

# U.S. Data Review

- Industrial production: increases in manufacturing and mining offset decline in utilities

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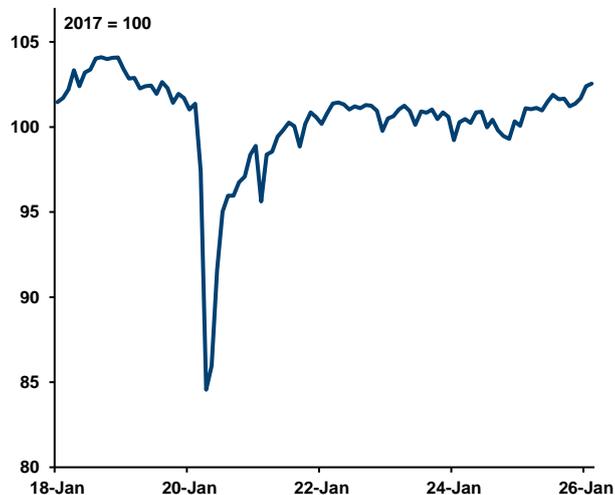
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## Industrial Production

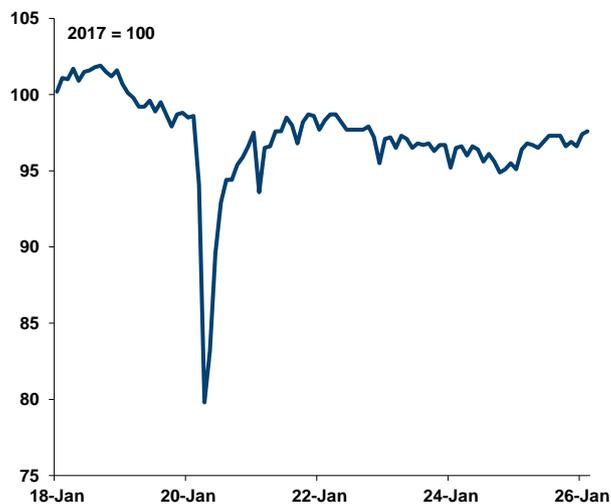
- Following an increase of 0.7 percent in the prior month, the Federal Reserve Board's industrial production metric posted a more modest advance of 0.2 percent in February (+1.4 percent year-over-year; chart, below left) – a result that was a touch better than the median expectation of +0.1 percent from the Bloomberg economist survey. Factoring into the latest shift, both the manufacturing and mining posted gains for the second consecutive month while utility output eased modestly.
- Looking at the internals of the report, manufacturing continued to tilt higher in early 2026, rising 0.2 percent in February (+1.3 percent year-over-year; chart, below right). This improvement largely reflected the sizable advance of 1.7 percent in auto production, its third straight increase (-0.7 percent year-over-year). However, excluding motor vehicles and parts, performance across subcomponents was mixed, with only 10 of 19 non-auto industries registering increases in production. With that said, there were several bright spots, which were likely boosted by ongoing robust investment in AI infrastructure. The electrical equipment, appliance, and components area recorded a 1.1 percent gain (+2.8 percent year-over-year) – its fifth advance in the past six months after hitting a weak patch in early 2025. Moreover, the computer and electronics subcomponent rose 0.4 percent (+6.3 percent year-over-year) after a strong gain in the prior month.

### Industrial Production: Total



Source: Federal Reserve Board via Haver Analytics

### Industrial Production: Manufacturing



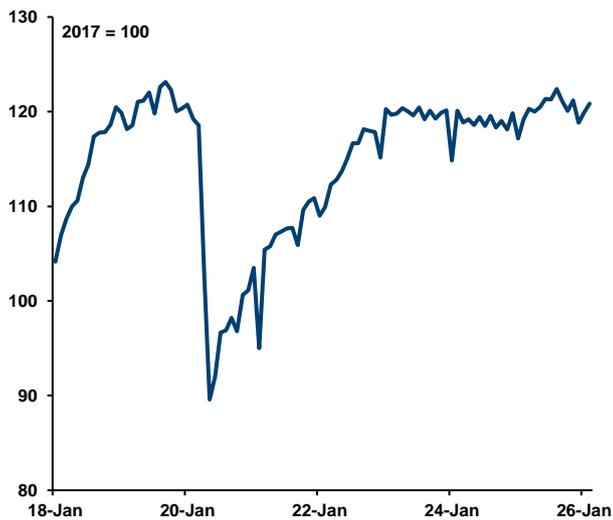
Source: Federal Reserve Board via Haver Analytics

- Concurrently, mining output rose 0.8 percent in February (+1.4 percent year-over-year; chart, next page, left). This area had mounted a notable comeback from the COVID-related trough through early 2023, but that progress has since stalled at a pace approximately in line with levels seen in the period immediately preceding the onset of the pandemic (current index level of 120.9 versus the 2019 average of 120.7). Even so, the recent jump in energy prices could spur further domestic hydrocarbons production in the months ahead.

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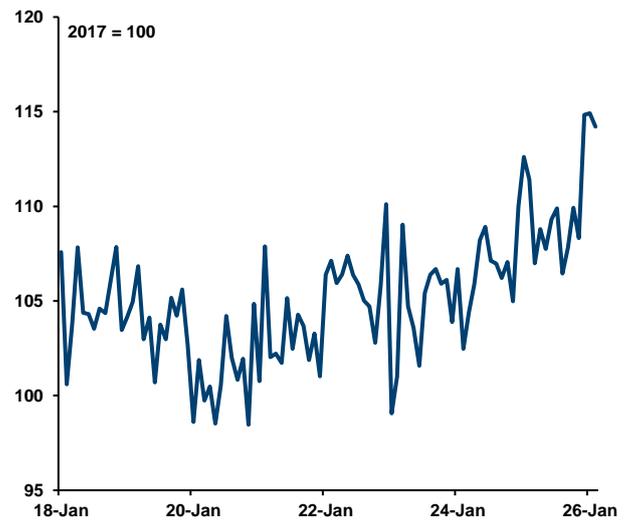
- Conversely, utility output in February declined 0.6 percent (+2.5 percent year-over-year; chart, below right), a soft result following a net increase of 6.1 percent over the prior two months. However, keep in mind that this area often exhibits marked volatility on a month-to-month basis (range of -3.1 to +6.0 percent in the past six months), with shifts often reflecting variation in weather rather than underlying economic fundamentals (i.e., severe winter weather affecting large swathes of the country earlier this year drove up demand for heating).

### Industrial Production: Mining



Source: Federal Reserve Board via Haver Analytics

### Industrial Production: Utilities



Source: Federal Reserve Board via Haver Analytics

- Broadly speaking, while the trend in industrial production has picked up some steam in recent months after stagnating for much of the post-pandemic period, we do note potential obstacles to a sustained recovery on the road ahead. Namely, elevated uncertainty stemming from the current administration's tariff agenda along with the nascent conflict in the Middle East come to mind. Even so, there is some reason for optimism. AI capex continues to provide a boost to the manufacturing sector. Moreover, PMIs have shown improvement recently, with the ISM measure coming in above 50.0 in the first two months of 2026 after recording contractionary readings in most months in the previous three years.