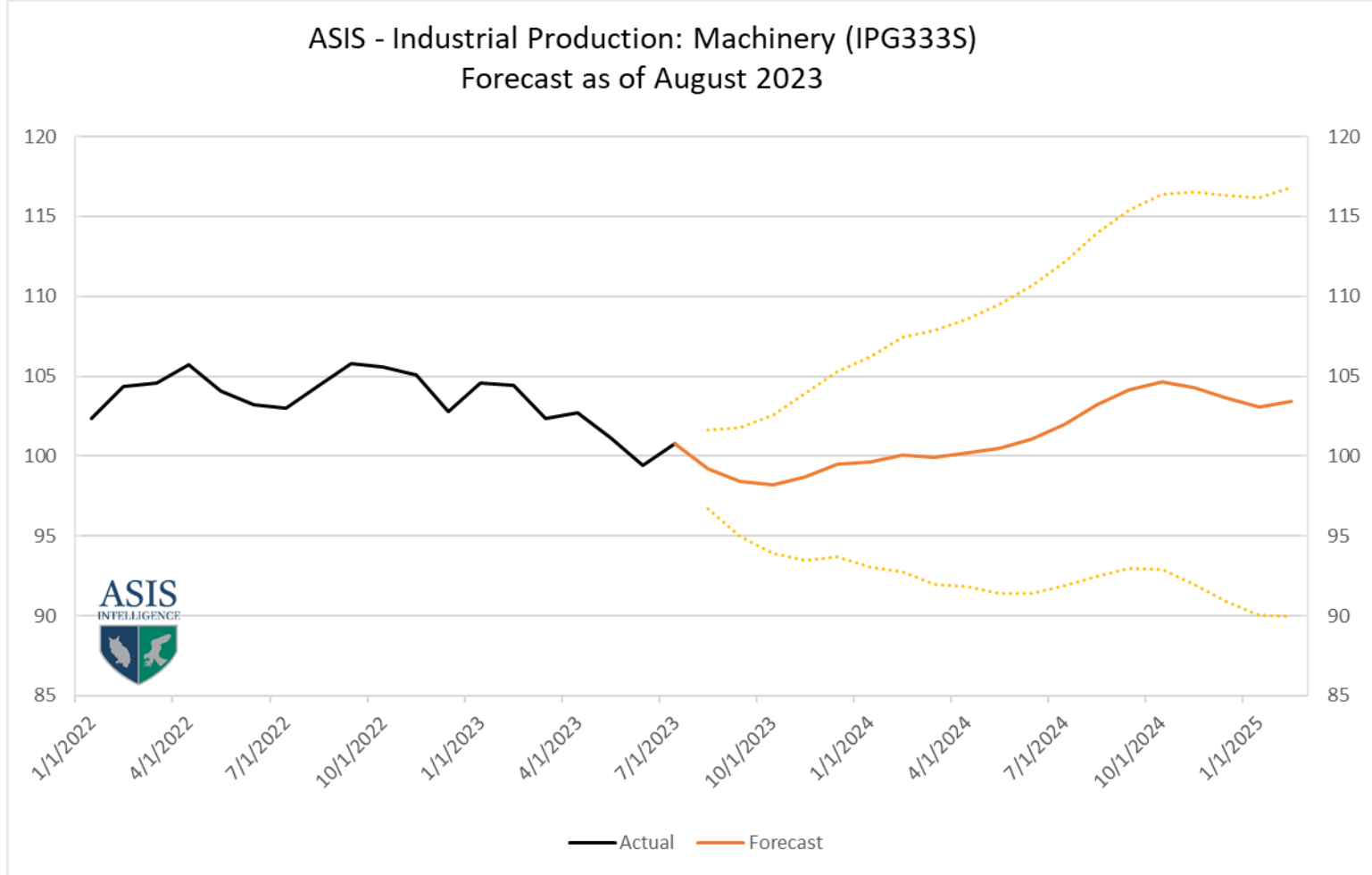


Accuracy:

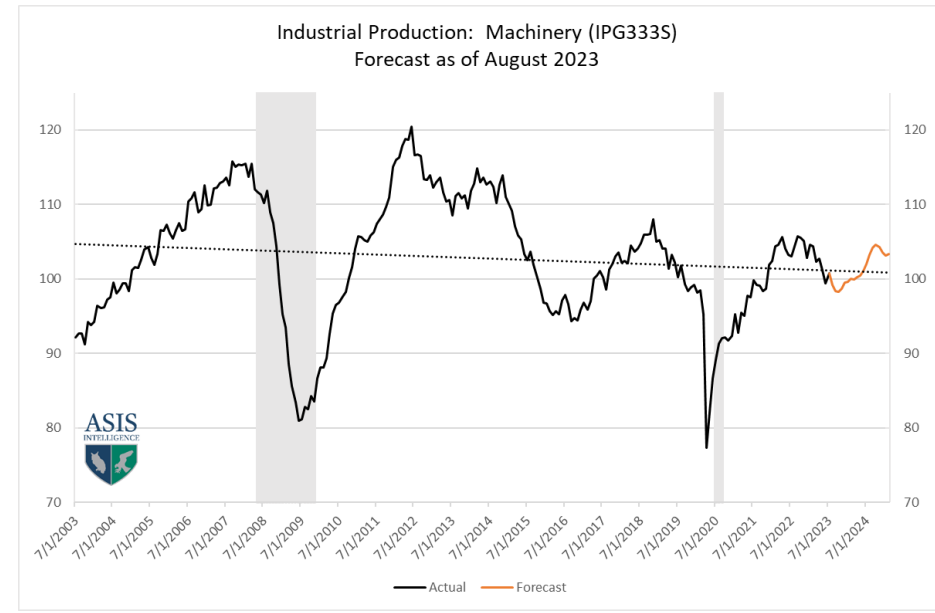
- 3 months: 98.4%
- 6 months: 94.6%

Forecast For Machinery Manufacturing Volatile; but the outlook has improved over the past 30 days.

ASIS - Industrial Production: Machinery (IPG333S)
Forecast as of August 2023



Industrial Production: Machinery (IPG333S)
Forecast as of August 2023



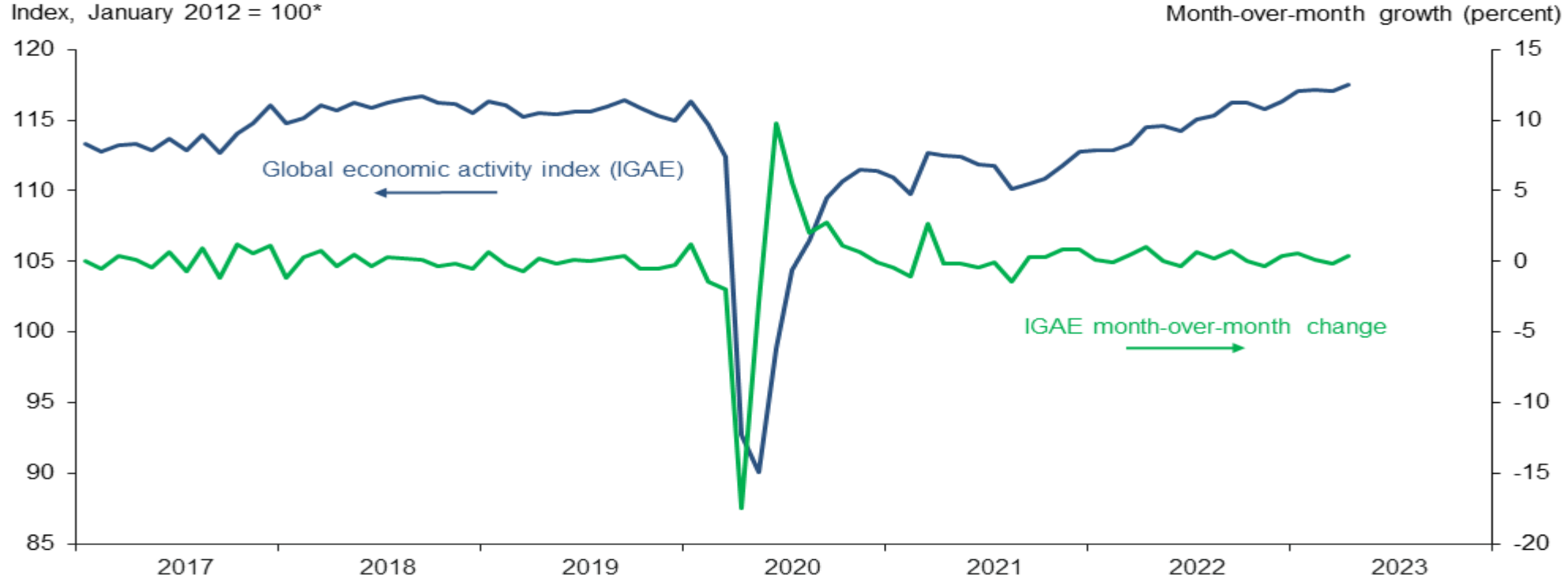
Accuracy:

- **3 months: 99.9%**
- **6 months: 93.3%**

Expansion of Economic Growth

Chart 1
Economic activity picks up in April

Index, January 2012 = 100*



*Seasonally adjusted; real pesos.

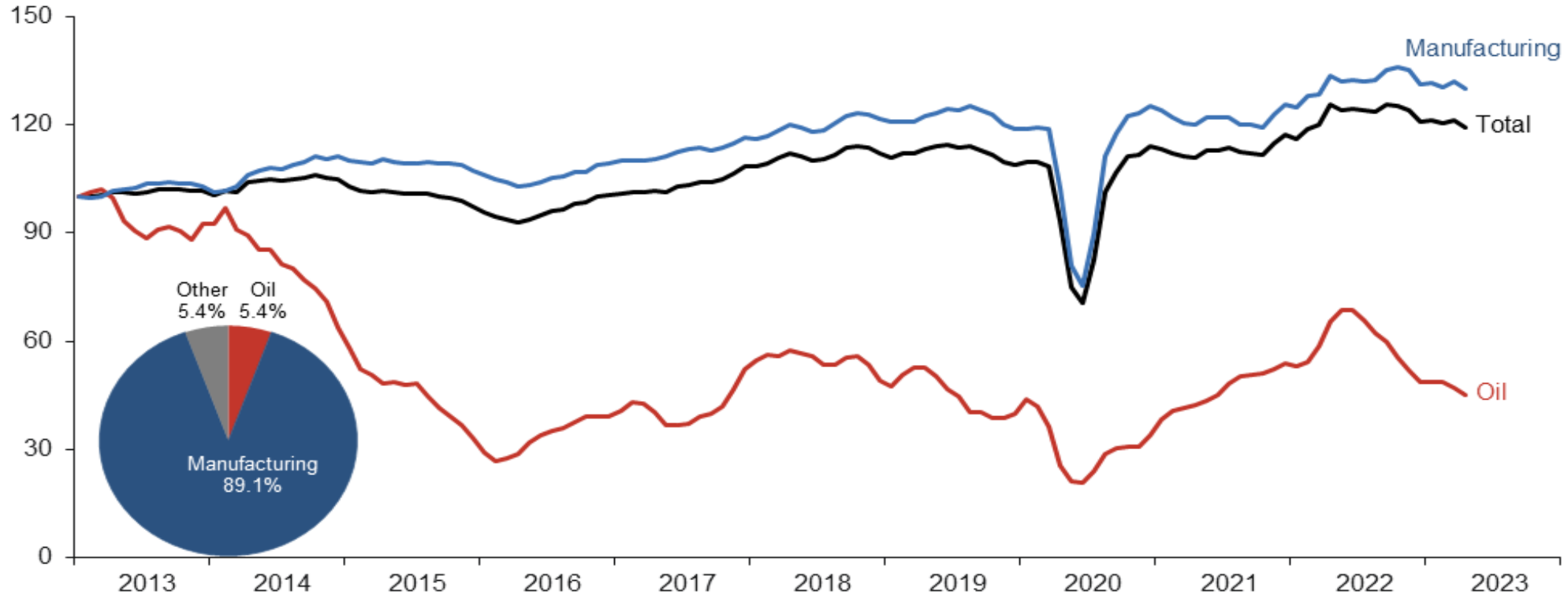
NOTE: Data are through February 2023. Data for March 2023 and April 2023 are estimated by the National Institute of Statistics and Geography (INEGI) using its timely indicator of economic activity (IOAE).

SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

Manufacturing Dominates Exports

Chart 3
Exports tick down in April

Index, January 2013 = 100*



*Seasonally adjusted, three-month moving average; real dollars.

NOTES: Shown are total, manufacturing and oil exports from Mexico. Data are through April 2023. The pie chart reflects the share of total exports so far in 2023; shares do not total 100 percent due to rounding.

SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

Retail Sales

Chart 4
Retail sales rise further in March

Index, January 2013 = 100*



*Seasonally adjusted, three-month moving average; real pesos.

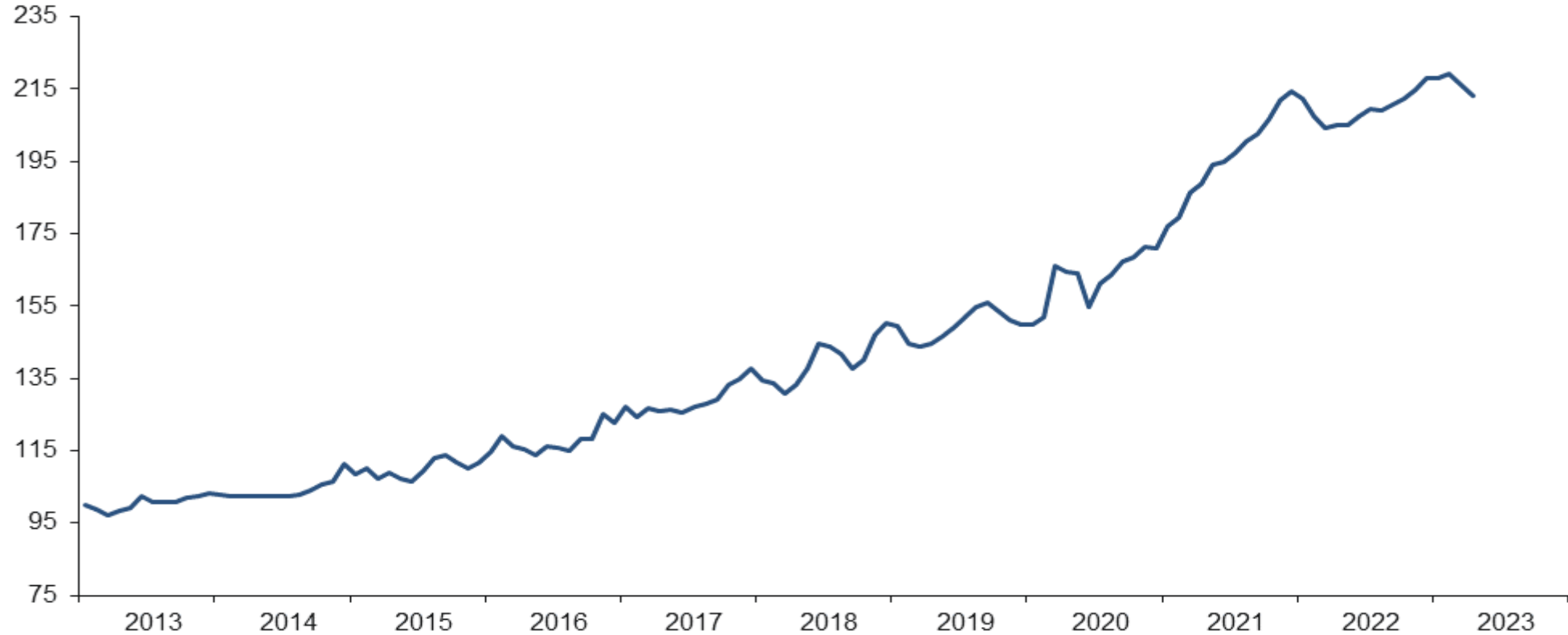
NOTE: Data are through March 2023.

SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

Remittances Down

Chart 7
Moving average of remittances ticks down

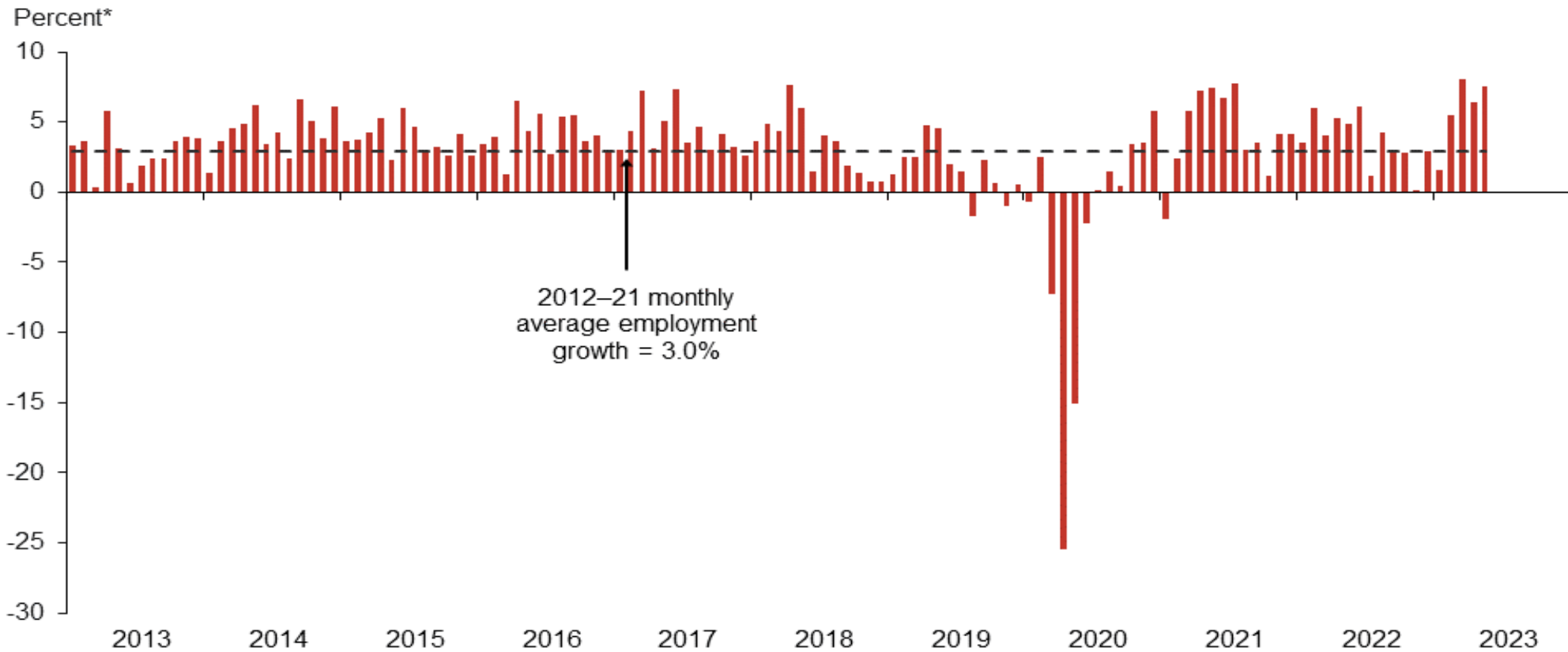
Index, January 2013 = 100*



*Seasonally adjusted, three-month moving average; real dollars.
NOTES: Shown are remittances sent to Mexico. Data are through April 2023.
SOURCES: Banco de México; Bureau of Labor Statistics.

Employment Growth

Chart 5
Formal employment growth strong in May



*Month/month; seasonally adjusted, annualized rate.

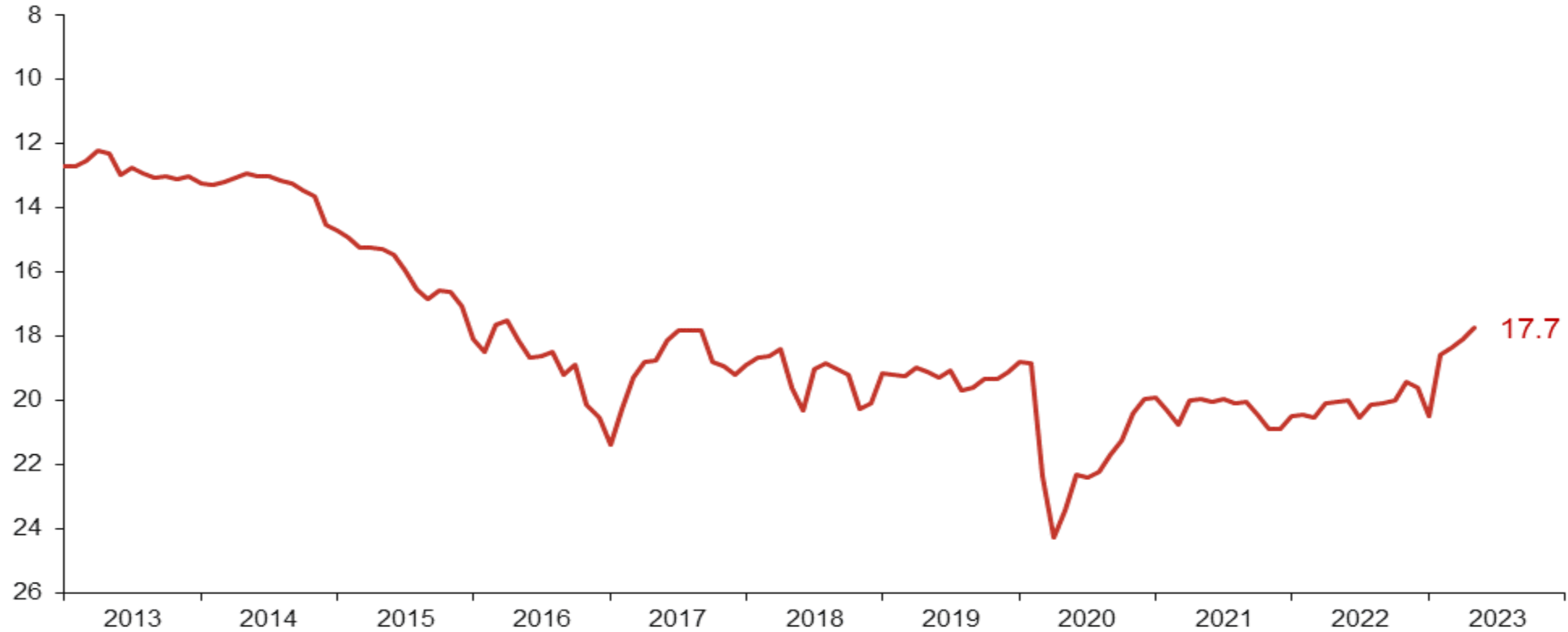
NOTE: Shown is employment growth in Mexico's formal sector through May 2023.

SOURCE: Instituto Mexicano del Seguro Social (Mexican Social Security Institute).

Peso Gaining

Chart 6
Peso gains more ground against the dollar in May

Peso/dollar monthly average

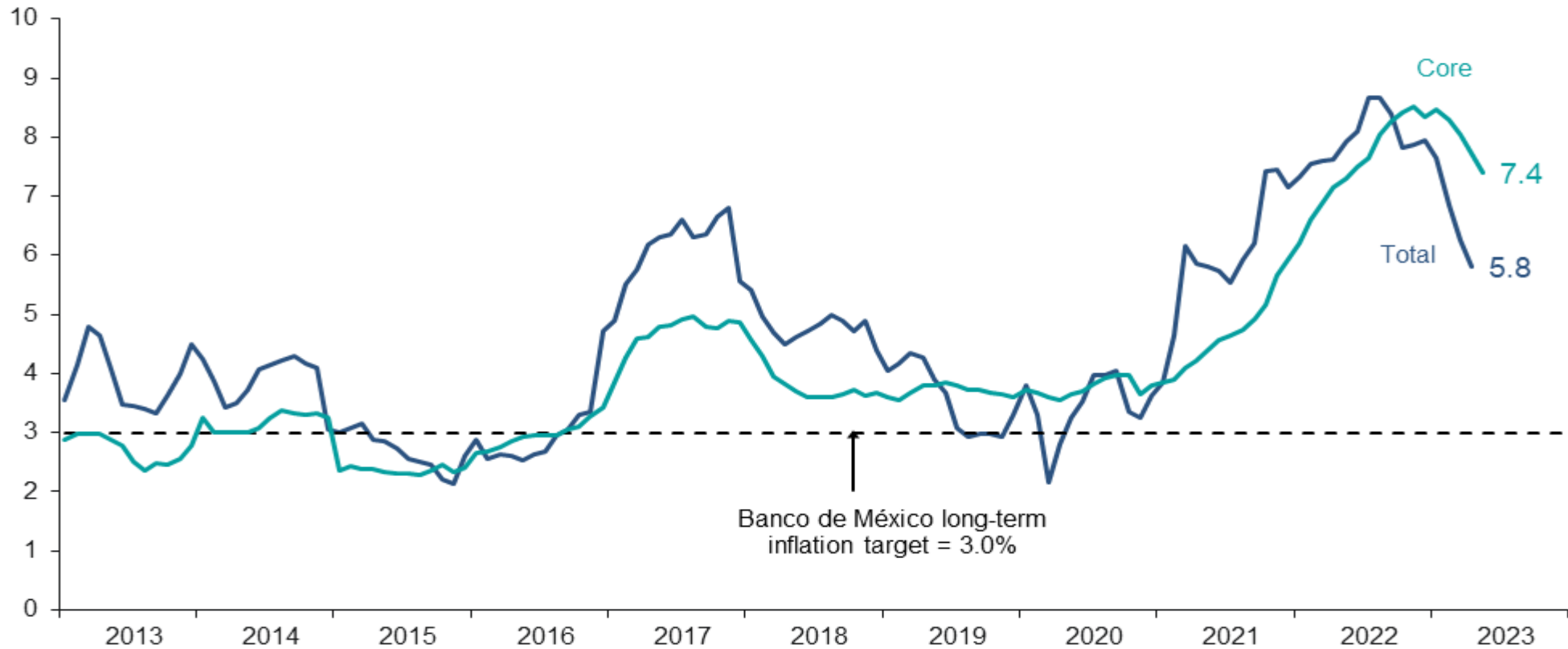


NOTES: The axis is inverted. Data are through May 2023.
SOURCE: Banco de México.

Inflation Easing

Chart 9
Inflation moderates further in May

12-month change in CPI (percent)



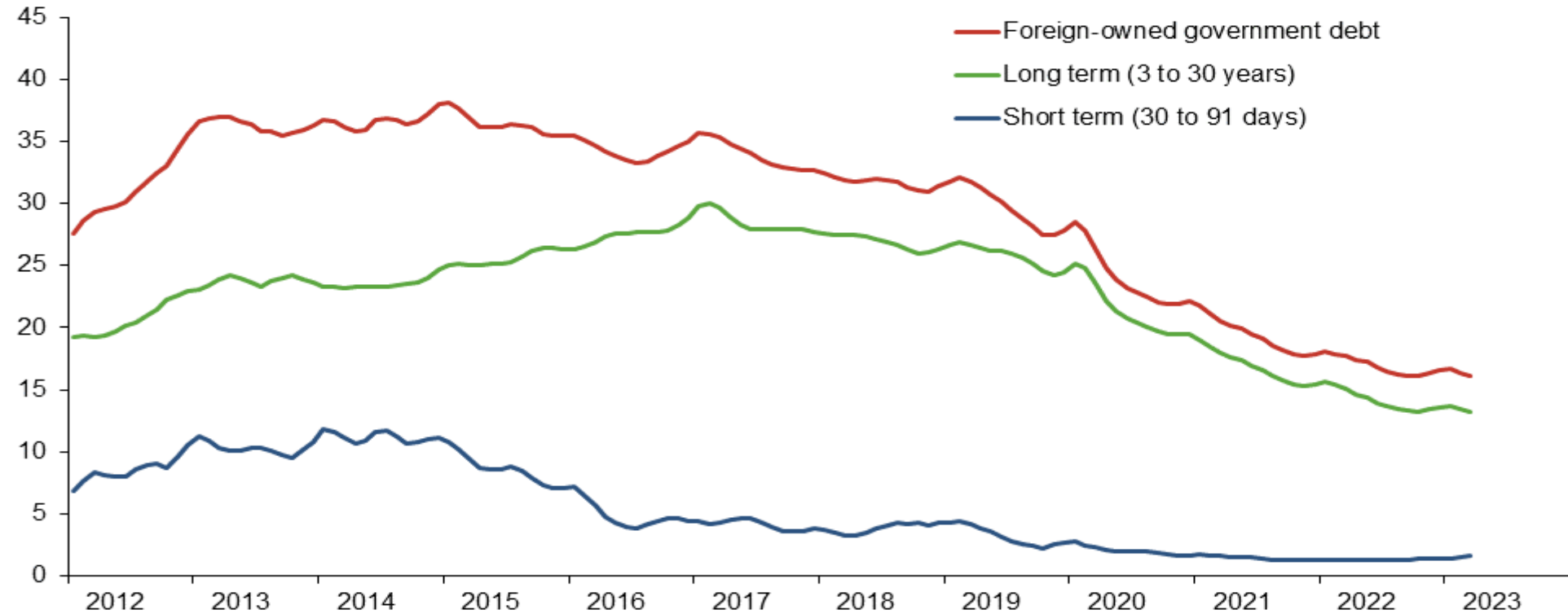
NOTES: Shown are core and total consumer price index (CPI) inflation in Mexico. Data are through May 2023.

SOURCES: Banco de México; Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

Foreign Owned Debt Down

Chart 8
Foreign-owned government debt turns down

Percent share of total*



*Three-month moving average.

NOTES: Shown is the share of foreign-held Mexican public debt. Data are through April 2023.

SOURCE: Banco de Mexico.

Up Front: UAW Strike Threat

- **Situation will be hour-to-hour until a tentative deal is struck (then risk will continue until labor ratification)**
- **Every 10 days, a strike by the Big 3 would cost \$6 billion to the economy.**
- **OEMs are increasing their wage offers (increases of up to 16% - UAW still wants 42%)**
- **Soft-sided negotiations are where the progress is being made.**
- **The problem is future competitiveness. After wage increases, would move the average salary to \$47 an hour for a UAW worker...**
 - Mexico - \$12/hour
 - China - \$3.85/hour

Headwind BLUF: Latest NFIB Data Shows No Inventory Building Expectations Ahead for Next Six Months

- A net negative 5% believe that inventories are “too low” (the percentage of owners that think inventories are too low continues to drop).
- Zero percent expect to increase their inventories (above usual sales replenishment levels) over the next six months.
- This is still the big story for supply chain activity.
- ISM Business Inventory Sentiment index was 61.5, up 4.9 points between July and August and “too high” (50-55 is a balanced inventory level).
 - Manufacturers felt that their customer’s inventory levels were balanced
 - Manufacturers themselves are sitting lower than usual. An uptick in new orders would put the supply chain back in motion quickly.

Small Business Optimism

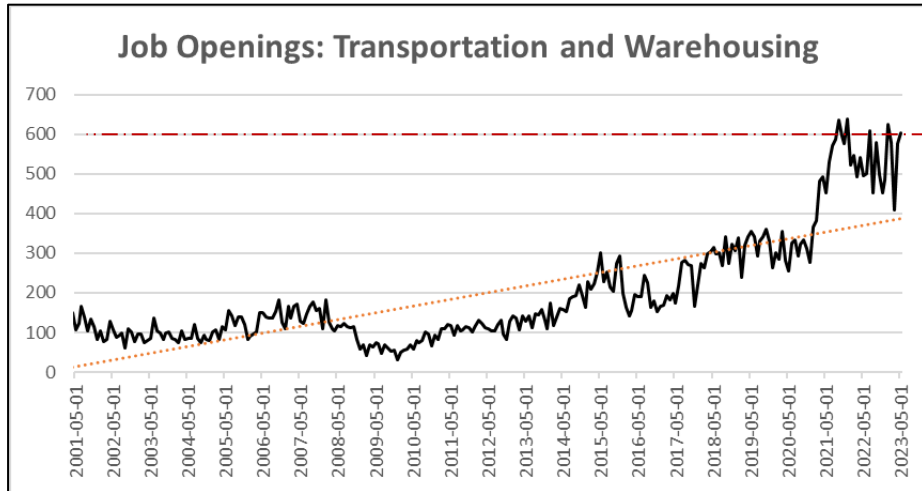
Index Component	Net %	From Last Month
Plans to Increase Employment	17%	— 0
Plans to Make Capital Outlays	24%	▼ -3
Plans to Increase Inventories	0%	▲ 2
Expect Economy to Improve	-37%	▼ -7
Expect Real Sales Higher	-14%	▼ -2
Current Inventory	-5%	▼ -1
Current Job Openings	40%	▼ -2
Expected Credit Conditions	-6%	▲ 2
Now a Good Time to Expand	6%	— 0
Earnings Trends	-25%	▲ 5



NFIB.com/sboi

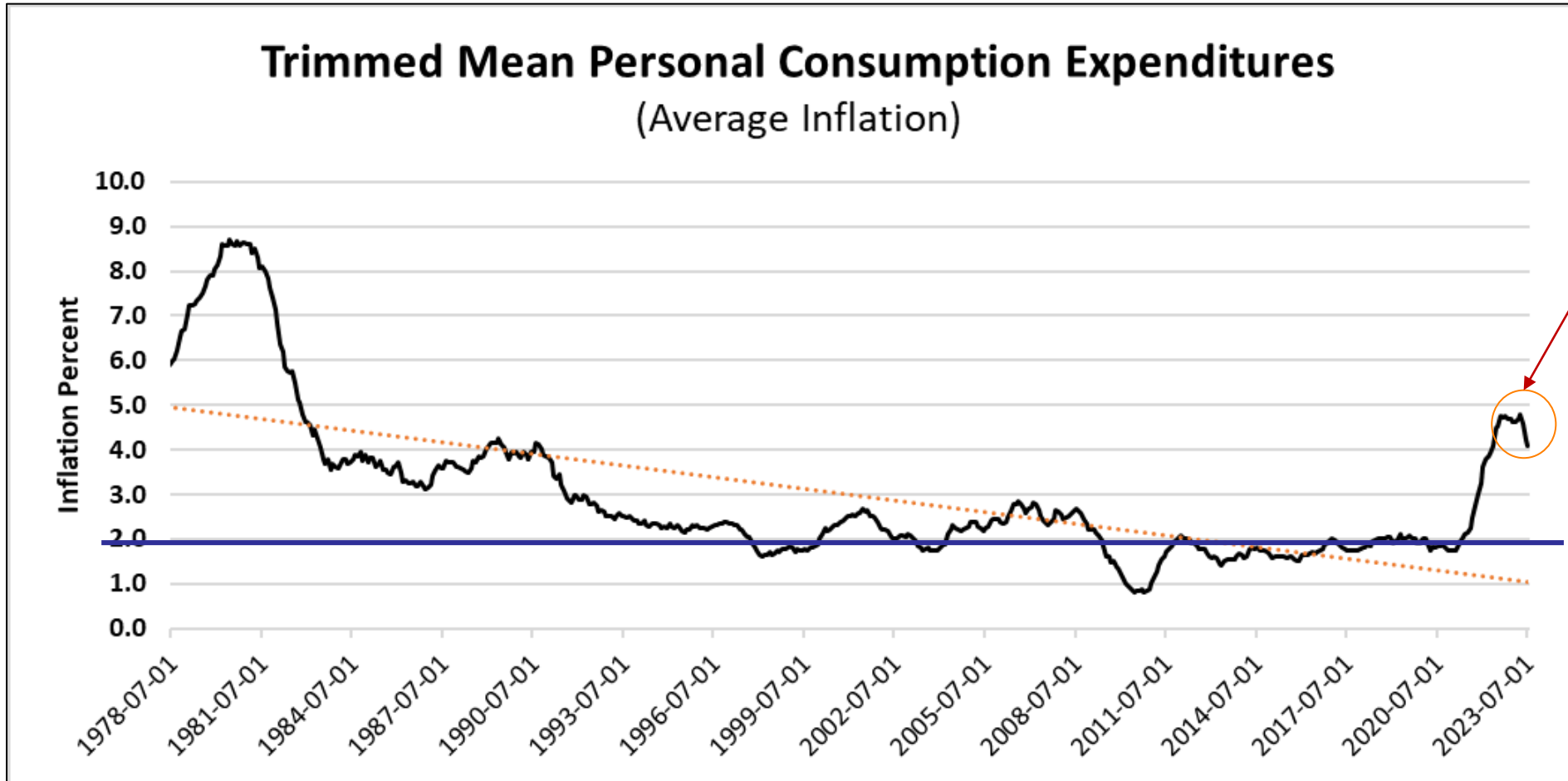
Total Job Openings Fell to 9.8 million from 10.3 million last month

- Openings are down from where they were last year at this time by 14.1%.
- This is still well ahead of the “normal” levels of job openings of 6 million (what is a “balanced market”).



Name	May-23	Apr-23	May-22	M/M	Y/Y
Total Nonfarm	9,824	10,320	11,443	-4.8%	-14.1%
Total Private	8,693	9,291	10,379	-6.4%	-16.2%
Construction	366	347	392	5.5%	-6.6%
Manufacturing	604	668	837	-9.6%	-27.8%
Durable Goods	377	395	525	-4.6%	-28.2%
Non-durable goods	227	273	312	-16.8%	-27.2%
Trade, Transportation and Utilities	1,675	1,774	2,047	-5.6%	-18.2%
Retail Trade	829	954	1,165	-13.1%	-28.8%
Professional and Business Service	1,812	1,718	2,128	5.5%	-14.8%
Education and Health Services	1,938	2,179	2,158	-11.1%	-10.2%
Health Care and Social Assistance	1,725	2,010	1,987	-14.2%	-13.2%
Leisure and Hospitality	1,355	1,463	1,567	-7.4%	-13.5%
Arts, Entertainment and Recreation	172	241	161	-28.6%	6.8%
Accommodation and Food Services	1,183	1,222	1,406	-3.2%	-15.9%
Government	1,132	1,029	1,064	10.0%	6.4%
State and Local	959	881	928	8.9%	3.3%
Census Region					
Northeast	1,473	1,629	1,885	-9.6%	-21.9%
South	4,031	4,088	4,379	-1.4%	-7.9%
Midwest	2,130	2,239	2,464	-4.9%	-13.6%
West	2,191	2,364	2,715	-7.3%	-19.3%

The Fed is Still Fighting Inflation, and One More Quarter Point Hike is Possible by the End of the Year.



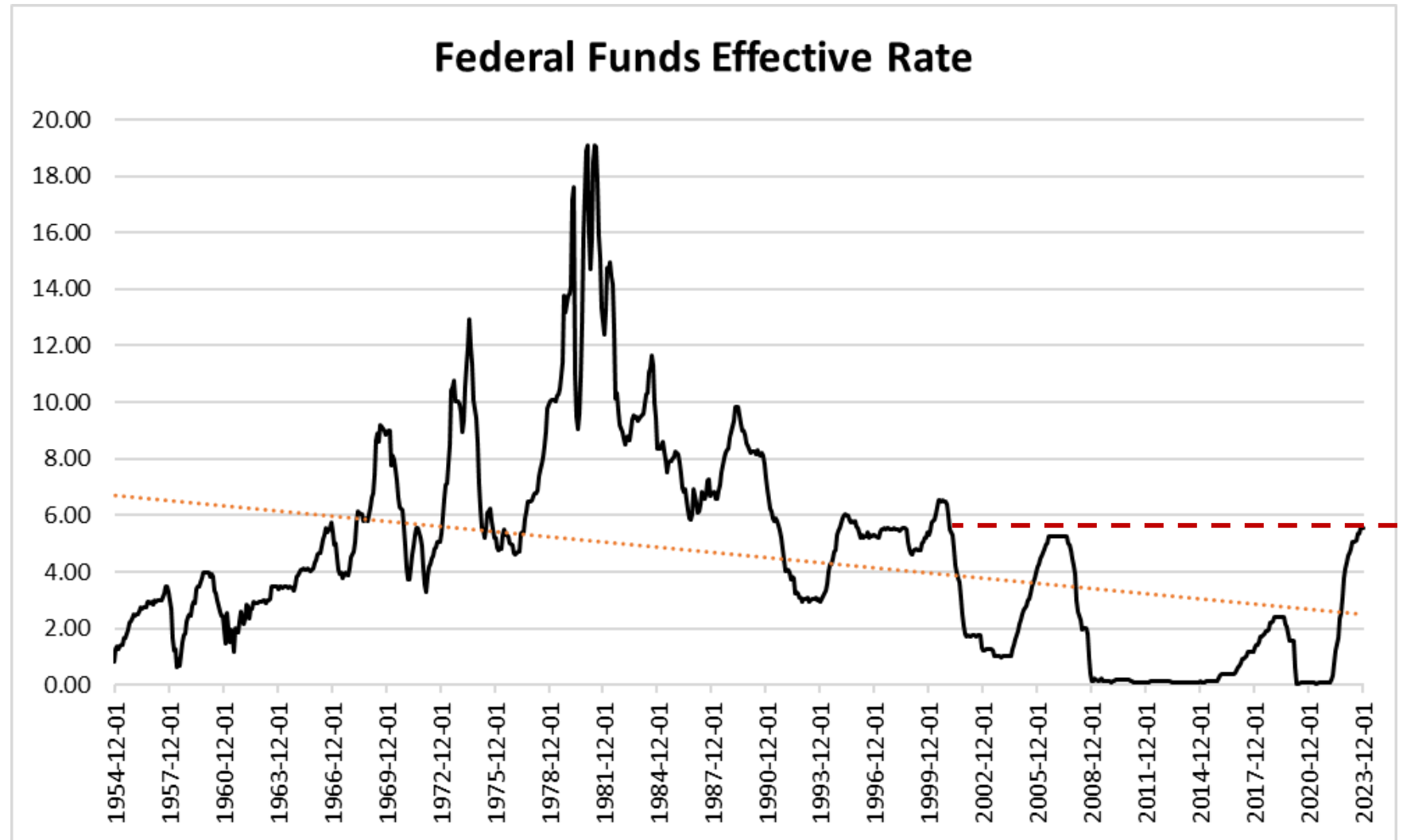
- 4.10% July
- 4.24% June
- 4.61% May
- 4.81% Apr
- 4.68% Mar
- 4.67% Feb
- 4.63% Jan
- 4.68% Dec
- 4.70% Nov
- 4.75% Oct
- 4.73% Sep
- 4.75% Aug

2% Target Rate
(20-year average 2.07%)

Note: The Trimmed Mean Personal Consumption Expenditures (TMPCE) averages more than 190 inflationary measures, stripping off the extreme highs and lows to give us a more accurate view of street level inflation.

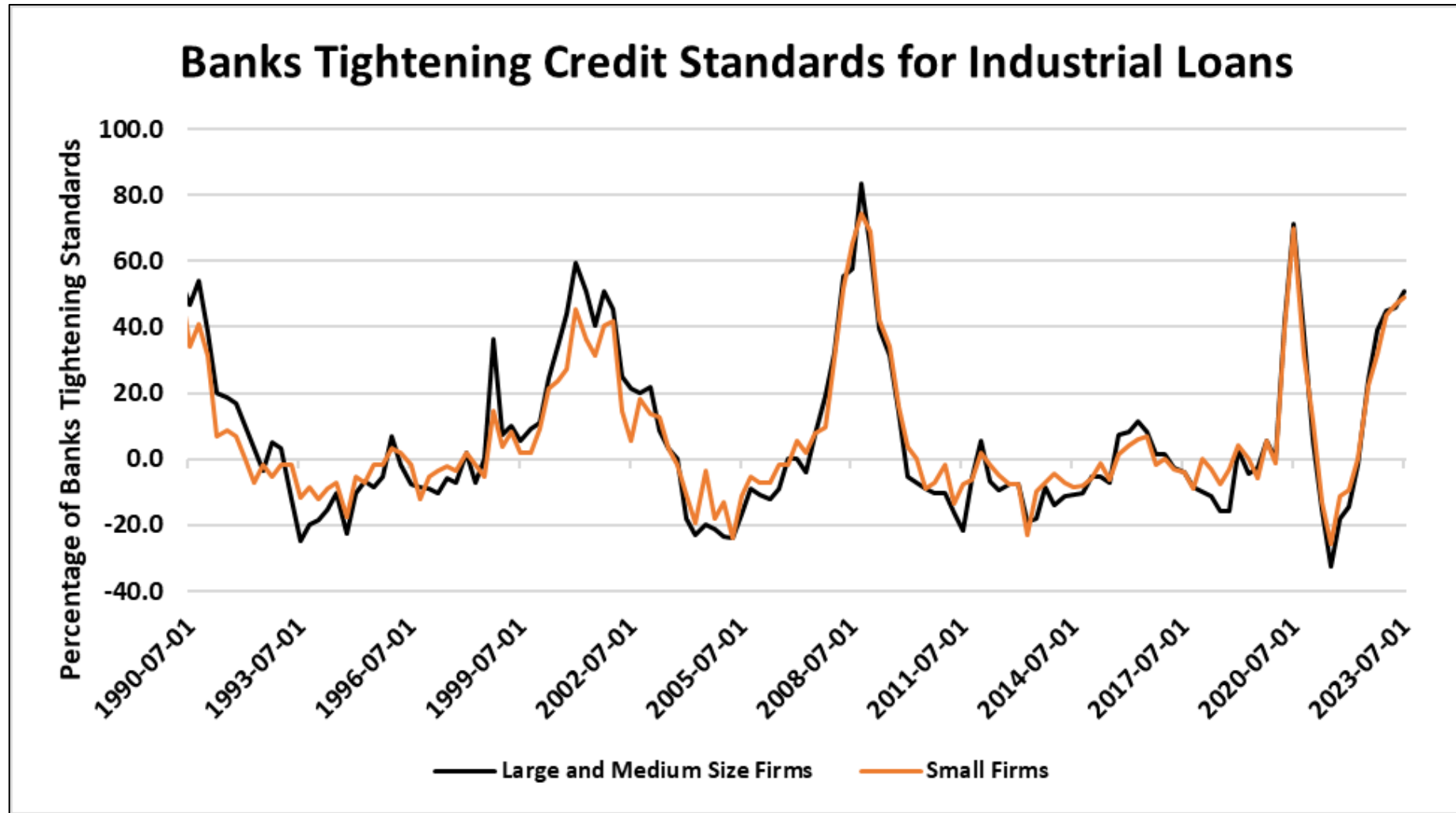
Therefore, Outlook for Fed Funds Rate to Hit Strongest Levels Since 2000...Perhaps One More Rate Hike (Pause in Sept, Hike in Nov)

- Nonresidential construction carries the greatest risk, especially in 2024/2025.
- More than \$200 billion in CRE lease contracts will be renegotiated before the end of 2023. Collectively, between \$1.3 trillion and \$3 trillion to be renegotiated over the next two years.
- Forecasts show some softening of the Fed Funds Rate late in 2024.
- The new neutral rate of interest target is likely to be 2.5%, rather than the 1% target in the decade prior to the pandemic. Rates will stay higher for longer.



The Real Risk: Bank Credit Tightening Showed No Changes Through July (Latest Available).

- Bank credit standards were already tightening before the early March mini banking crisis started.
- The New York Fed household surveys show that bank credit was tightening at the fastest rate since the measure was collected.
- 12% of respondents believe that they may default on a payment over the next six months.

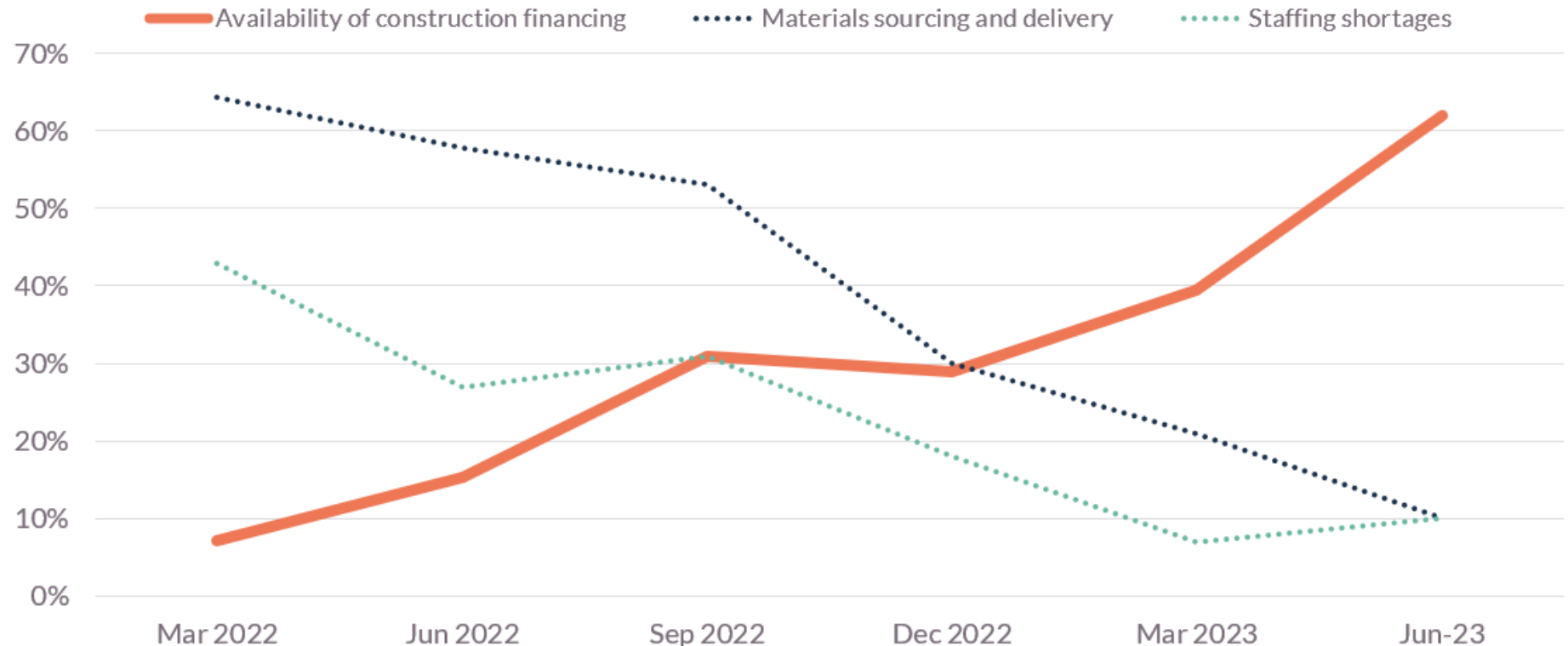


The Biggest Problem Will Be a Loan Headwind

1. This is for apartments, but the same is being reported across all construction.
2. Construction financing headwinds have surged, 63% of the delays in new projects are due to financing problems. Roughly 10% are still supply chain related.

Apartment starts seeing indefinite delays due to lack of construction financing

NMHC Survey: Reasons for Delayed Apartment Starts (select shown)



Source: National Multifamily Housing Council (NMHC) Quarterly Survey of Apartment Construction & Development Activity

Multiple responses allowed, but narrowed to only three select reasons shown in chart. For full survey results, visit:

<https://www.nmhc.org/research-insight/nmhc-construction-survey/2023/quarterly-survey-of-apartment-construction-development-activity-march-2023/>



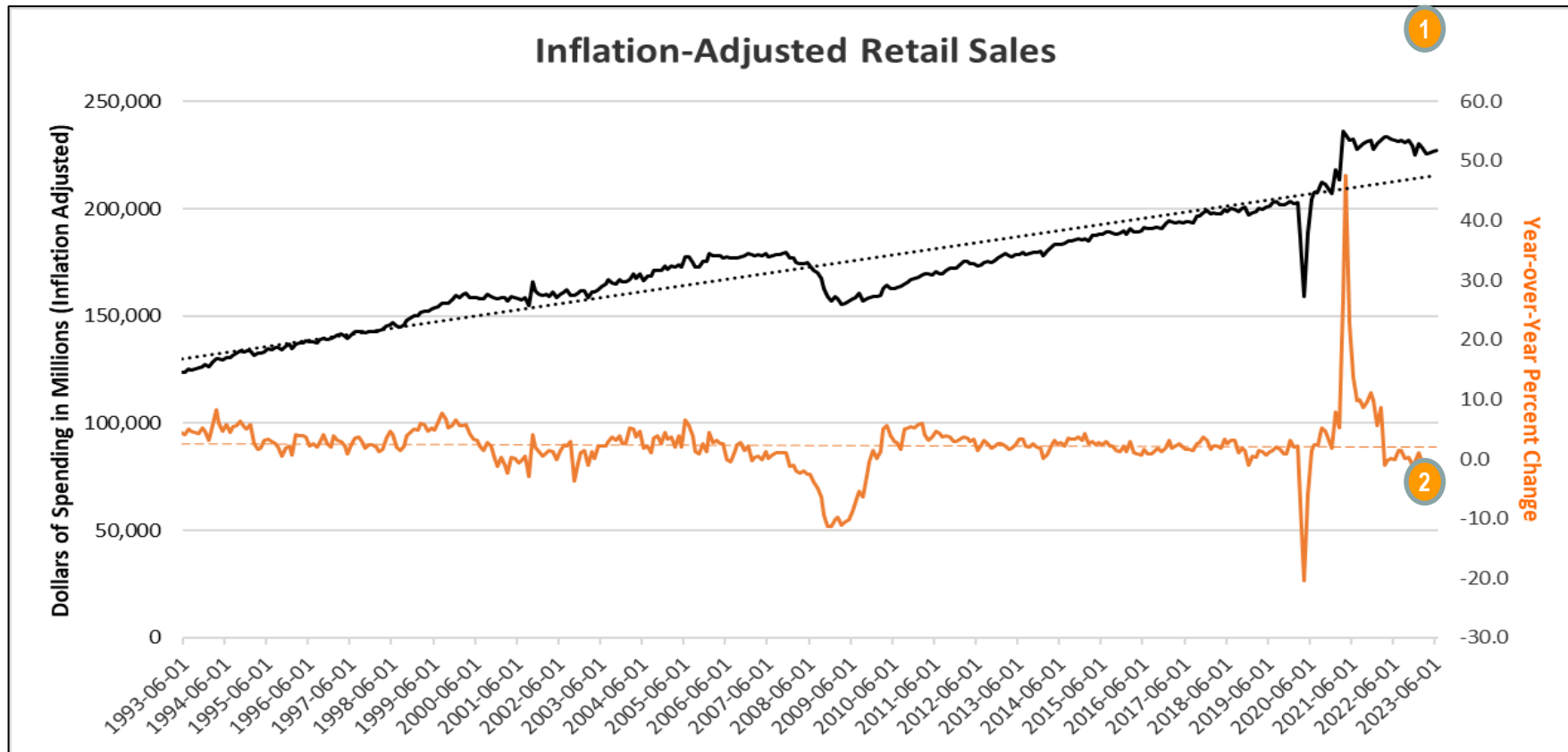
Here is Why So Much of the Economy continues to struggle

1. **65.1% of the marketplace remains overstocked** through the end of April relative to 10-year average between Sep 2009 and Sep 2019.
 - Approximately 35% of the market is likely in a continuous reorder cycle, but the majority of the market is likely still conservatively ordering for the rest of 2023.
 - Some supply chain pressures in China could reverse this thinking for sourcing managers.

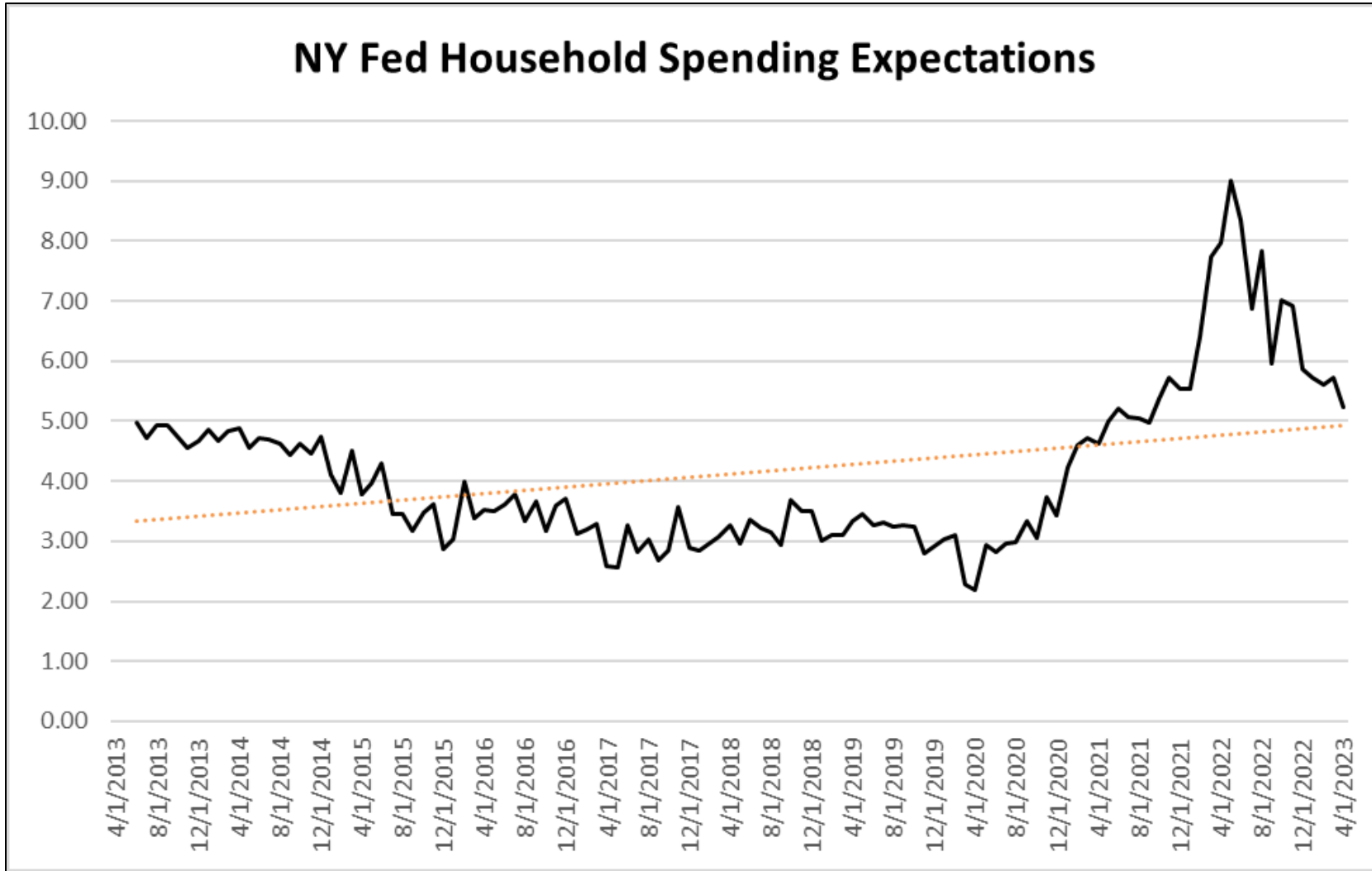
Inventory to Sales Ratio (ISR) Analysis				
Sector	April Sales (Millions)	9/12/09 - 09/12/19 10-YR Average	Apr-23	ISR Percent Above/Below Pre-pandemic
Total Business		1.34	1.40	4.5%
1 Automotive		2.49	0.65	-73.7%
2 Retail		1.43	1.29	-9.8%
3 Merchant Wholesalers		1.29	1.40	8.5%
4 Manufacturing		1.35	1.50	11.1%
1 Drugs Wholesalers	84,911	1.09	1.03	-5.5%
2 Department Stores (ie. Nordstrom's)	11,154	2.11	2.01	-4.7%
3 Chemical Wholesalers	14,323	1.17	1.12	-4.3%
4 General Merchandise (ie. Walmart)	72,315	1.43	1.41	-1.4%
5 Food and Beverage Stores	81,844	0.78	0.78	0.0%
6 Apparel Stores	25,640	2.39	2.39	0.0%
7 Furniture, Appliance Stores (i.e NFM)	18,773	1.63	1.65	1.2%
8 Computer Wholesale Distributors	25,033	0.79	0.80	1.3%
9 Paper Wholesalers (ie. National Paper)	8,178	1.09	1.11	1.8%
10 Building Material Stores (ie. Home Depot)	35,654	1.85	1.94	4.9%
11 Machinery Wholesalers (ie. John Deere, Vermeer)	50,586	2.60	2.81	8.1%
12 Furniture Wholesalers	10,111	1.71	1.85	8.2%
13 Lumber and Construction Material Wholesalers	18,007	1.49	1.69	13.4%
14 Commerical Equipment Wholesalers	49,622	1.09	1.25	14.7%
15 Grocery Wholesalers	71,359	0.68	0.78	14.7%
16 Durable Goods Wholesalers	304,226	1.59	1.85	16.4%
17 Hardware, Plumbing, Heating Wholesalers	19,505	2.05	2.47	20.5%
18 Household Appliances/Electronics Wholesalers	63,794	1.10	1.38	25.5%
19 Alcohol Wholesale Distributors	14,574	1.31	1.67	27.5%

Inflation-Adjusted Retail Spending Continued to Remain Stable and Near Historically High Rates Through June.

1. Inflation-adjusted retail sales continued to outpace the 30-year trend through June.
2. Some slight fatigue in consumer spending was beginning to show up in June and inflation-adjusted sales fell 1.6% Y/Y.

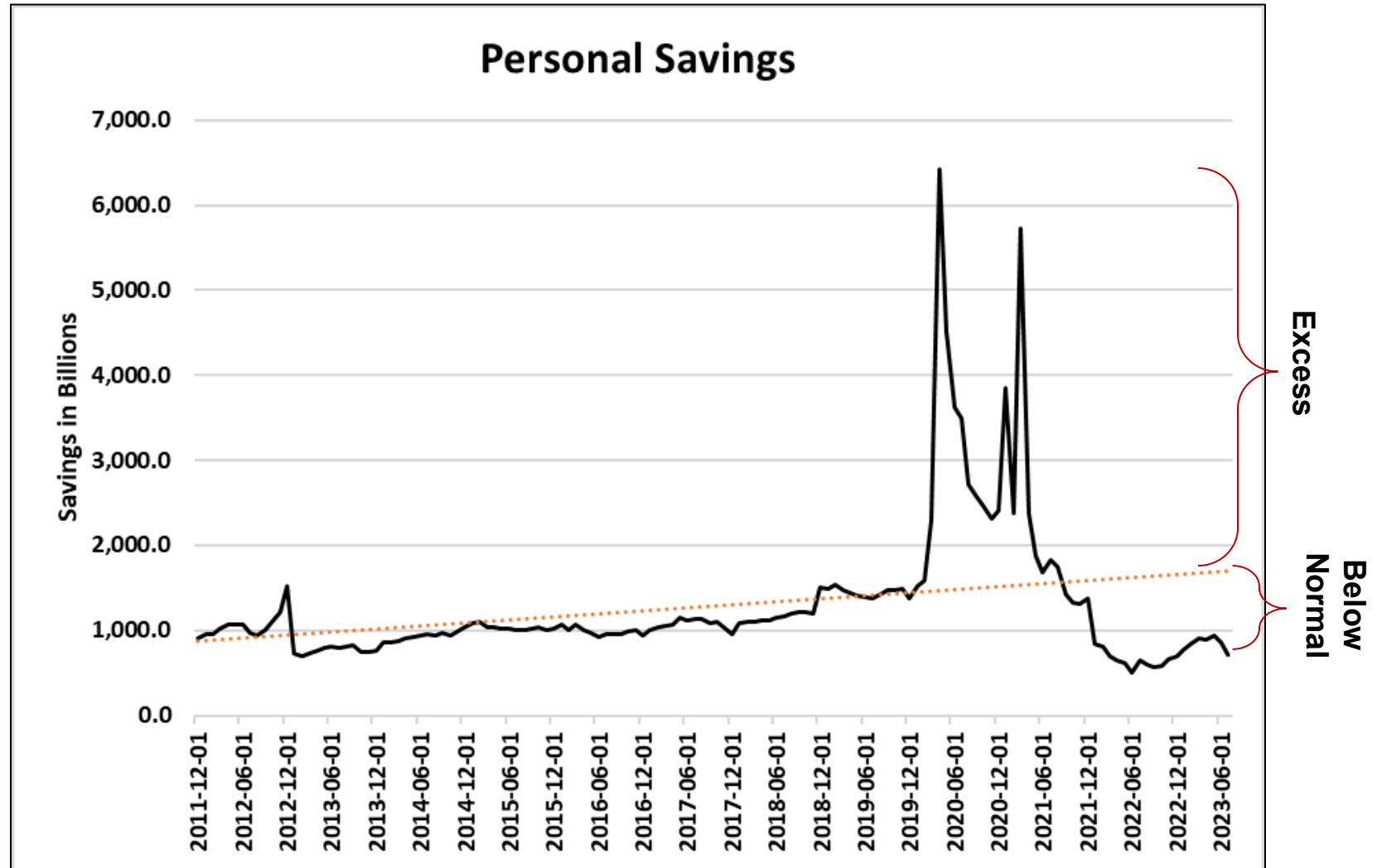


Risk: Consumer Spending Expectations – New York Fed



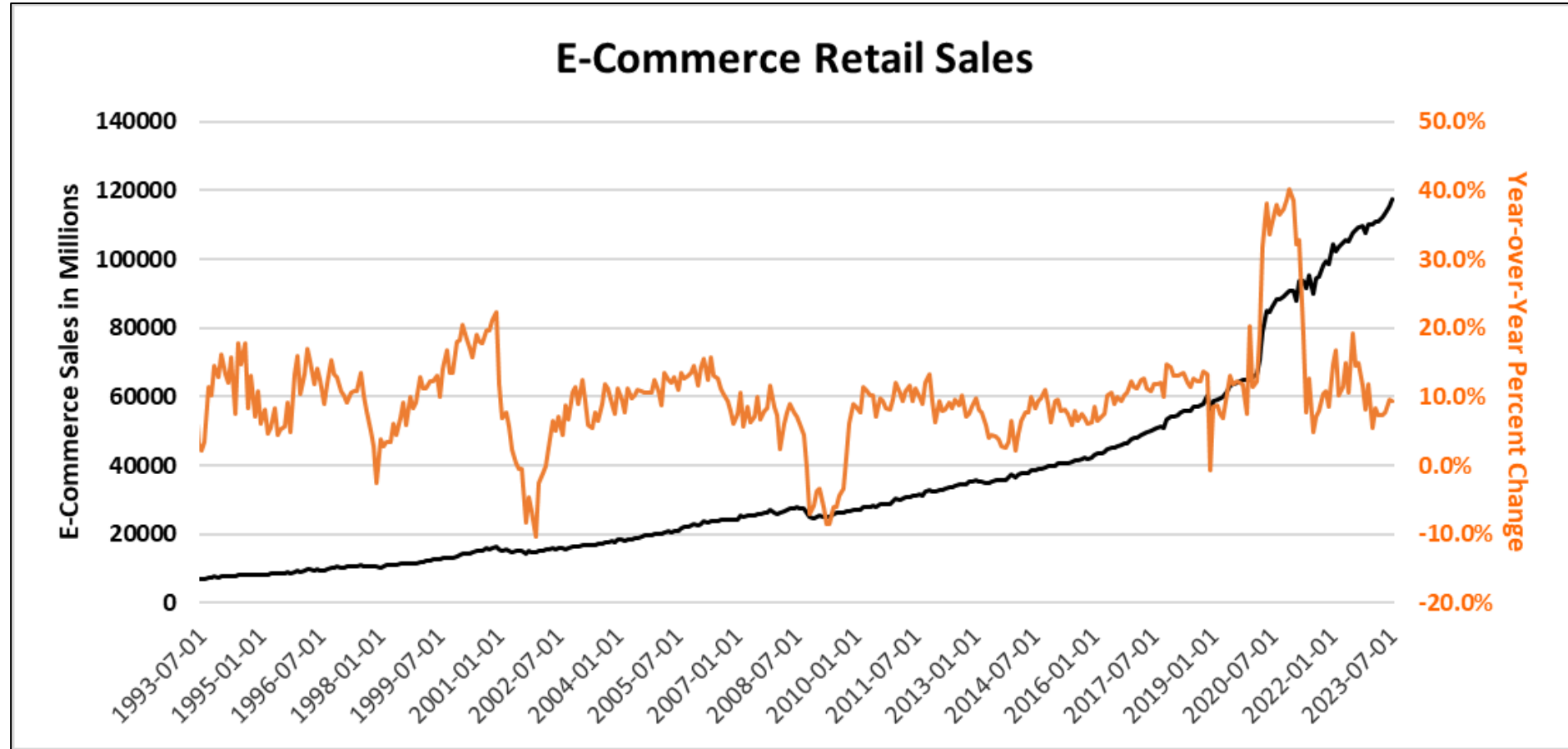
Risk: Personal Saving Excess Depleted

- Roughly \$1.9 trillion below the long-term savings trendline
- Analysts believe that \$2.1 trillion in excess has been spent
- Record credit card interest rates, and record credit card spending is a concern
- Ending of student loan payment moratorium in September/October could affect this as well

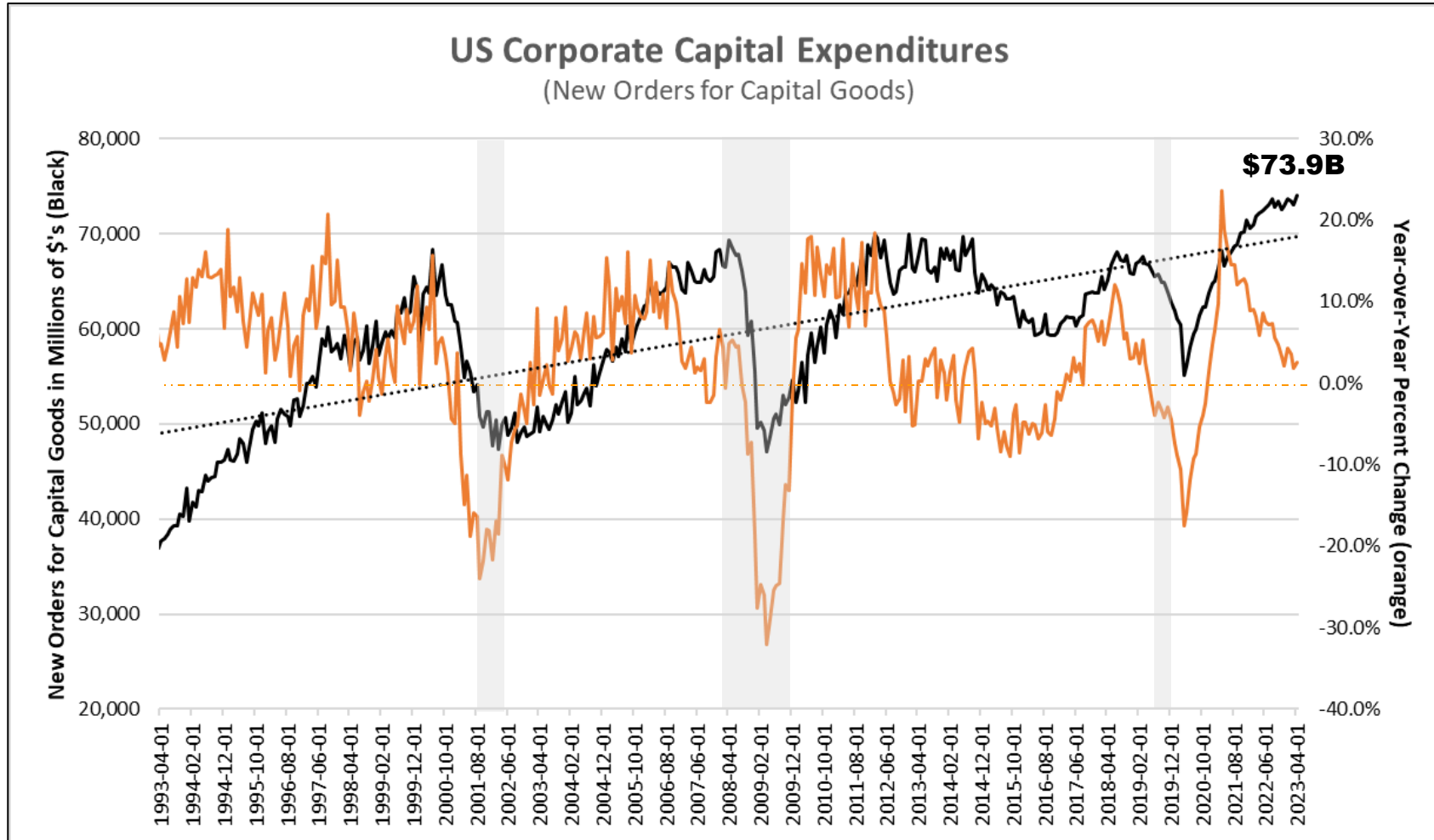


Demand: E-Commerce Surging Still

- Up 10.3% Y/Y
- 84.7% higher than pre-pandemic levels.
- **But, Amazon Prime Days**
 - Hit record volumes
 - Discount rate was 14%, double last year's 7% rate
 - Items were pulled-forward Christmas items and some back-to-school



Corporate Investment Remains Steady



New Orders for Durable Goods Remained Stable (in general)

- Some growing sectors through May included:
 - Computers
 - Electrical equipment and appliances
 - Automotive
 - Defense sector
- Weak sectors include:
 - Communications equipment
 - Fabricated metals
 - Primary Metals

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted			Not Seasonally Adjusted						
	Monthly		Percent Change	Monthly			Y/Y	Year to Date		Percent Change 2023/2022
	May-23	Apr-23		May-23	Apr-23	May-22		2023	2022	
Total:	288,180	283,233	1.7	288,027	272,347	268,450	7.3%	1,384,546	1,337,649	3.5
Excluding transportation:	185,616	184,537	0.6	190,457	181,468	188,429	1.1%	923,996	919,882	0.4
Excluding defense:	269,930	262,193	3.0	273,357	251,940	256,591	6.5%	1,301,177	1,273,146	2.2
Manufacturing with unfilled orders:	206,161	202,920	1.6	204,104	194,880	189,466	7.7%	987,873	958,552	3.1
Primary metals:	26,763	26,642	0.5	27,871	26,266	28,629	-2.6%	136,655	140,076	-2.4
Fabricated metal products:	35,221	35,213	0.0	37,897	35,575	37,640	0.7%	180,319	183,016	-1.5
Machinery:	37,618	37,261	1.0	38,169	37,053	37,325	2.3%	188,943	186,542	1.3
Computers and electronic products:	24,047	23,971	0.3	22,249	22,093	22,056	0.9%	114,278	111,985	2.0
Computers and related products:	2,003	2,051	-2.3	1,805	1,799	1,531	17.9%	9,037	7,352	22.9
Communications equipment:	2,863	2,910	-1.6	2,403	2,504	2,794	-14.0%	13,571	14,351	-5.4
Electrical equipment, appliances,	14,049	13,820	1.7	14,304	13,500	13,363	7.0%	69,757	65,652	6.3
Transportation equipment:	102,564	98,696	3.9	97,570	90,879	80,021	21.9%	460,550	417,767	10.2
Motor vehicles and parts:	62,668	61,337	2.2	63,150	58,058	57,586	9.7%	307,866	284,576	8.2
Nondefense aircraft and parts:	21,775	16,440	32.5	19,294	12,482	9,915	94.6%	69,115	67,817	1.9
Defense aircraft and parts:	4,978	7,711	-35.4	3,886	7,415	3,468	12.1%	26,508	17,970	47.5
All other durable goods:	47,918	47,630	0.6	49,967	46,981	49,416	1.1%	234,044	232,611	0.6
Capital goods:	106,929	103,992	2.8	100,914	98,011	87,620	15.2%	484,384	461,066	5.1
Nondefense capital goods:	91,027	85,342	6.7	87,972	79,609	77,359	13.7%	412,266	404,916	1.8
Excluding aircraft:	73,959	73,462	0.7	72,958	70,988	70,942	2.8%	364,612	354,930	2.7
Defense capital goods:	15,902	18,650	-14.7	12,942	18,402	10,261	26.1%	72,118	56,150	28.4

Headwind BLUF: Global Manufacturing Highlights

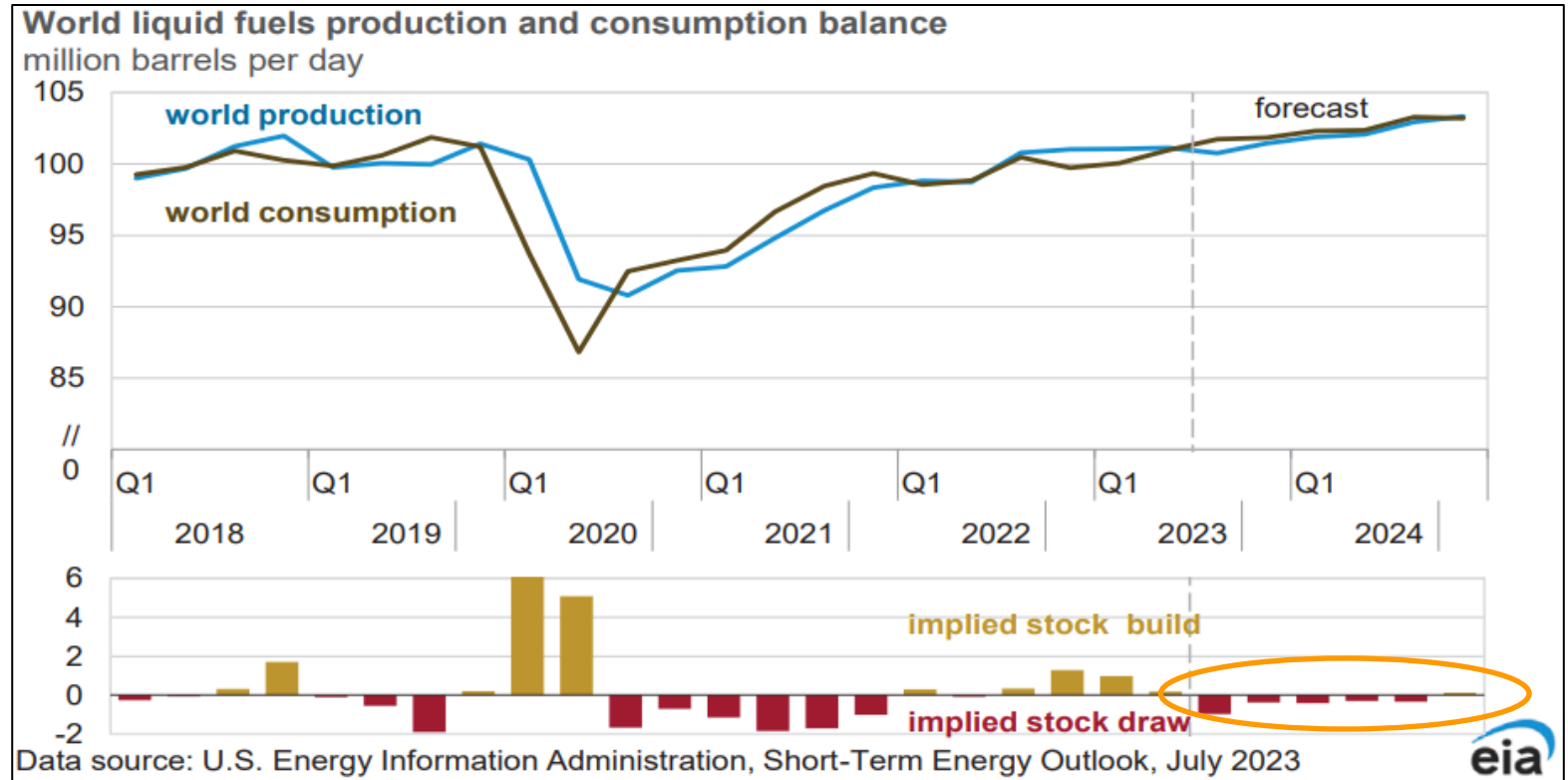
- 19 countries had manufacturing sectors in contraction in Aug
- Europe still in recession.
- Asia is reeling from lack of demand in NA and Europe
- India is booming – because of shifting sourcing patterns
- Canada and the US in contraction, Mexico just barely hanging on.
- This could make some raw materials more plentiful, and help clear backlogs
- But from a global economy perspective, its not great news.

Country	Current Month	Latest Month Manuf. PMI	Prior Month Manuf. PMI	M/M Change	Current Month Services PMI	Latest Month Services PMI	Prior Month Services PMI	M/M Change
Global PMI	Aug	49.0	48.6	0.4	Aug	51.1	52.7	-1.6
Eurozone PMI	Aug	43.5	42.7	0.8	Aug	47.9	50.9	-3.0
US	Aug	47.9	49.0	-1.1	Aug	50.5	52.3	-1.8
China	Aug	51.0	49.2	1.8	Aug	51.8	54.1	-2.3
Canada	Aug	48.0	49.6	-1.6				
Mexico	Aug	51.2	53.2	-2.0				
Japan	Aug	49.6	49.6	0.0	Aug	54.3	53.8	0.5
Germany	Aug	39.1	38.8	0.3	Aug	47.3	52.3	-5.0
South Korea	Aug	48.9	49.4	-0.5				
UK	Aug	43.0	45.3	-2.3	Aug	49.5	51.5	-2.0
France	Aug	46.0	45.1	0.9	Aug	46.0	47.1	-1.1
India	Aug	58.6	57.7	0.9	Aug	60.1	62.3	-2.2
Italy	Aug	45.4	44.5	0.9	Aug	49.8	51.5	-1.7
Taiwan	Aug	44.3	44.1	0.2				
Brazil	Aug	50.1	47.8	2.3	Aug	50.6	50.2	0.4
Spain	Aug	46.5	47.8	-1.3	Aug	49.3	52.8	-3.5
Russia	Aug	52.7	52.1	0.6	Aug	57.6	54.0	3.6
Netherlands	Aug	45.9	45.3	0.6				
Ireland	Aug	50.8	47.0	3.8	Aug	55.0	56.7	-1.7
Greece	Aug	52.9	53.5	-0.6				
Poland	Aug	43.1	43.5	-0.4				
ASEAN	Aug	51.0	50.8	0.2				
Vietnam	Aug	50.5	48.7	1.8				
Philippines	Aug	49.7	51.9	-2.2				
Australia	Aug	49.6	49.6	0.0	Aug	47.8	47.9	-0.1
Switzerland	Aug	39.9	38.5	1.4				
Hong Kong	Aug	49.8	49.4	0.4				
Singapore	Aug	49.9	49.8	0.1				

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

EIA forecast has inverted since Q1 – now expecting a net draw on inventories.

- Now an implied net draw through 2023/2024 according to EIA
 - Consumption is still 20M Bpd currently with US production at 12.5M Bpd; 7M Bpd gap must still be imported
 - The US will start rebuilding the SPR in 2023 and 2024?
 - Concerns that global excess capacity is still just 1.2% higher currently, when China and Europe are largely consuming less.



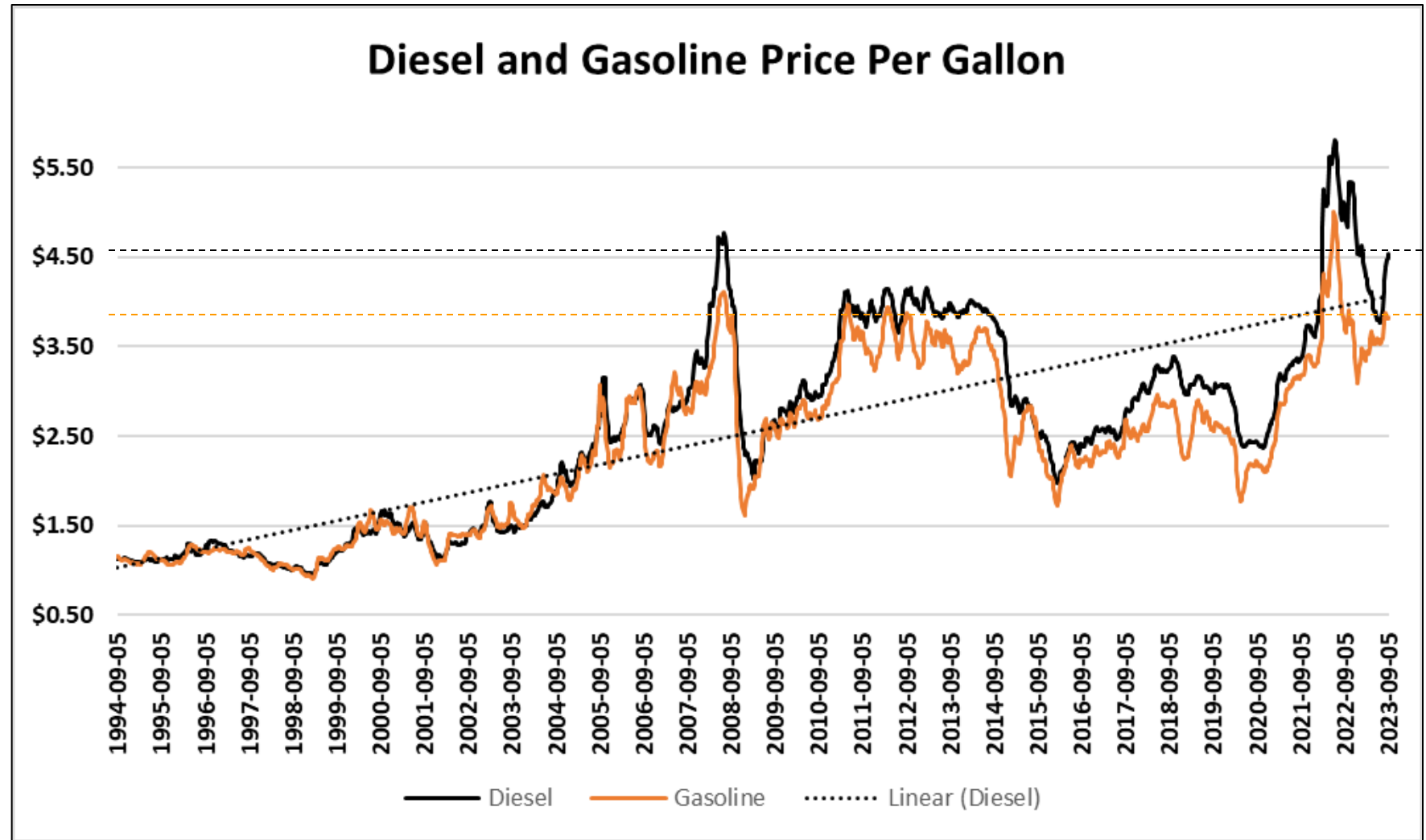
Crude forecast:	
• 2021	\$68.21
• 2022	\$94.91
• 2023	\$74.43
• 2024	\$78.51

Diesel forecast:	
• 2021	\$3.29
• 2022	\$5.02
• 2023	\$3.96
• 2024	\$3.84

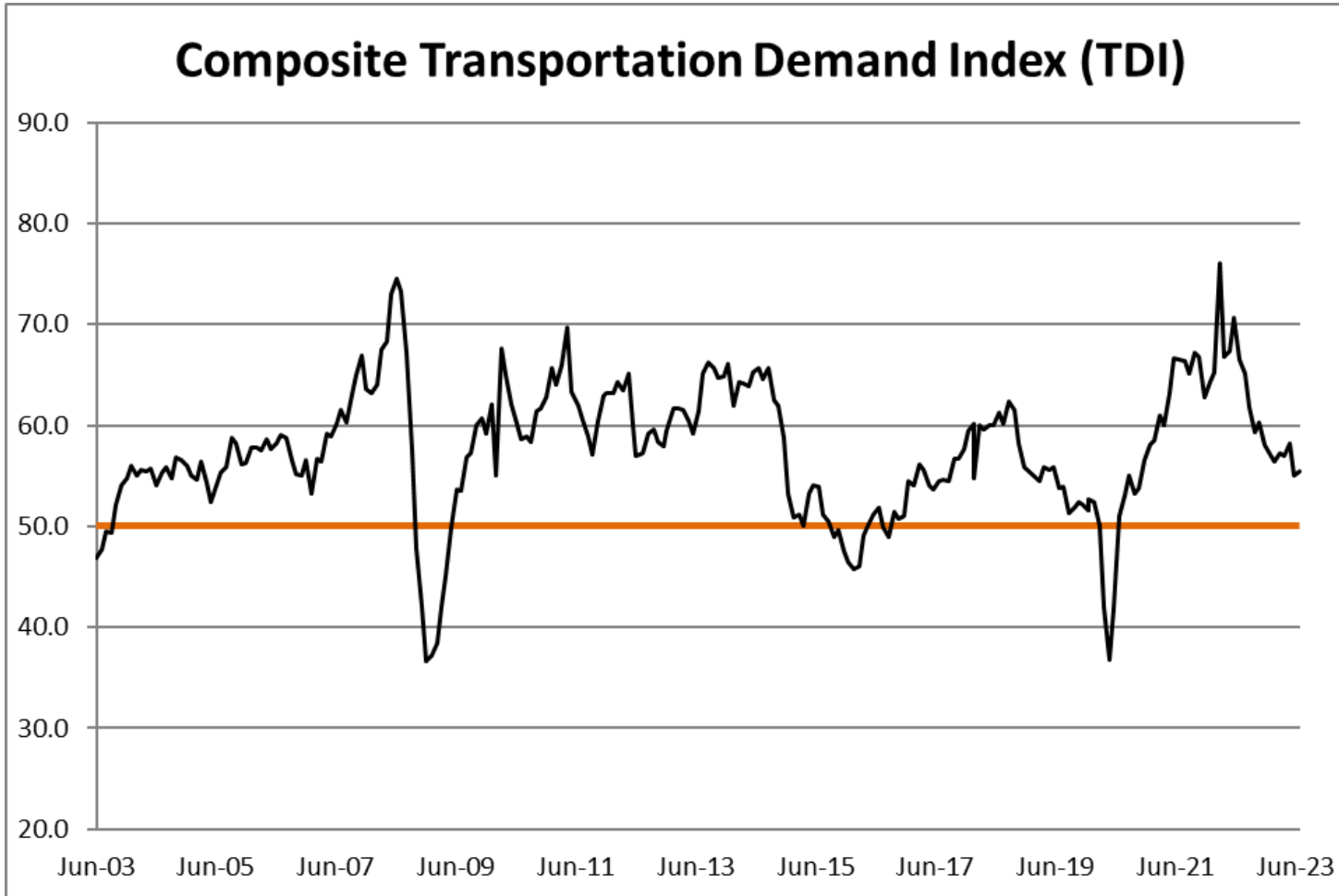
Gasoline forecast:	
• 2021	\$3.02
• 2022	\$3.97
• 2023	\$3.40
• 2024	\$3.34

Gasoline and Diesel Prices Have Snuck Up to Near All-Time Highs for a “Normal Environment”

- The important comparisons are to pre-pandemic levels (not the spike from the invasion of Ukraine last year).
- Diesel prices have returned to nearly their second-highest levels on record. Refinery maintenance issues are to blame for the surge in both gasoline and diesel prices.
- Oil input prices are also rising, which has made the situation worse.
- As refinery maintenance ends and conversions to fall blends are complete, prices could start to ease if oil prices stabilize.



Armada Transportation Demand Index Showing the Market “Normalizing” Relative to Pre-Pandemic Levels of Activity.



	23-Jun	23-May	22-Jun	Y/Y Change %	M/M Change %
Composite	55.4	55.0	66.5	-16.7%	0.7%
Rail	53.4	53.4	63.8	-16.3%	0.0%
Trucking	55.5	55.1	67.0	-17.2%	0.7%
Air	61.0	60.6	66.5	-8.3%	0.7%
Maritime	59.6	58.3	64.7	-7.9%	2.2%

- All measures still over 50, but the “normalization” is obvious.
- March ushered in a bit of a flattening of the demand curve, and it remains stable relative to historical values.

The Baltic Dry Index Calming Down Again, Raw Materials Aren't Moving as broadly



- Up 3.67% in the past 30 days
- Down 2.23% Y/Y
- One of the oldest indexes in the world.
- Is a leading indicator for global commodity movement and manufacturing.

For More Enlightenment

Chris.kuehl@armadaci.com

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