



US INDICATORS GROW; EUROPE'S DECREASE FURTHER

Indicators in several markets show that while growth is still slow, several areas are seeing improvement. Annual U.S. construction machinery new orders and U.S. heavy-duty truck production are higher than a year ago.

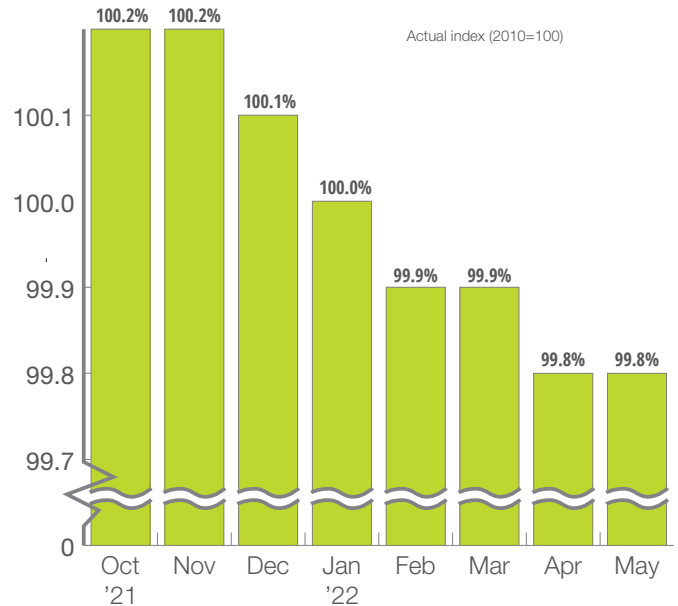
With inflation threatening and oil and gas prices well above normal, growth in the U.S. will be slow for most of 2022. Europe's markets continue to be down because of many factors, including the ongoing War in Ukraine. |



US Leading Indicator

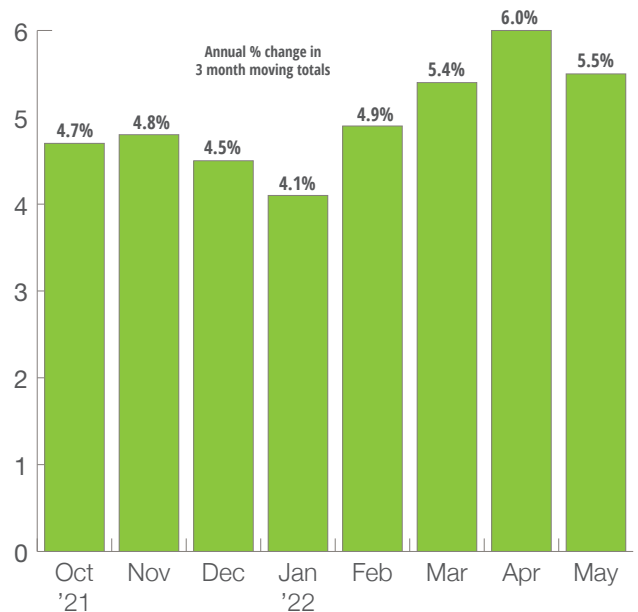
- The U.S. OECD leading indicator raw data and monthly rate-of-change were both virtually flat in May.
- General decline in the monthly rate-of-change signals that the U.S. industrial sector annual growth rate will move lower into at least early 2023.

Editor's Note: Please note that this chart has been modified on the Y-axis to show the trend more easily.



US Industrial Production

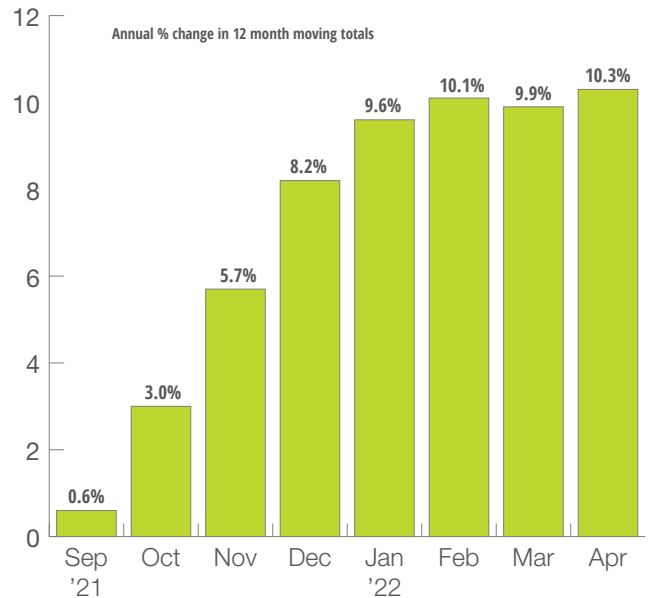
- Quarterly average U.S. industrial production in May was up 5.5% from the year-ago level; growth is generally slowing.
- Leading Indicators signal business-cycle decline is likely to be the predominant trend for production for at least the remainder of 2022.





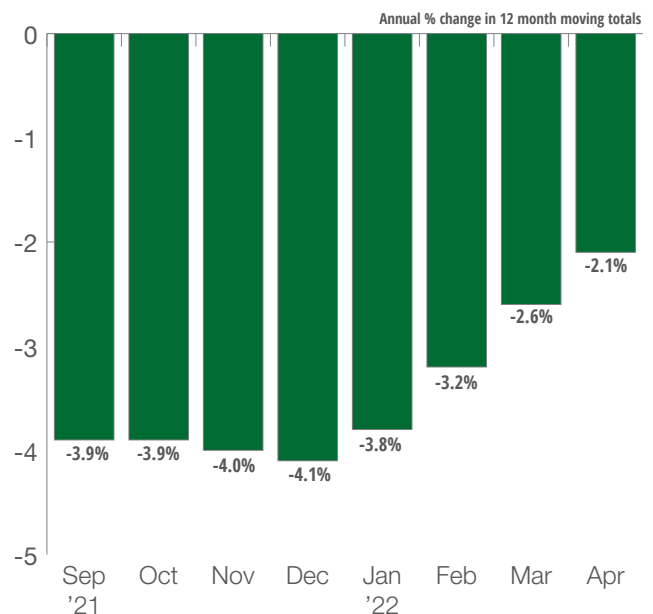
US Private Nonresidential New Construction

- In the three months through April, U.S. private nonresidential construction came in 10.3% above the year-ago level.
- Trends within private nonresidential construction vary, with sectors such as office and education trending below year-ago levels, and sectors such as warehousing and manufacturing offering areas of relative opportunity.



US Total Public New Construction

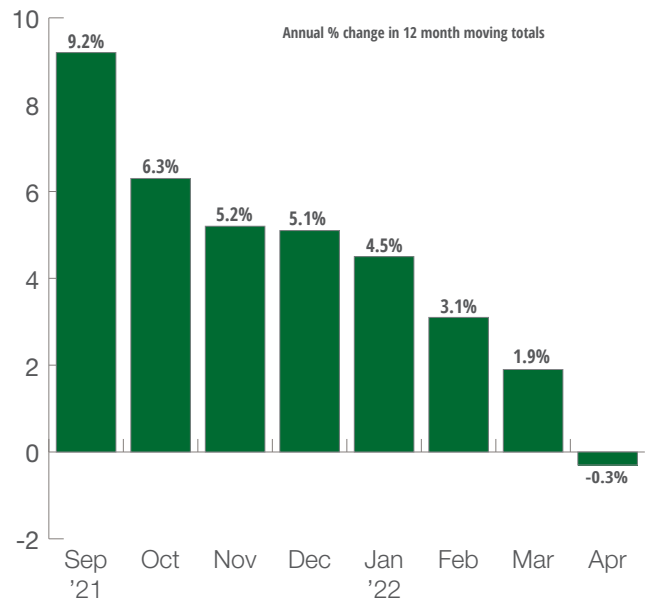
- Annual U.S. public new construction is rising but was 2.1% below the year-ago level in April.
- High tax receipts at the federal, state and local levels bode well for construction rise into next year.





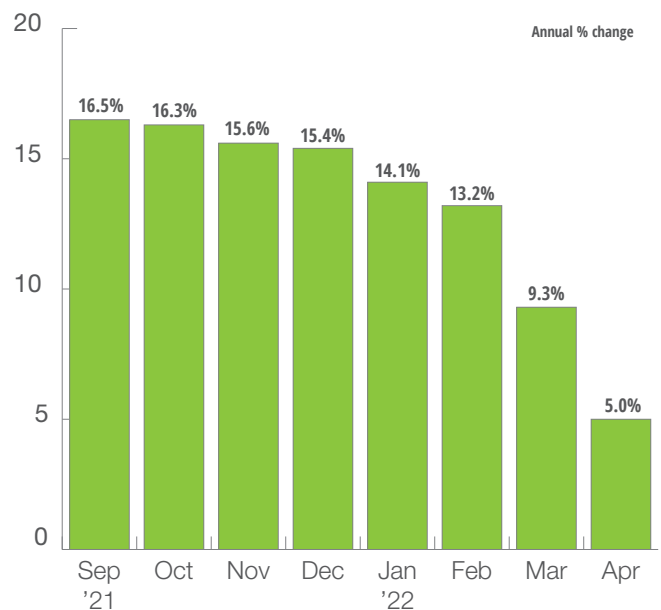
US Farm Machinery Production

- U.S. farm machinery and equipment shipments in the 12 months through April came in 0.3% below the year-ago level.
- War in the breadbasket of Europe has placed upward pressure on food prices, potentially incentivizing more agricultural production in the U.S. However, supply chain disruptions are hindering growth in the agricultural machinery space.



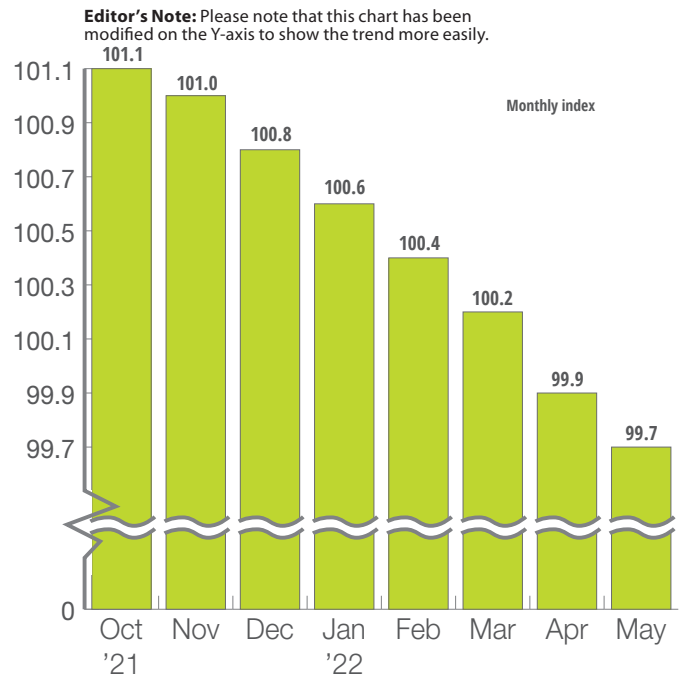
Europe Ag & Forestry Machinery Production

- Europe agricultural and forestry machinery production came in 5% above the year-ago level in April.
- ITR Checking Points™ signal production will continue to soften in the coming quarters.



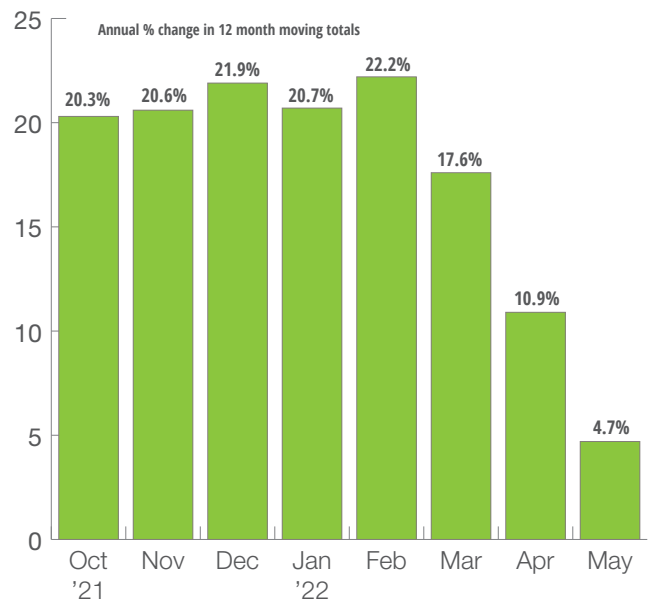
€ Europe Leading Indicator

- The Europe leading indicator raw data and monthly rate-of-change moved lower in May.
- Persistent business cycle decline in the leading indicator rate-of-change signals decline for the Europe industrial production annual growth rate into at least early 2023.



US Heavy-Duty Truck Production

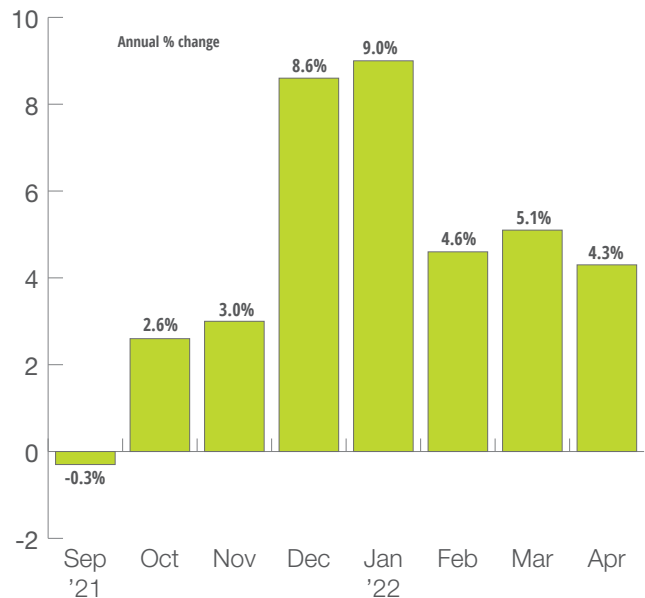
- Annual U.S. heavy-duty truck production in May came in 4.7% above the year-ago level.
- Expect growth but at a generally slower pace as improvement in the supply chain allows more trucks to be produced while waning macroeconomic momentum reduces the pressure to upgrade trucking fleets.





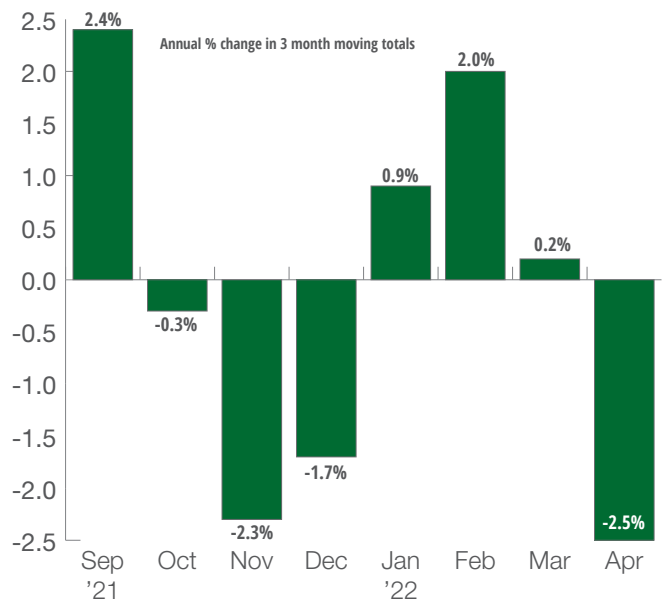
China Diesel Bus Production

- China large diesel bus production in the 12 months through April moved sharply lower but came in 4.3% above the year-ago level.
- COVID-19 restrictions—though easing—and weak economic growth in China are warning signs for the future direction of production.



Germany Industrial Production

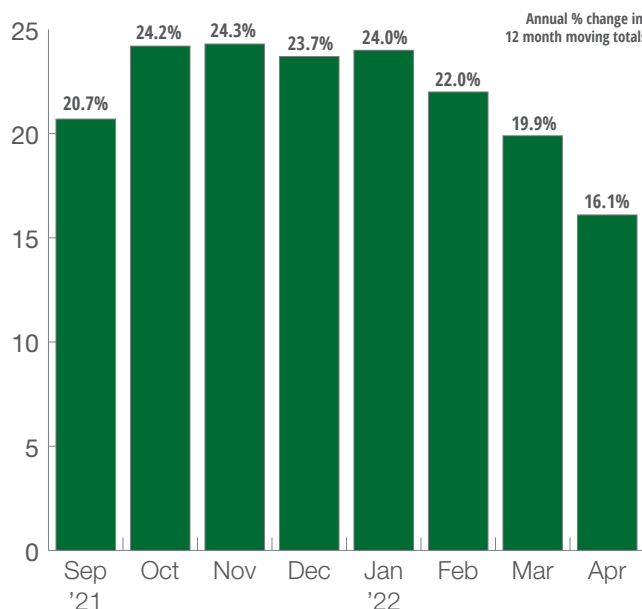
- Quarterly Germany industrial production in April came in 2.5% below the year-ago level.
- German leading indicators signal production will continue to trend on the back side of the business cycle (slowing growth or recession) during at least the next few quarters.





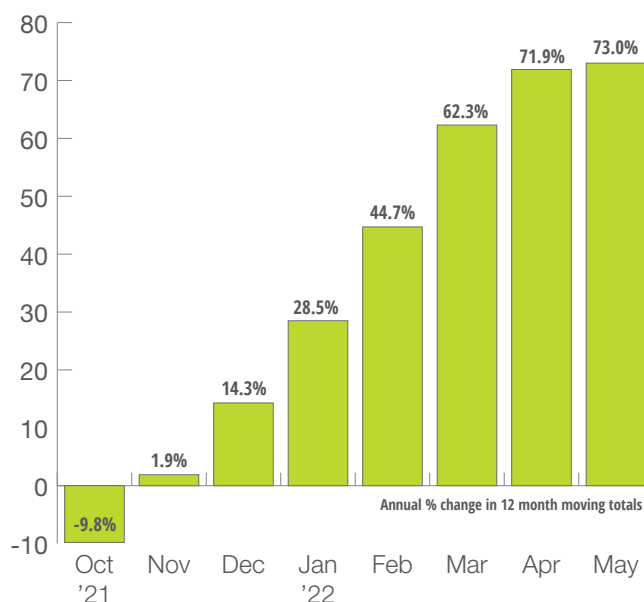
US Construction Machinery, New Orders

- Annual U.S. construction machinery new orders in April totaled \$38.9 billion, up 16.1% from the year-ago level; growth is slowing.
- A cooling housing market, slowing macroeconomic growth and anticipated easing inflation beginning late this year will contribute to ongoing slowing growth in new orders in at least the coming quarters.



North American Rotary Rig Count

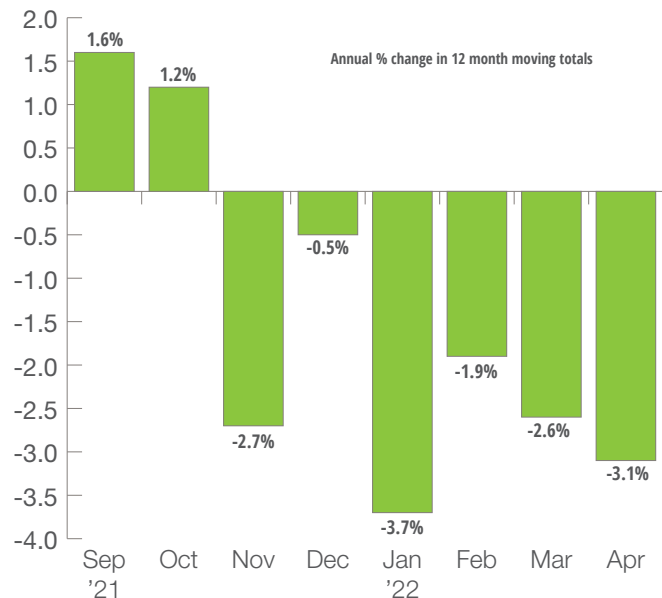
- The annual North American rotary rig count in May averaged 745 rigs, 73% above the year-ago level.
- High oil and gas prices signal robust demand for drilling, but supply chain disruptions—especially shortages of materials and equipment—are posing challenges for oil and gas firms.





US Defense Industry, New Orders

- U.S. defense capital goods new orders in the 12 months through April came in 3.1% below the year-ago level.
- Trends in U.S. federal government current tax receipts suggest that the nascent annual new orders rise is likely to persist, though the U.S. withdrawal from Afghanistan still suggests a downside risk.



oemoffhighway.com

Follow us on:



About AC Business Media

AC Business Media is a leading business-to-business media and business intelligence company with a portfolio of renowned brands in heavy construction, asphalt, concrete, paving, rental, sustainability, landscape, manufacturing, logistics and supply chain markets. AC Business Media delivers relevant, cutting-edge content to its audiences through its industry-leading digital properties, trade shows, videos, magazines, webinars and newsletters. It also provides advertisers the analytics, data and ability to reach their target audience.