



ARMADA

# Economic Update (At Least for Today)

## National Insulation Association

THE ONLY  
FUNCTION  
OF ECONOMIC  
FORECASTING  
IS TO MAKE  
ASTROLOGY LOOK  
RESPECTABLE.

*John Kenneth Galbraith*  
[www.quote-coyote.com](http://www.quote-coyote.com)

## Scorecard – Macroeconomic Metrics

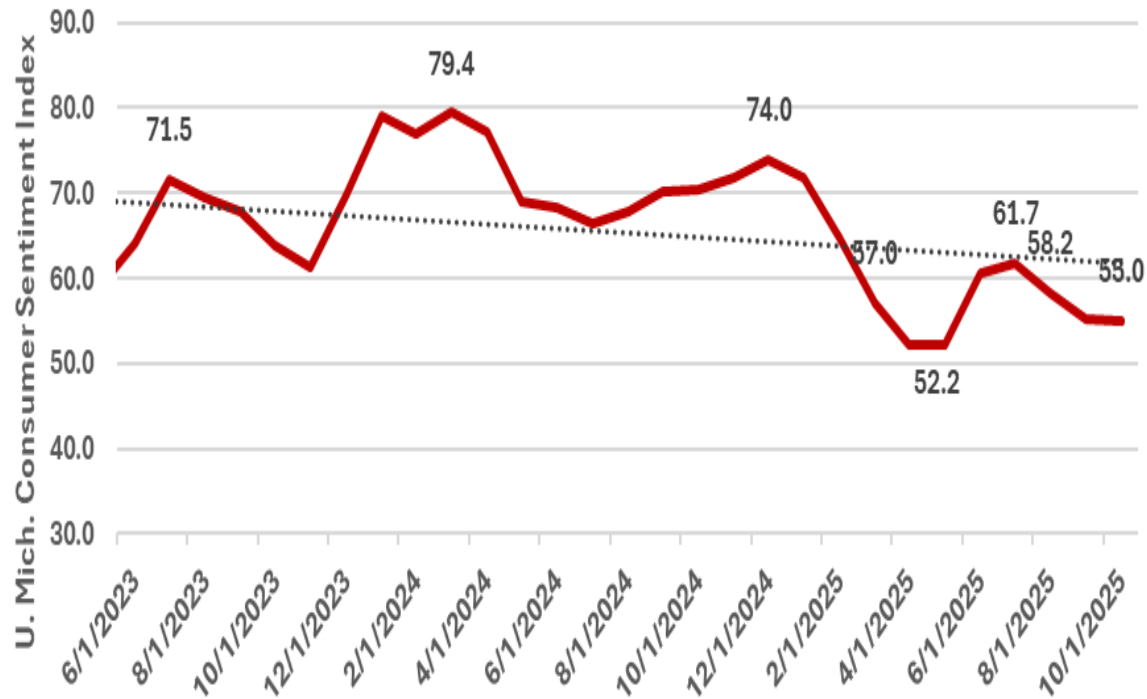
Economic Metric	Measure	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Trend
Real GDP	Y/Y % change	3.0%	2.7%	2.5%	2.0%	2.1%	NA	+
	Q/Q % Change	0.7%	0.8%	0.6%	-0.1%	0.9%	NA	
Advanced Retail Sales	Y/Y % Change	2.1%	2.1%	3.8%	4.5%	3.5%	NA	+
	Q/Q % Change	0.4%	1.3%	1.8%	0.4%	0.6%	NA	
Industrial Production Manufacturing	Y/Y % Change	-0.3%	-0.4%	-0.3%	1.1%	1.0%	NA	+
	Q/Q % Change	0.4%	-0.2%	-0.3%	1.2%	0.1%	NA	
U. of Mich Consumer Sentiment	Y/Y % Change	-11.9%	-7.3%	-4.4%	-3.6%	-24.5%	NA	-
	Q/Q % Change	-8.8%	-4.7%	5.8%	-10.6%	0.0%	NA	
U6 Unemployment Rate	Rate	7.4%	7.8%	7.6%	7.9%	7.7%	NA	+
Long Term Unemployment	Rate	23.7%	23.5%	27.5%	17.5%	7.4%	NA	Neutral
	Q/Q % Change	10.6%	13.7%	2.4%	-8.7%	13.0%	NA	
Real Disposable Income	Y/Y % Change	2.8%	2.5%	2.2%	1.5%	1.7%	NA	-
	Q/Q % Change	0.3%	0.1%	0.5%	0.6%	-0.7%	NA	
Loan Delinquency Rate	Y/Y % Change	15.2%	8.3%	5.4%	3.7%	1.1%	NA	Neutral
	Q/Q % Change	1.9%	0.0%	0.7%	0.4%	-0.4%	NA	
Oil Prices (WTI)	Y/Y % Change	11.2%	-7.1%	-9.9%	-7.4%	-21.1%	-13.9%	-
	Q/Q % Change	5.6%	-6.6%	-7.5%	1.5%	-10.1%	1.9%	
10 Year Treasury Rate	Rate	4.5%	4.0%	4.3%	4.5%	4.5%	4.3%	-
Diesel Prices	Y/Y % Change	-1.9%	-13.0%	-17.2%	-8.5%	-7.8%	1.8%	-
	Q/Q % Change	-2.6%	-4.5%	-4.3%	2.7%	-1.9%	5.6%	

## Macroeconomic Overview

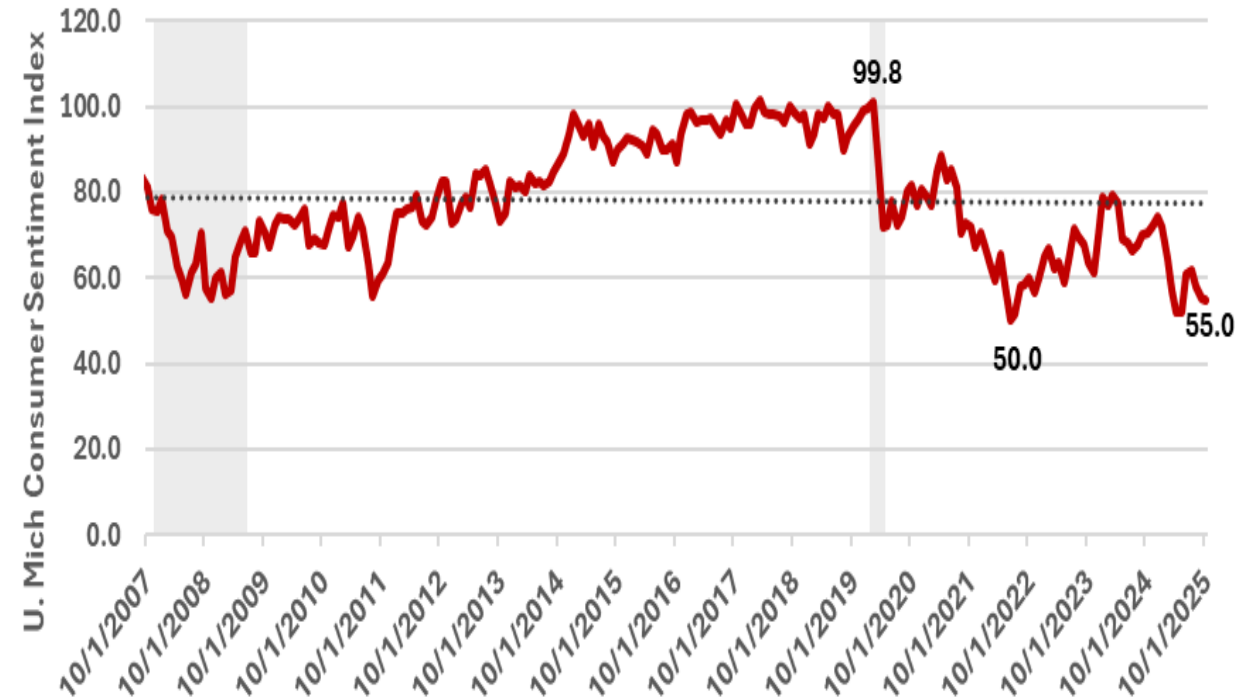
- Q3 GDP growing at 3.9% according to the Atlanta Fed.
  - Consumer spending accounted for 54% of the 3.9% growth rate, nonresidential fixed investment was 29%
  - Residential was a drag on Q3, pulling 3% off the growth rate, Government spending was just 3% of the growth rate (down from 18% in Q4 2024).
- Federal Reserve is expected to trim interest rates by 75 basis points between now and the end of Q1 (several Fed officials are calling for 125 basis points in cuts – Waller)
  - The 10Y Treasury (which is critical for mortgages and long-term lending) was softening early in Q4, falling to a psychological threshold below 4%.
- After a strong August for global manufacturing, it slumped once again in September
- Retail sales were strong through early August with top line sales growing at a rapid 5% rate and E-commerce logging nearly 10% growth Y/Y. After adjusting for inflation, top line retail sales were still growing at a 2% rate. Some sectors were sluggish (home improvement, department stores), but clothing, automotive, furniture, and electronics were surprisingly strong. Food both at home and eating out was stable, even after adjusted for inflation.
- Nonresidential construction is still growing for manufacturing/industrial sectors, other sectors are flattening. The Bonus Depreciation Benefit under the OBBBA should help stimulate new starts.

# University of Michigan Consumer Confidence

## 25-Month Consumer Sentiment Index

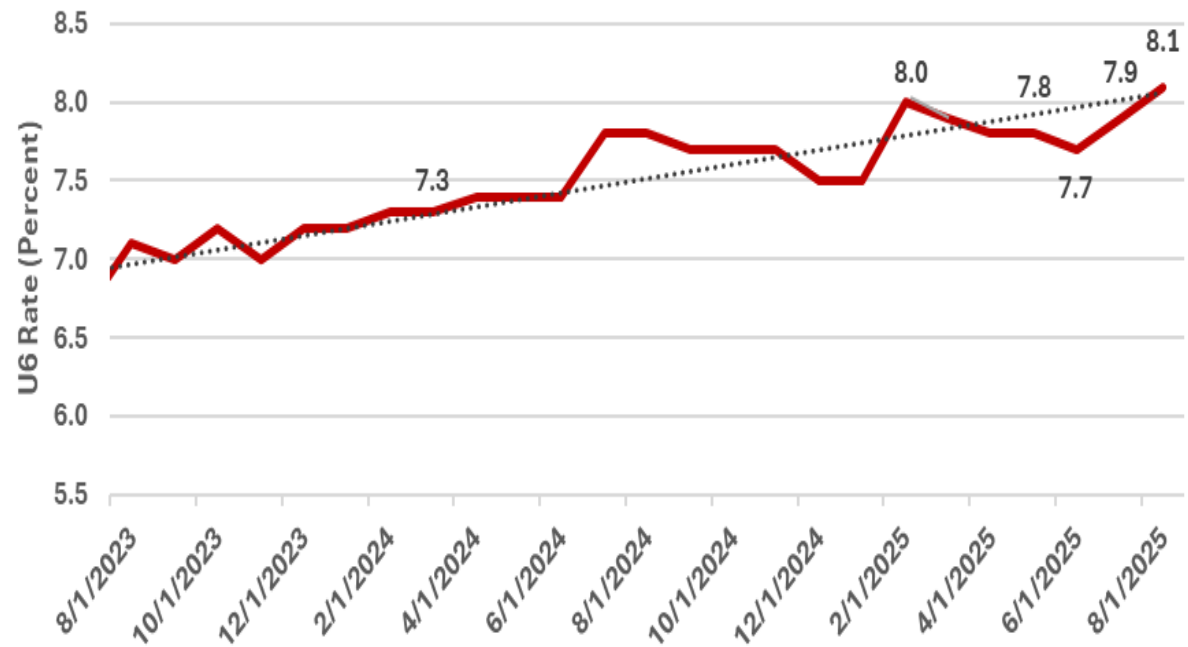


## 18-Year Consumer Sentiment Index

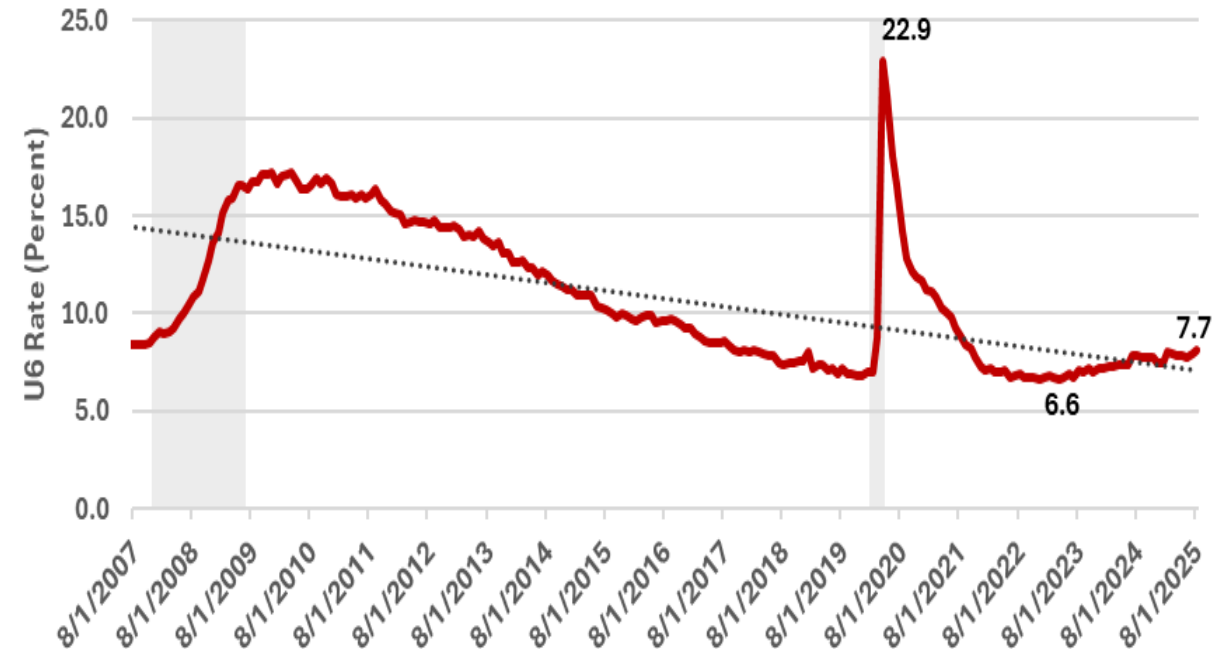


# U6 Unemployment Rate

## 25-Month U6 Unemployment Rate

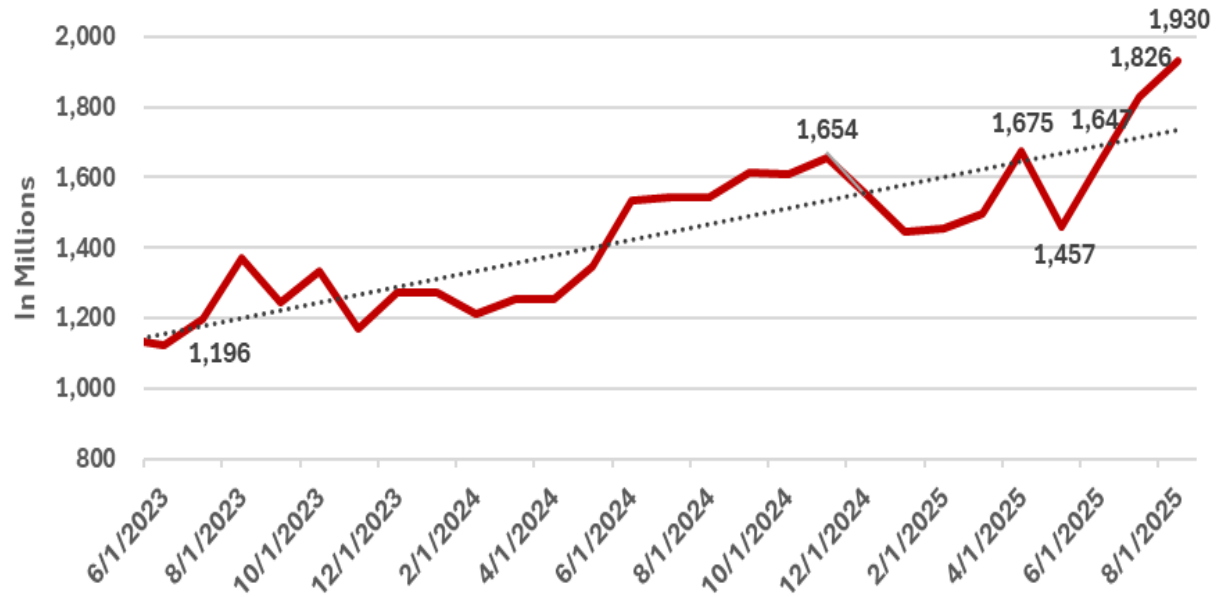


## 18-Year U6 Unemployment Rate

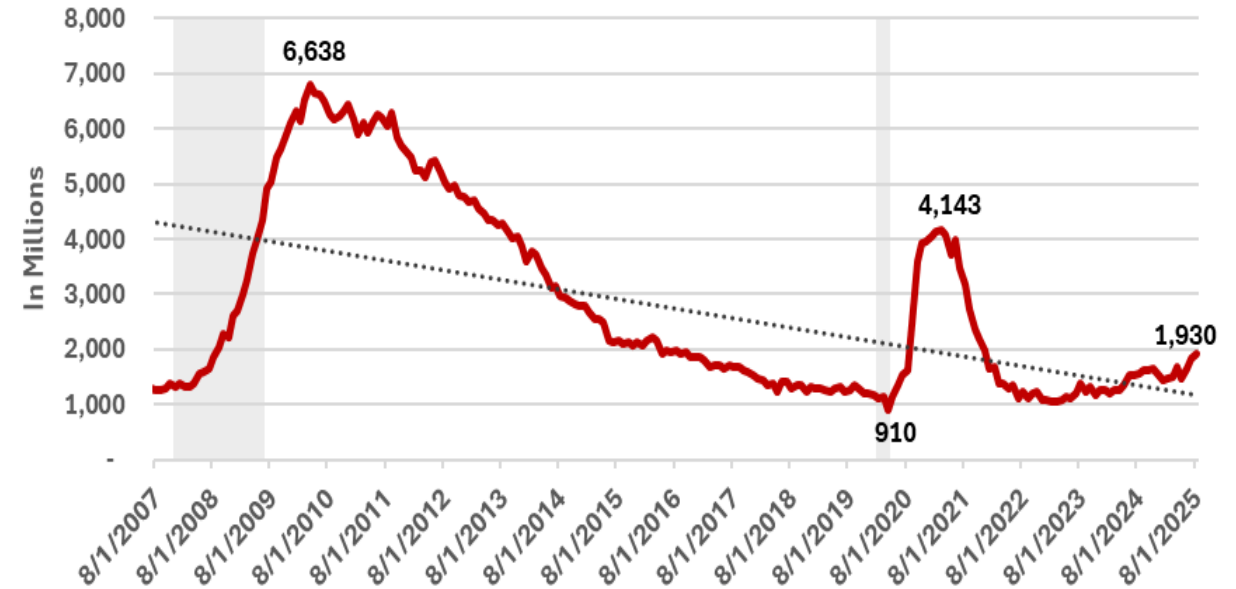


## Long-Term Unemployment (27 weeks +)

### 25-Month Long Term Unemployed

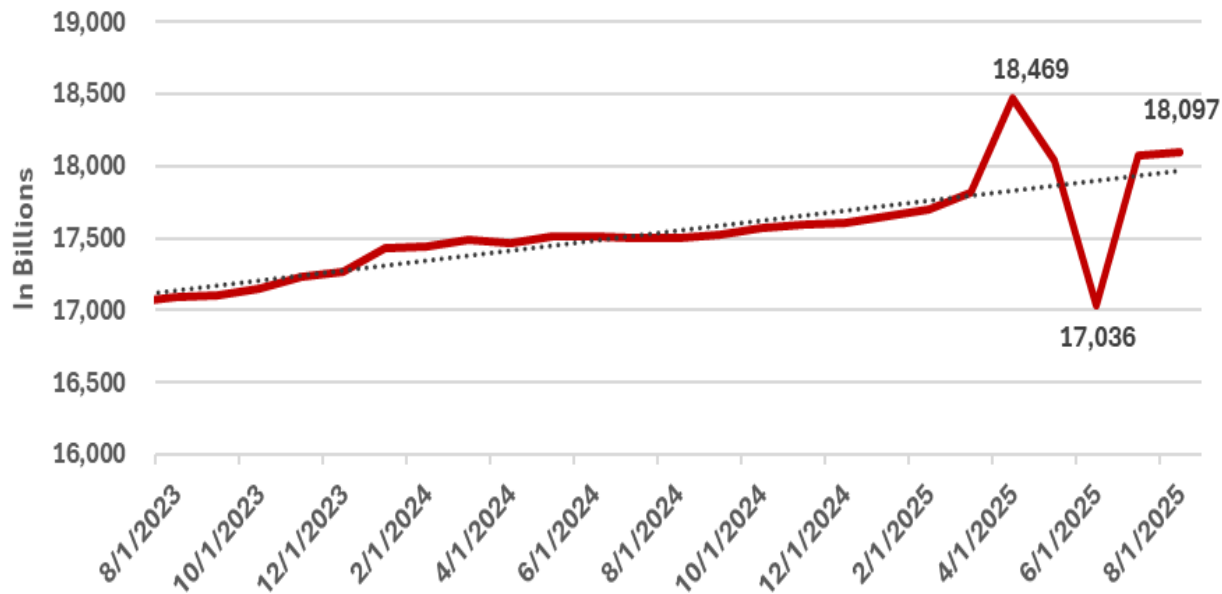


### 18-Year Long Term Unemployed

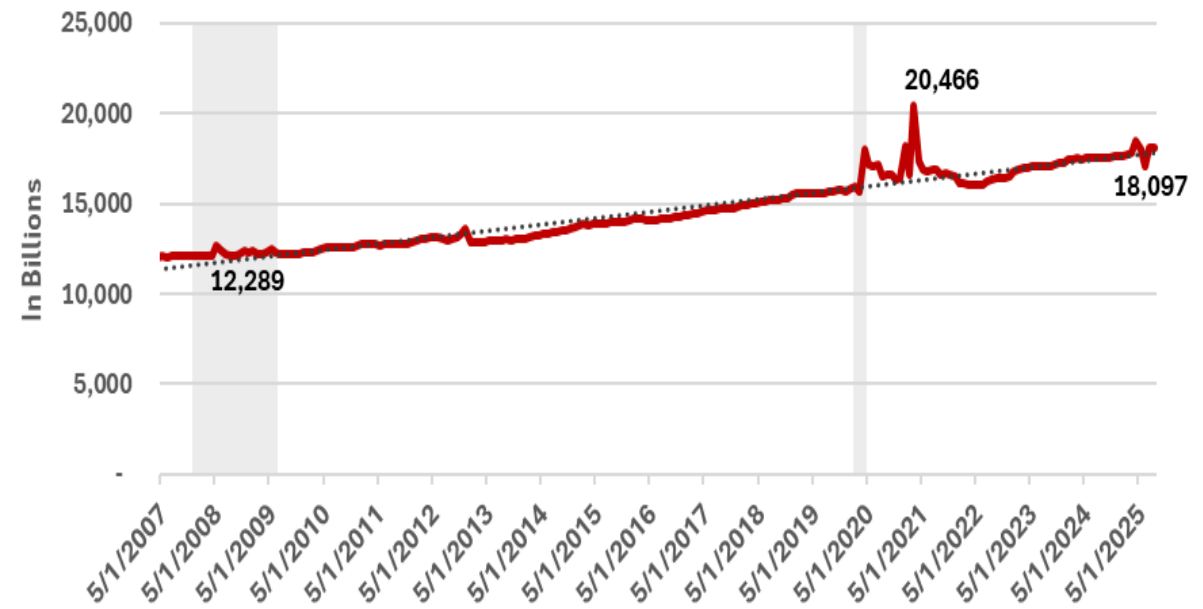


# Real Disposable Income

## 25-Month Real Disposable Income

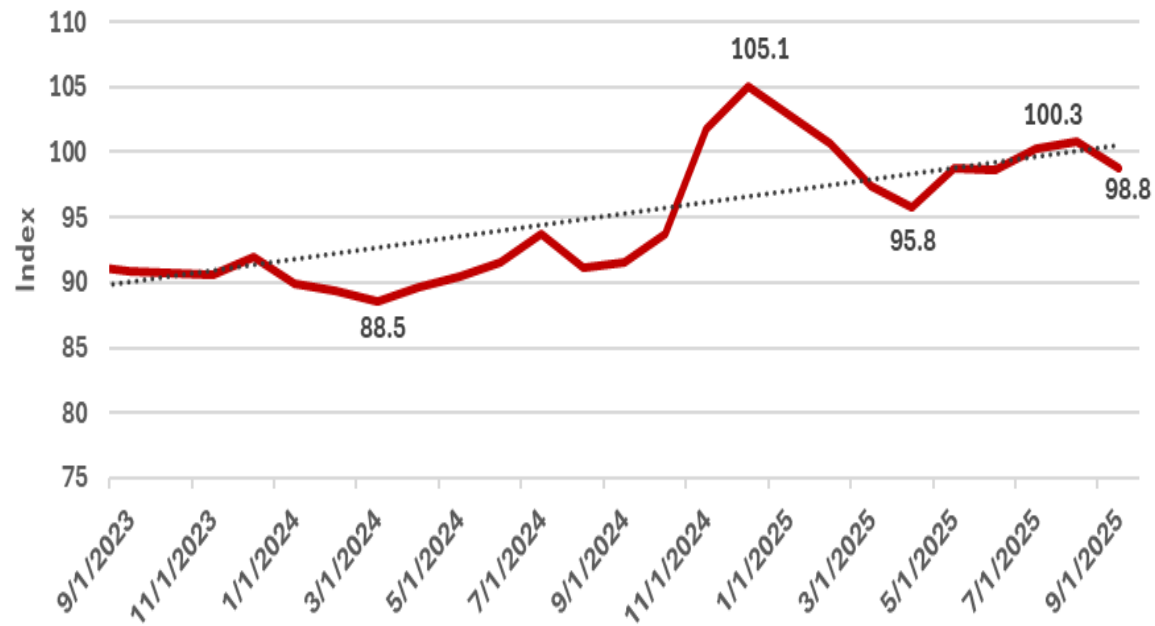


## 18-Year Real Disposable Income

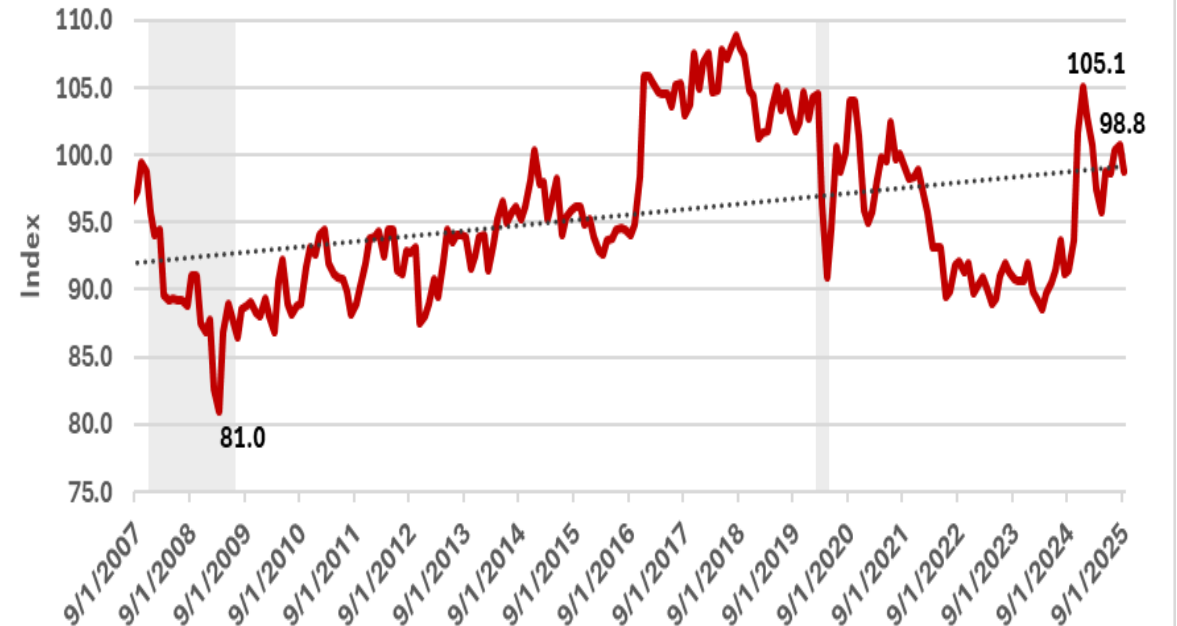


# Small Business Confidence Index

## 25-Month NFIB Small Business Sentiment



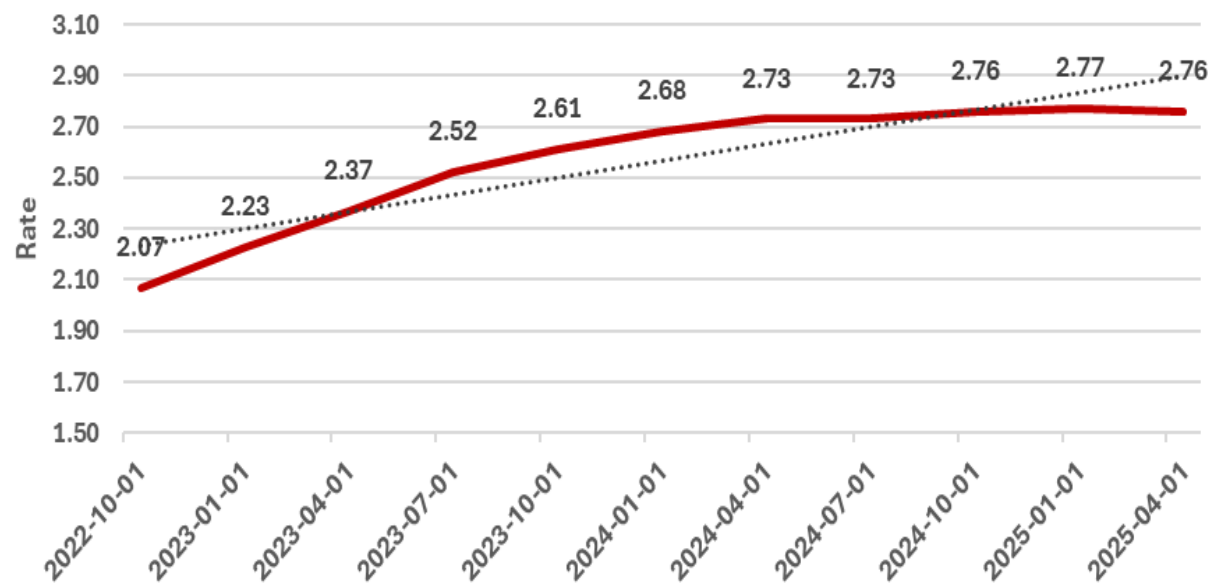
## 18-Year NFIB Small Business Sentiment



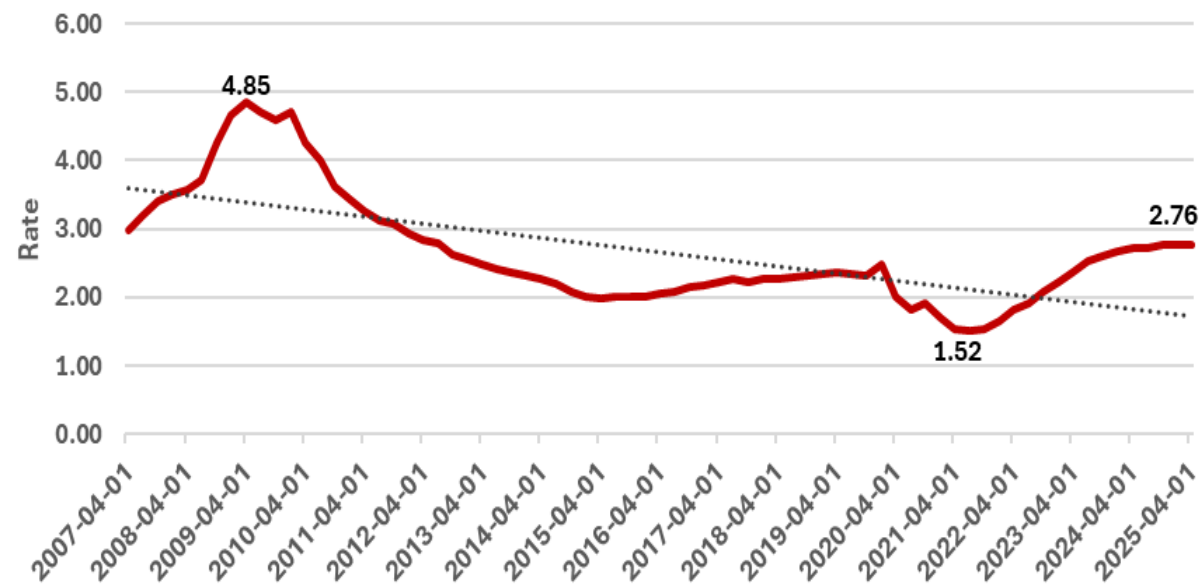


# Loan Delinquency Rates

## 25-Month Delinquency Rate on Consumer Loans

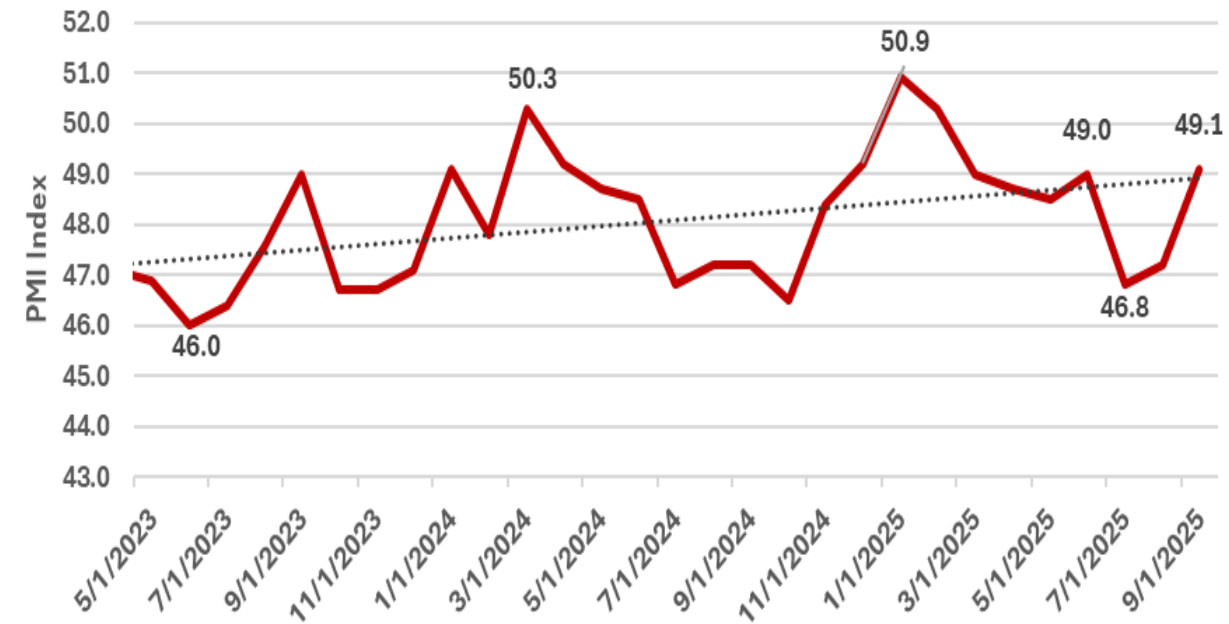


## 18-Year Delinquency Rate Consumer Loans



# Manufacturing PMI

## 25-Month ISM Manufacturing PMI



## 18-Year ISM Manufacturing PMI



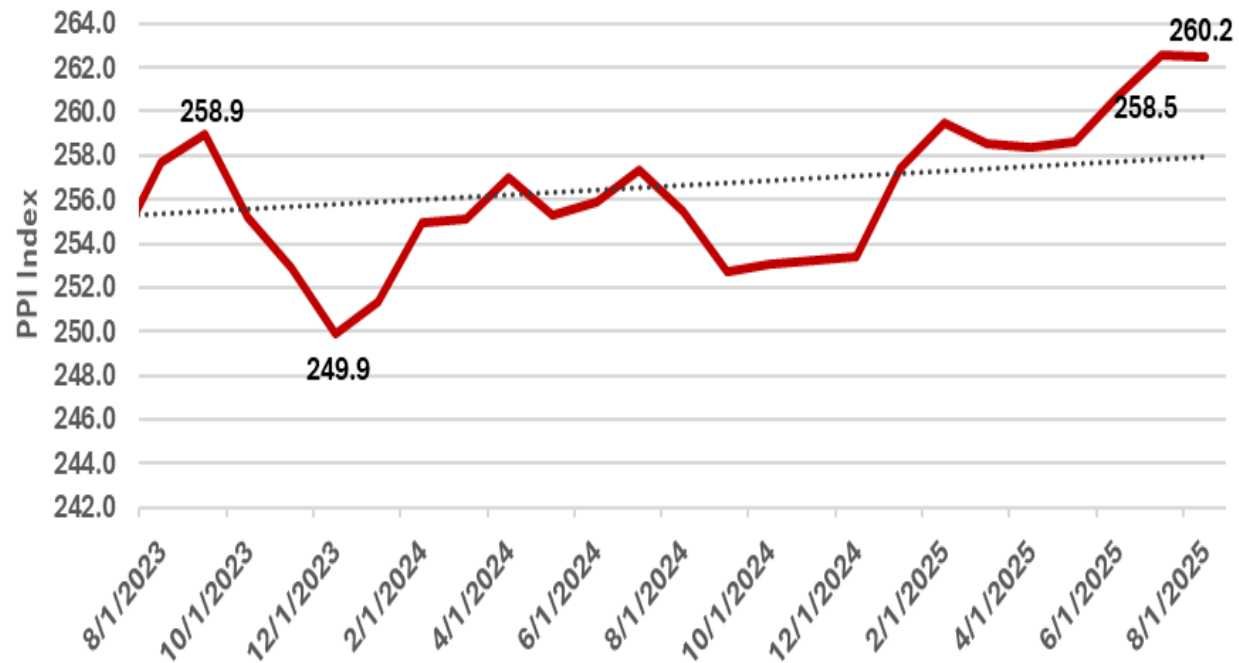
# Global PMI

Manufacturing						Services			
Country PMI	Trade with US (in billions)	Current Month	Latest Month PMI	Prior Month PMI	M/M Change	Current Month	Latest Month PMI	Prior Month PMI	M/M Change
US		Sept	52.0	53.0	-1.0	Sept	54.2	54.5	-0.3
Global PMI	\$ 4,700	Sept	50.8	50.9	-0.1	Sept	50.0	52.0	-2.0
Canada	\$ 665	Sept	47.7	48.3	-0.6	Sept	46.3	48.6	-2.3
Mexico	\$ 661	Sept	49.6	50.2	-0.6				
China	\$ 655	Sept	51.2	50.5	0.7	Sept	52.9	53.0	-0.1
Eurozone PMI	\$ 632	Sept	49.8	50.7	-0.9	Sept	51.3	50.5	0.8
ASEAN	\$ 369	Sept	51.6	51.0	0.6				
Japan	\$ 210	Sept	48.5	49.7	-1.2	Sept	53.3	53.1	0.2
Germany	\$ 201	Sept	49.5	49.8	-0.3	Sept	51.5	49.3	2.2
South Korea	\$ 161	Sept	50.7	48.3	2.4				
UK	\$ 118	Sept	46.2	47.0	-0.8	Sept	50.8	54.2	-3.4
Taiwan	\$ 114	Sept	46.8	47.4	-0.6				
India	\$ 113	Sept	57.7	59.3	-1.6	Sept	60.9	62.9	-2.0
Vietnam	\$ 113	Sept	50.4	50.4	0.0				
Netherlands	\$ 88	Sept	53.7	51.9	1.8				
Ireland	\$ 88	Sept	51.8	51.6	0.2	Sept	53.5	50.6	2.9
Switzerland	\$ 87	Sept	46.3	49.0	-2.7				
Italy	\$ 83	Sept	49.0	50.4	-1.4	Sept	52.5	51.5	1.0
France	\$ 80	Sept	48.2	50.4	-2.2	Sept	48.5	49.8	-1.3
Brazil	\$ 78	Sept	46.5	47.7	-1.2	Spet	46.3	49.3	-3.0
Singapore	\$ 65	Sept	51.2	56.4	-5.2				
Thailand	\$ 60	Sept	54.6	52.7	1.9				
Australia	\$ 39	Sept	51.4	53.0	-1.6	Sept	52.4	55.8	-3.4
Indonesia	\$ 37	Sept	50.4	51.5	-1.1				
Russia	\$ 36	Sept	48.2	48.7	-0.5	Sept	47.0	50.0	-3.0
Spain	\$ 35	Sept	51.5	54.3	-2.8	Sept	54.3	53.2	1.1
Hong Kong	\$ 34	Sept	49.6	50.4	-0.8				
Philippines	\$ 23	Sept	49.9	50.8	-0.9				
Poland	\$ 11	Sept	48.0	46.6	1.4				
Greece	\$ 3	Sept	52.0	54.5	-2.5				

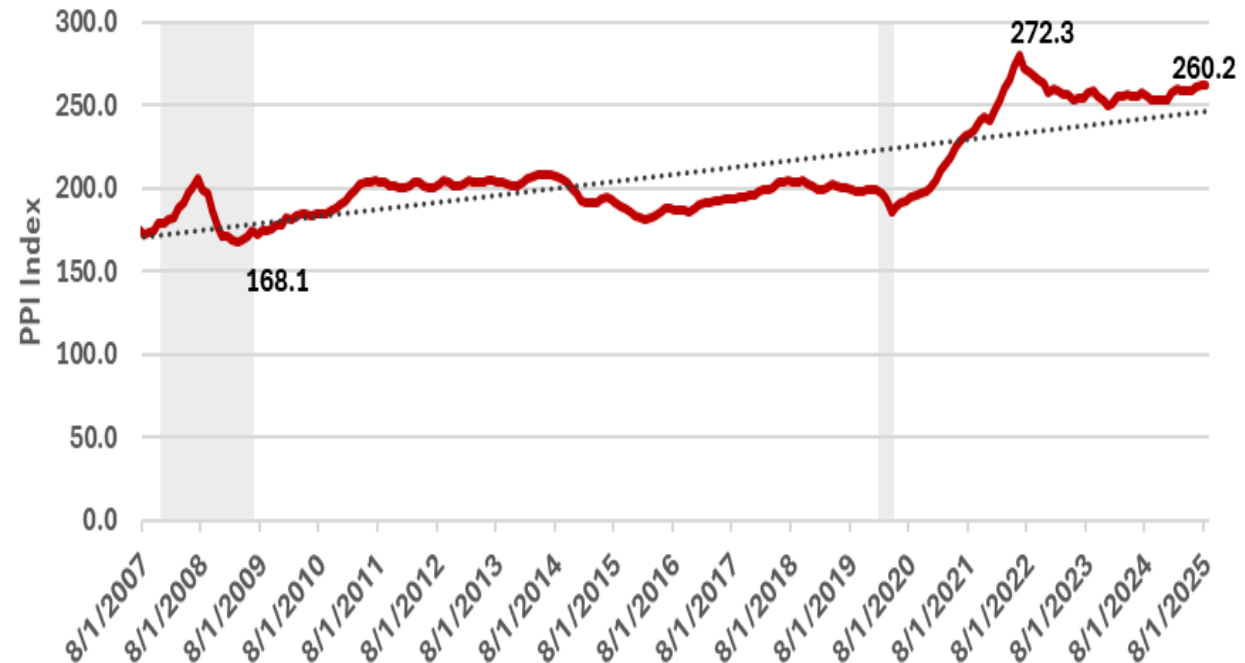
Sources: S&P Global, Caixin, JP Morgan, Jibun Bank, Nevi, BME, CIPS

# Producer Price Index (All Commodities)

## 25-Month Producer Price Index

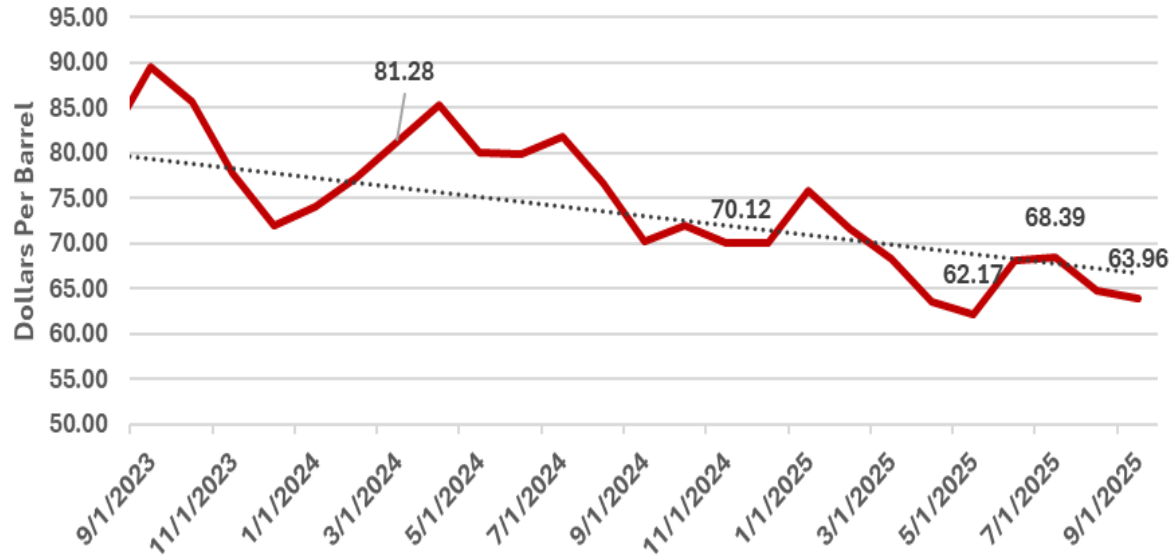


## 18-Year Producer Price Index



# Oil Prices

## 25-Month West Texas Intermediate (WTI)

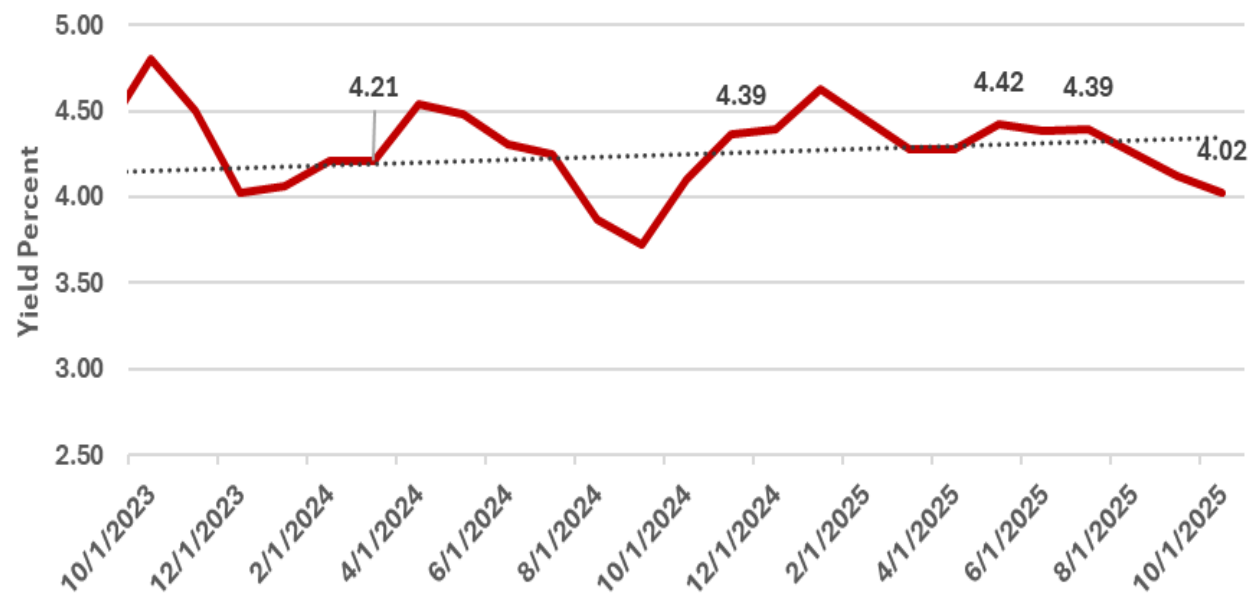


## 18-Year West Texas Intermediate (WTI)



# 10 Year Treasury

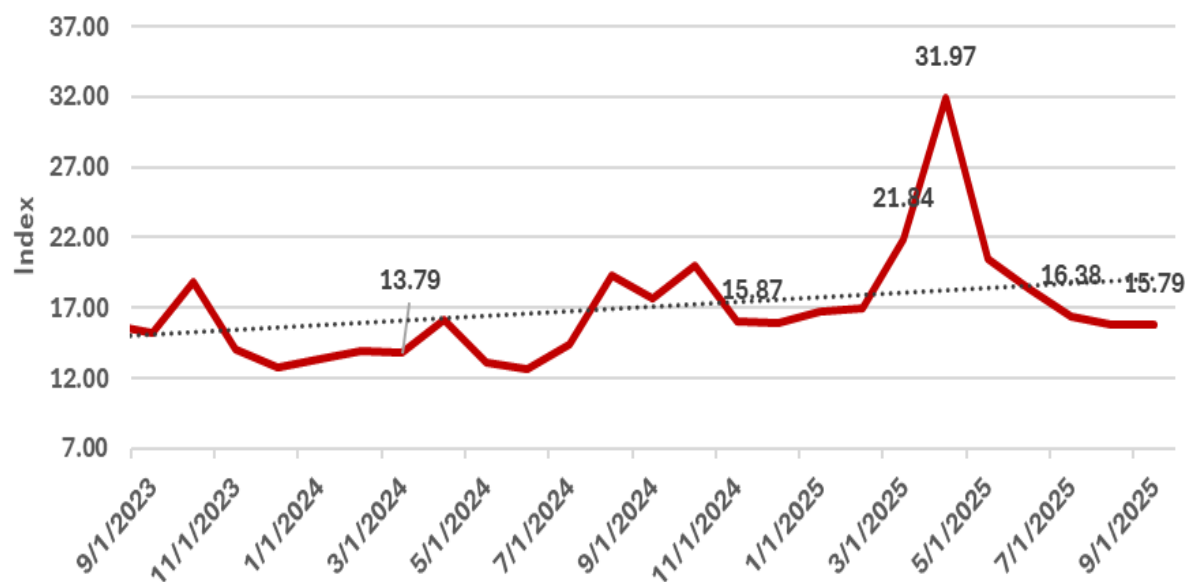
## 25-Month 10Y US Treasury Bond



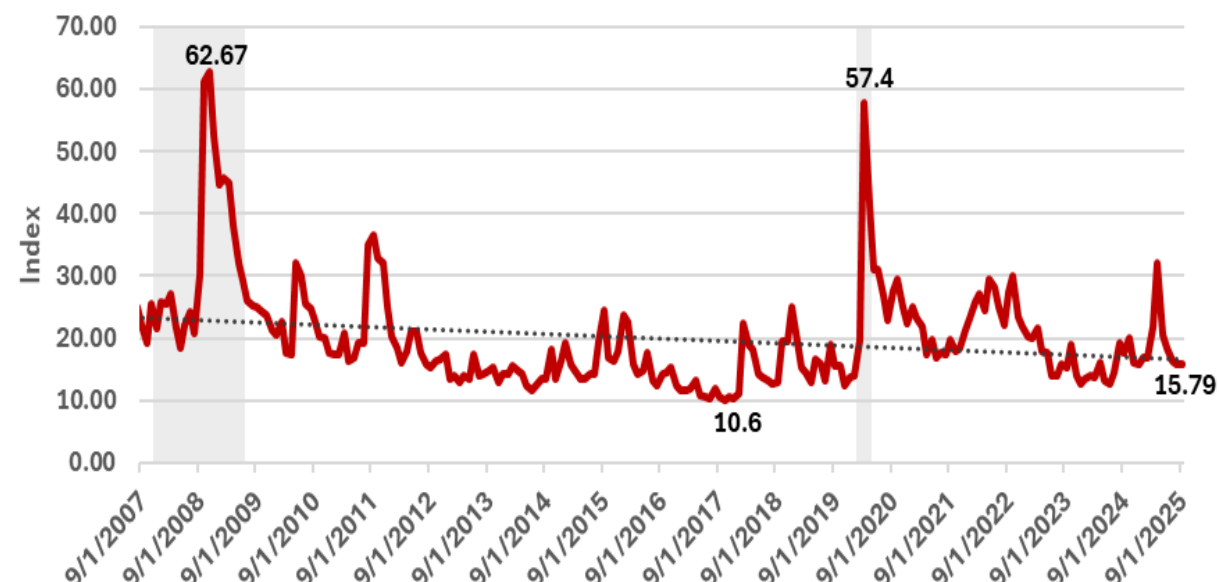
## 18-Year 10Y US Treasury Bond



## 25-Month Volatility Index

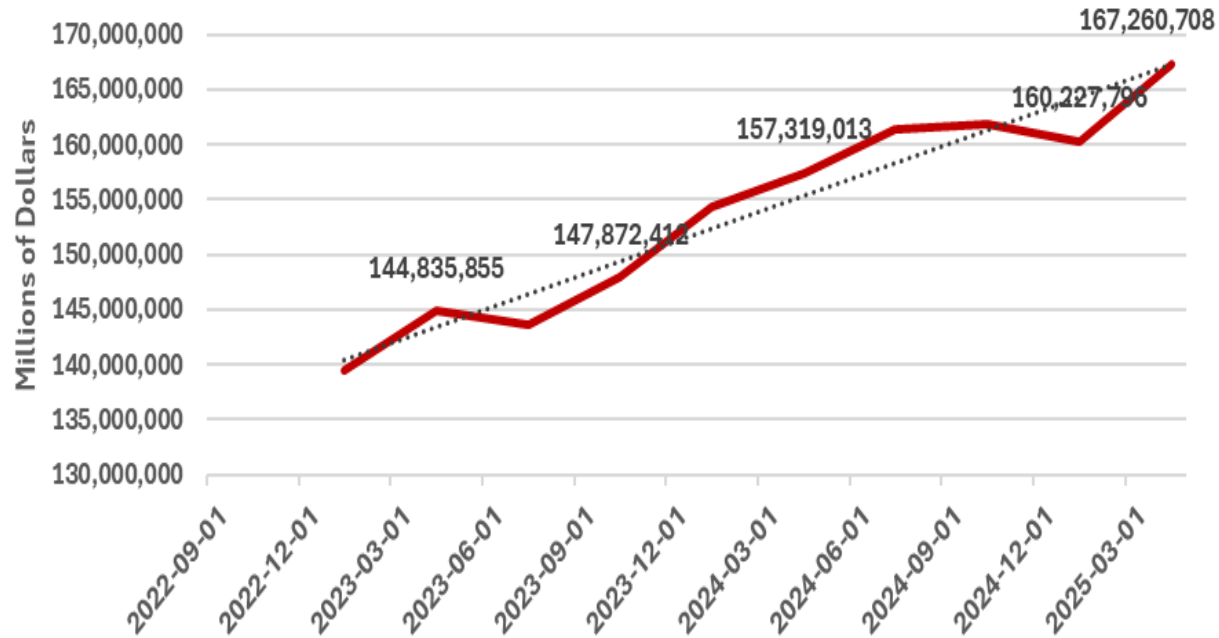


## 18-Year Volatility Index

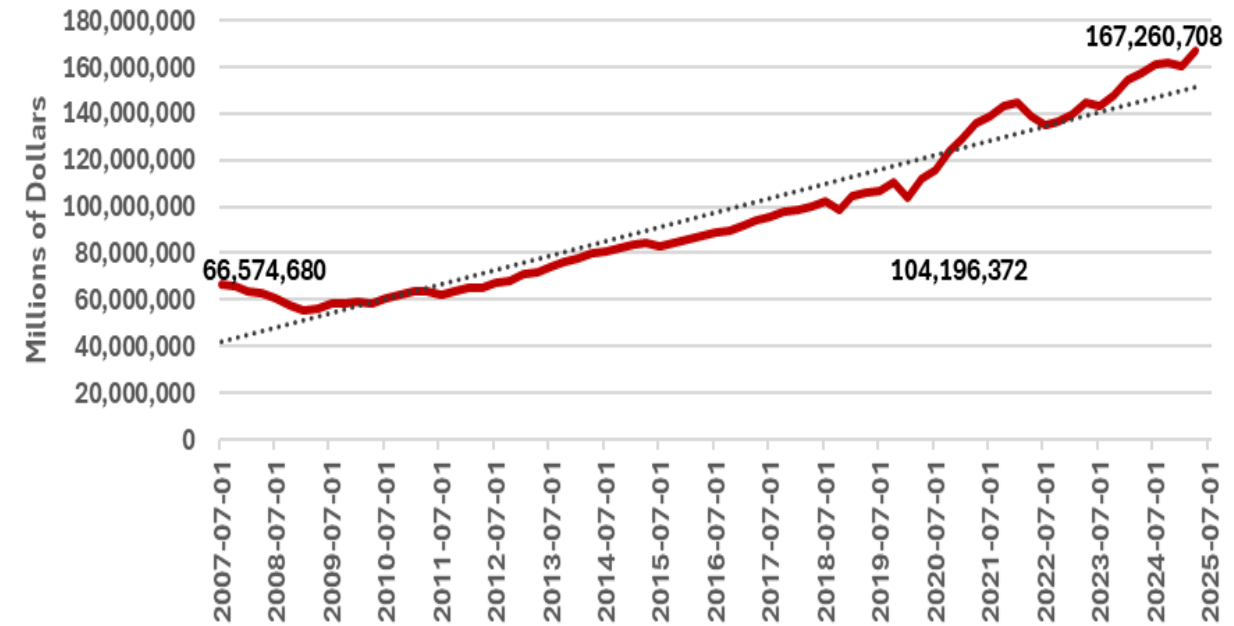


# Household Net Worth

## 25-Month US Household Net Worth



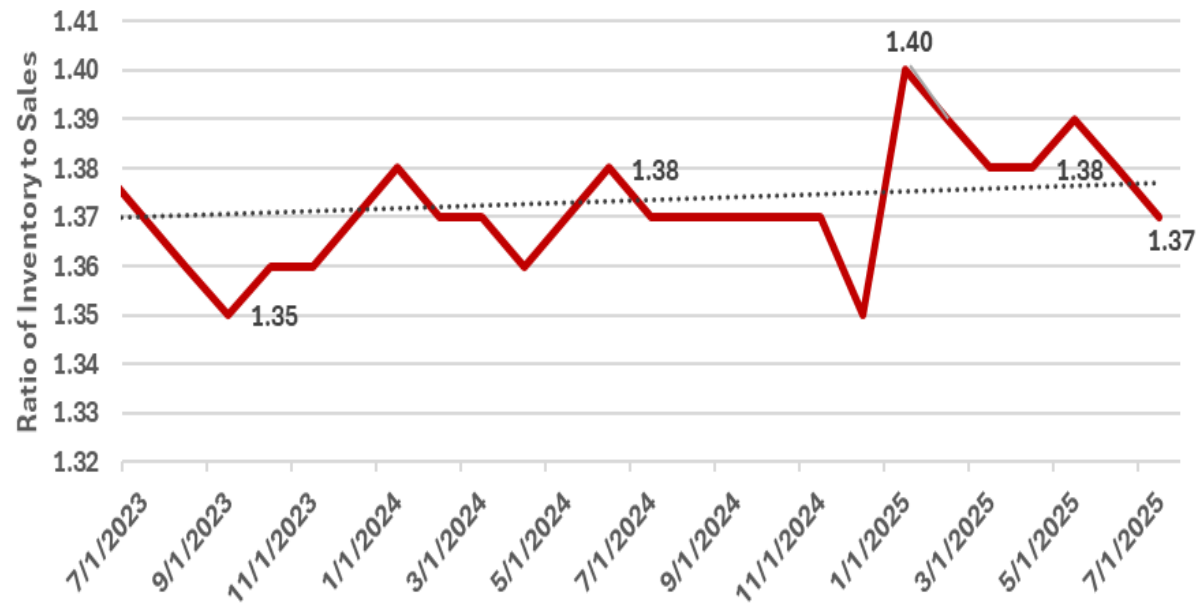
## 18-Year US Household Net Worth





# Inventory to Sales Ratio

## 25-Month Inventory to Sales Ratio



## 18-Year Inventory to Sales Ratio





The purpose of studying economics  
is not to acquire a set of ready-made  
answers to economic questions, but  
to learn how to avoid being  
deceived by economists.

— *Joan Robinson* —

AZ QUOTES

# Questions?

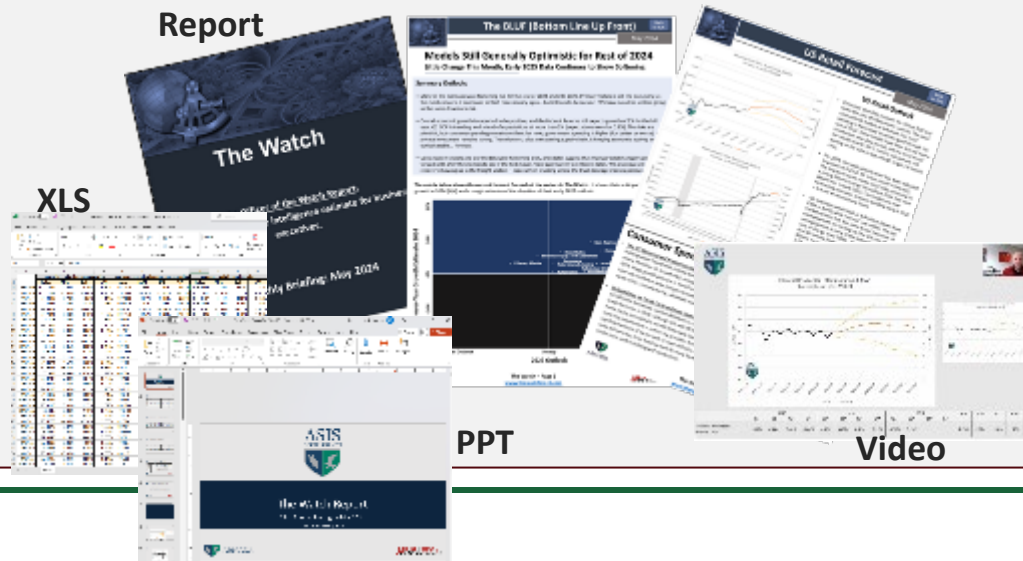
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