

# U.S. Data Review

- Housing starts: rebound offsets summer slide
- Industrial production: firm results in manufacturing & mining; a dip in utility output

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## Housing Starts

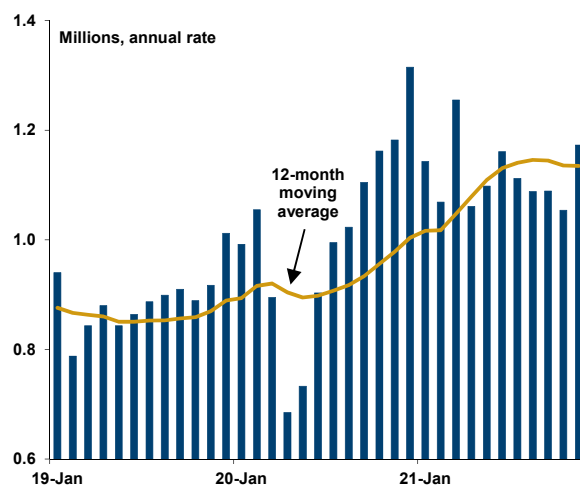
Housing starts jumped 11.8 percent in November, easily beating the expected increase of 3.1 percent. The gain offset much of the slide that occurred in the summer and early fall and returned total starts to the upper portion of the range from the current expansion (and above the pre-pandemic levels in early 2020).

We were most impressed with the performance in the single-family sector, where activity rose 11.3 percent from upward revised levels in the prior two months (September and October combined were 1.1 percent firmer than previously believed). All told, the changes pushed single-family starts back into the firm range seen in the closing months of last year (albeit the low portion of that range; chart, left).

Multi-family starts have performed well throughout the year, and the strong showing continued in November with an increase of 12.9 percent. The change occurred from a net downward revision in September and October (2.3 percent softer than previously believed), but the jump in November was strong enough to push multi-family starts to the highest level of the current expansion (chart, right).

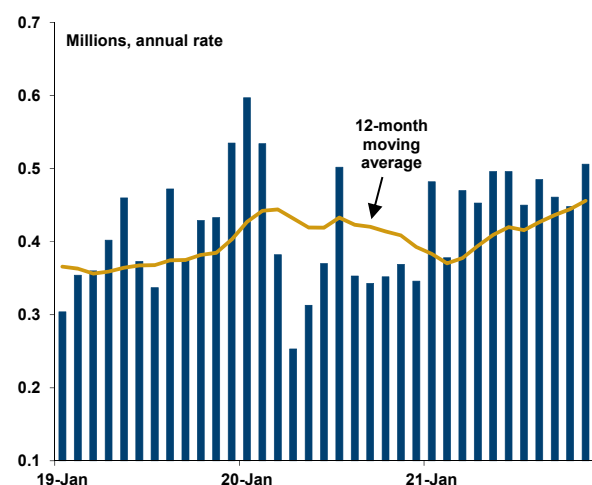
Building permits did not show the same vigor as starts did, but they nevertheless advanced (up 3.6 percent). Single-family permits rose 2.7 percent, while multi-family authorizations jumped 5.2 percent. The increase in the single-family sector marked the second consecutive advance after sliding on balance since January. Single-family permits, despite the consecutive gains, remain shy of the firm readings seen late last year and early this year. The increase in multi-family permits pushed the measure into the upper portion of the firm range seen throughout the year (only two observations were firmer).

### Single-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

### Multi-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

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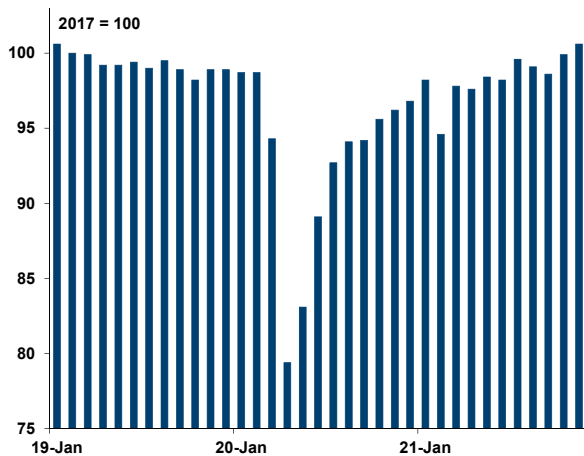
## Industrial Production

The industrial production index rose 0.5 percent in November, one tick shy of the expected increase of 0.6 percent. Results in the prior four months combined were revised slightly higher, with the cumulative change leaving the index in October 0.2 percent firmer than previously believed.

The manufacturing component increased 0.7 percent in November from a slightly upward revised level in October. Manufacturing activity has been drifting higher throughout the year, with the changes pushing the index above pre-pandemic levels and to the firmest showing since late 2018, which represented the strongest period in the prior expansion (chart, left). Much of the increase in manufacturing activity in November reflected a jump of 2.2 percent in the motor vehicle industry, but production ex-motor vehicles also was firm at 0.6 percent. The gain in manufacturing also was broadly based, with 16 of the 20 industry categories posting gains.

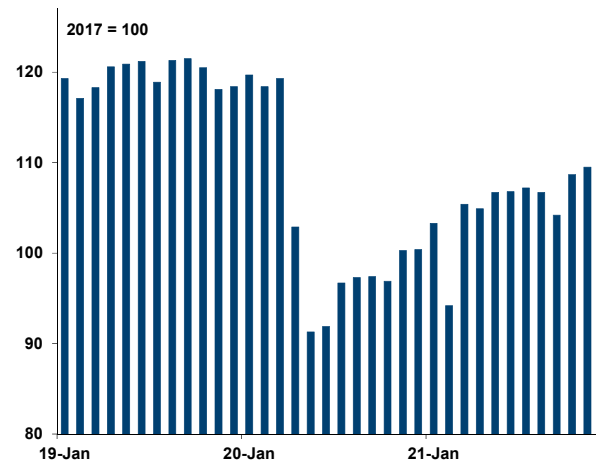
Mining activity rose 0.7 percent in November. The extraction of oil and natural gas fell slightly, but activity in other areas was firm. The mining component of IP has increased in most months of the current expansion, but it has regained only 65 percent of the ground lost during the recession (chart, right). Utility output fell 0.8 percent, but changes in this sector are nearly always driven by temperature swings rather than economic fundamentals.

### Industrial Production: Manufacturing



Source: Federal Reserve Board via Haver Analytics

### Industrial Production: Mining



Source: Federal Reserve Board via Haver Analytics