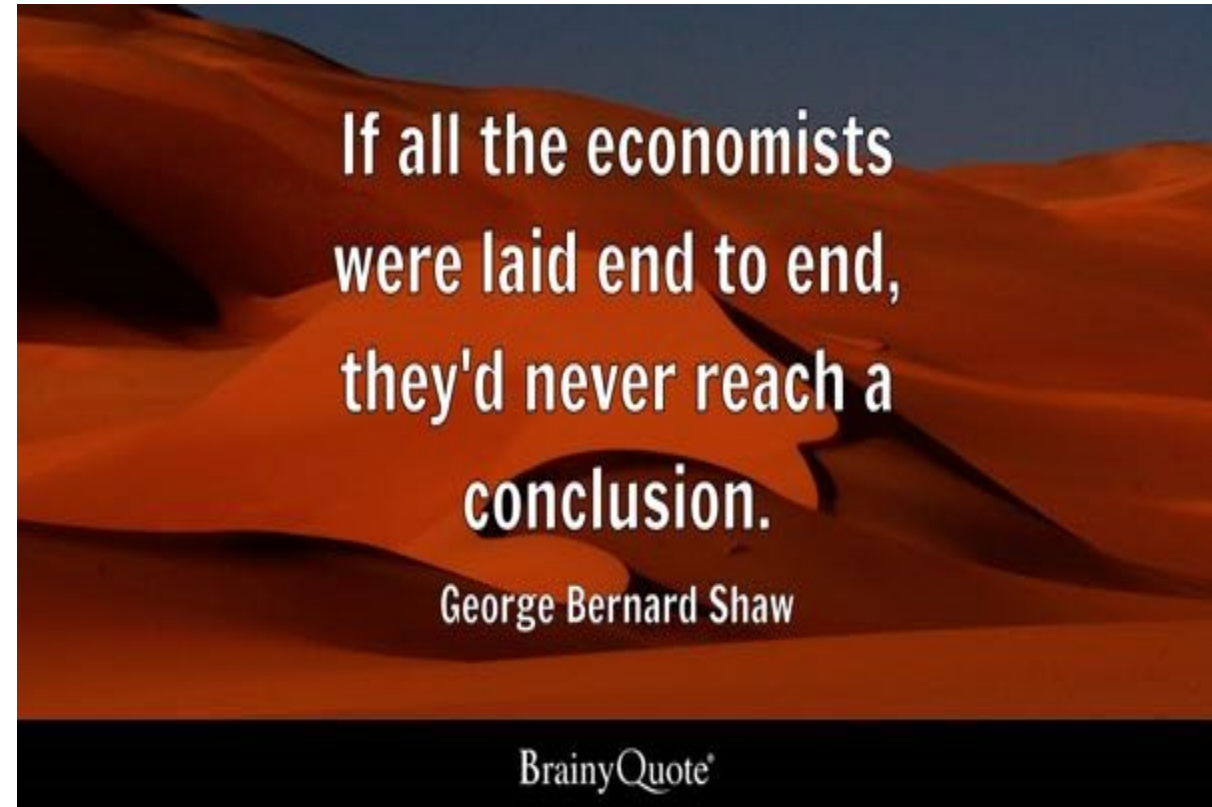




ARMADA

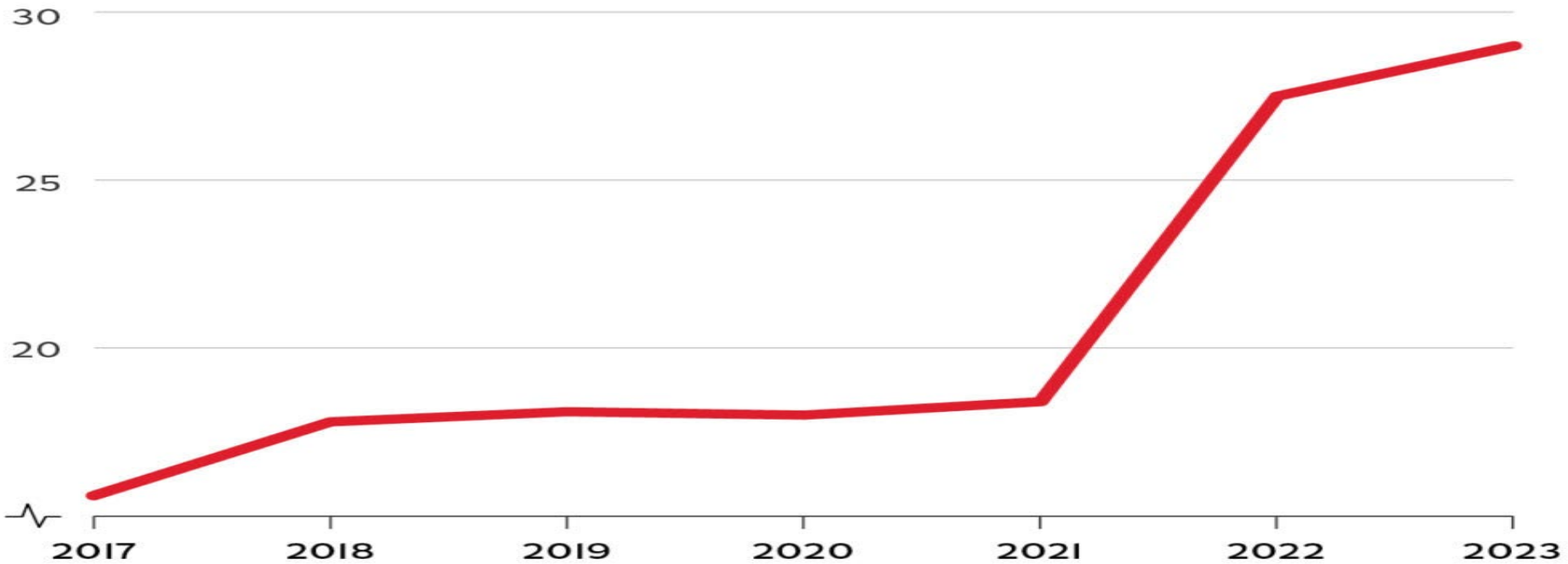
Manufacturing Deep Dive NIA Naples

Chris Kuehl, Managing Director



FDI in Mexico soars

FOREIGN DIRECT INVESTMENT (BILLIONS USD), FIRST SEMESTER



NOTE: 2022 FDI INCLUDES \$6.8 BILLION FROM RESTRUCTURING OF AEROMÉXICO AND MERGER OF TELEVISIÓN AND UNIVISIÓN. 2023 FIGURES ARE PRELIMINARY.

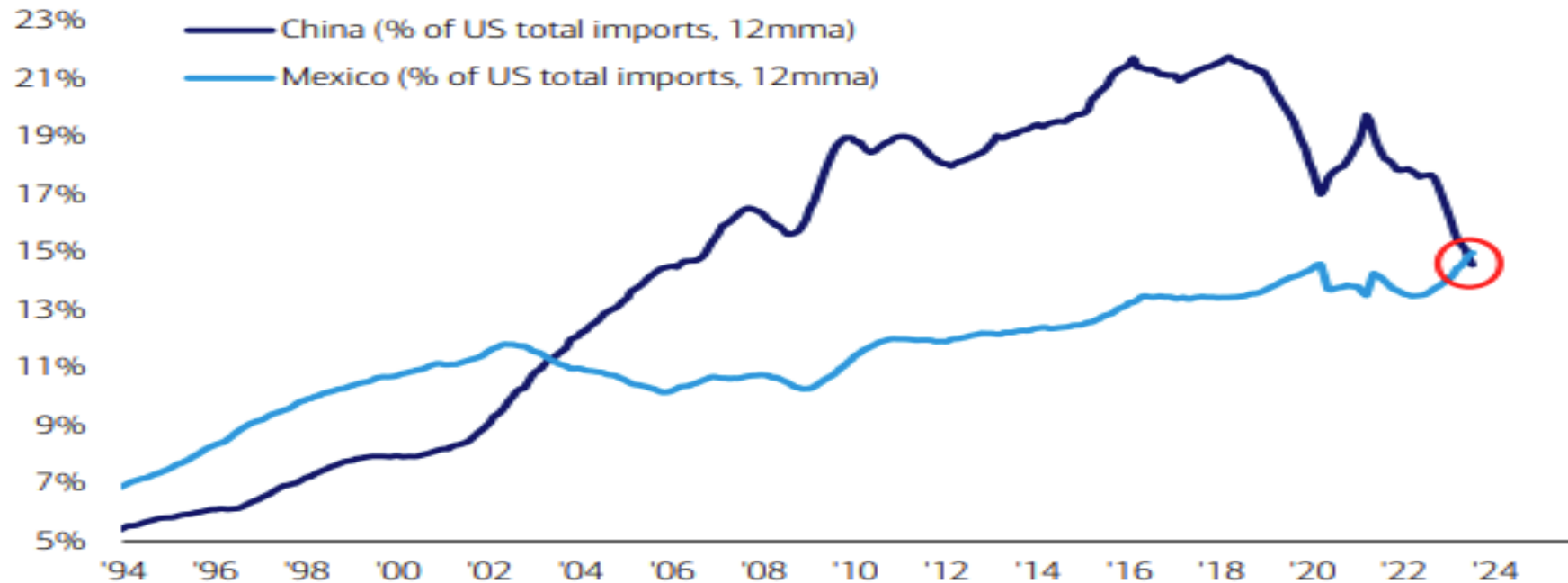
SOURCE: SECRETARÍA DE ECONOMÍA DE MÉXICO (AUGUST 2023)



Mexican Growth at China's Expense

Chart 4: US importing more from Mexico than China for first time since 2003

China and Mexico as % of US imports (12-month moving average)



Source: BofA Global Investment Strategy, Bloomberg

Mexico Makes History – Xochitl Galvez or Claudia Scheinbaum



Global Manufacturing Still Sluggish

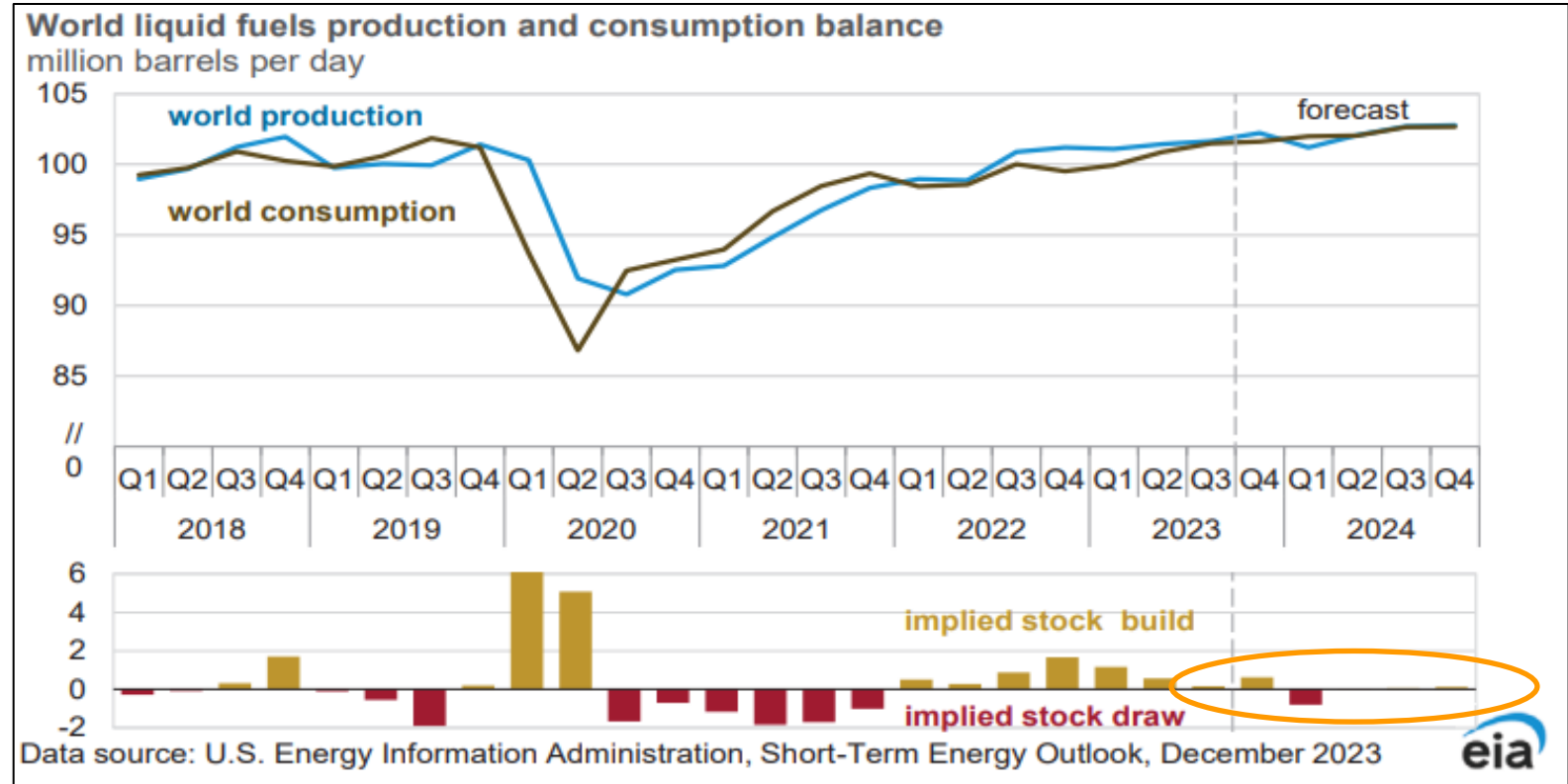
- Preliminary data shows 15 countries had manufacturing sectors in contraction in March.
- Europe still in recession (Germany in deep trouble).
- Asia is reeling from lack of demand in NA and Europe but was showing signs of recovery in March.
- India is still booming – because of shifting sourcing patterns.
- Canada in slight contraction; United States and Mexico expanding at a more solid rate for now.
- Raw material demand and the impact of the Red Sea are big questions; some input costs were rising across all but European sectors. New order activity was good, and destocking trends were slowing.

Country PMI	Manufacturing					Services			
	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		Mar	51.9	52.2	-0.3	Mar	51.7	52.3	-0.6
Global PMI	\$ 4,700	Mar	50.6	50.3	0.3	Mar	52.5	52.4	0.1
Canada	\$ 665	Mar	49.8	49.7	0.1	Mar	46.4	46.6	-0.2
Mexico	\$ 661	Mar	52.2	52.3	-0.1				
China	\$ 655	Mar	51.1	50.9	0.2	Mar	52.7	52.5	0.2
Eurozone PMI	\$ 632	Mar	46.1	46.5	-0.4	Mar	50.3	49.2	1.1
ASEAN	\$ 369	Mar	51.5	50.4	1.1				
Japan	\$ 210	Mar	48.2	47.2	1.0	Mar	54.1	52.9	1.2
Germany	\$ 201	Mar	41.9	42.5	-0.6	Mar	50.1	48.3	1.8
South Korea	\$ 161	Mar	49.8	50.7	-0.9				
UK	\$ 118	Mar	50.3	47.5	2.8	Mar	53.1	53.8	-0.7
Taiwan	\$ 114	Mar	49.3	48.6	0.7				
India	\$ 113	Mar	59.1	56.9	2.2	Mar	61.2	60.6	0.6
Vietnam	\$ 113	Mar	49.9	50.4	-0.5				
Netherlands	\$ 88	Mar	49.7	49.3	0.4				
Ireland	\$ 88	Mar	49.6	52.2	-2.6	Mar	56.6	54.4	2.2
Switzerland	\$ 87	Mar	45.2	44.0	1.2				
Italy	\$ 83	Mar	50.4	48.7	1.7	Mar	54.6	52.2	2.4
France	\$ 80	Mar	46.2	47.1	-0.9	Mar	48.3	48.4	-0.1
Brazil	\$ 78	Mar	53.6	54.1	-0.5	Mar	54.8	54.6	0.2
Singapore	\$ 65	Mar	55.7	56.8	-1.1				
Thailand	\$ 60	Mar	49.1	45.3	3.8				
Australia	\$ 39	Mar	47.3	47.8	-0.5	Mar	54.4	53.1	1.3
Indonesia	\$ 37	Mar	54.2	52.7	1.5				
Russia	\$ 36	Mar	55.7	54.7	1.0	Mar	51.4	51.1	0.3
Spain	\$ 35	Mar	51.4	51.5	-0.1	Mar	56.1	54.7	1.4
Hong Kong	\$ 34	Feb	49.7	49.9	-0.2				
Philippines	\$ 23	Mar	50.9	51.0	-0.1				
Poland	\$ 11	Mar	48.0	47.9	0.1				
Greece	\$ 3	Mar	56.9	55.7	1.2				

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

Oil and Gasoline – Fairly Balanced for 2024

- Fairly balanced outlook through 2024
 - Anecdotal evidence suggests that many new wells have been built and are ready for production – but are shut-in and waiting on demand to resurface before starting production.
- The United States may have officially hit a “dynamic production” zone in which production can quickly keep pace with demand. That could lead to oil prices hovering in the \$70 range in perpetuity.



Crude forecast:	
• 2021	\$68.21
• 2022	\$94.91
• 2023	\$77.63
• 2024	\$78.07

Diesel forecast:	
• 2021	\$3.29
• 2022	\$5.02
• 2023	\$4.22
• 2024	\$3.95

Gasoline forecast:	
• 2021	\$3.02
• 2022	\$3.97
• 2023	\$3.53
• 2024	\$3.36

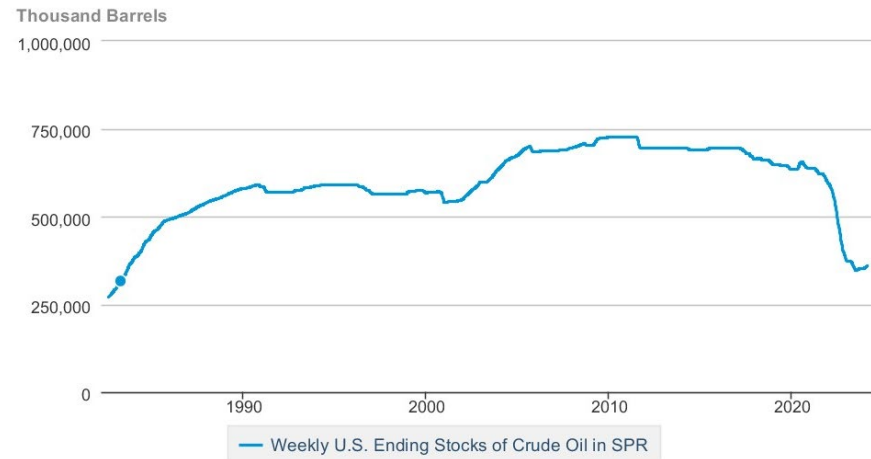
Source: EIA; Baker Hughes; Conoco-Philips

United States Production Touching New All-Time Highs at 13.31M BPD



- Prior record was 13M BPD in Nov of 2019.
- Significant shut-in capacity is ready and could be tapped at any time. Again, oil prices remaining in the \$70-\$80 per barrel range is optimum for producers.
- SPR inventories still at 1980s lows. Officials state that it can only be refilled at a specific rate because of limitations on storage facilities.

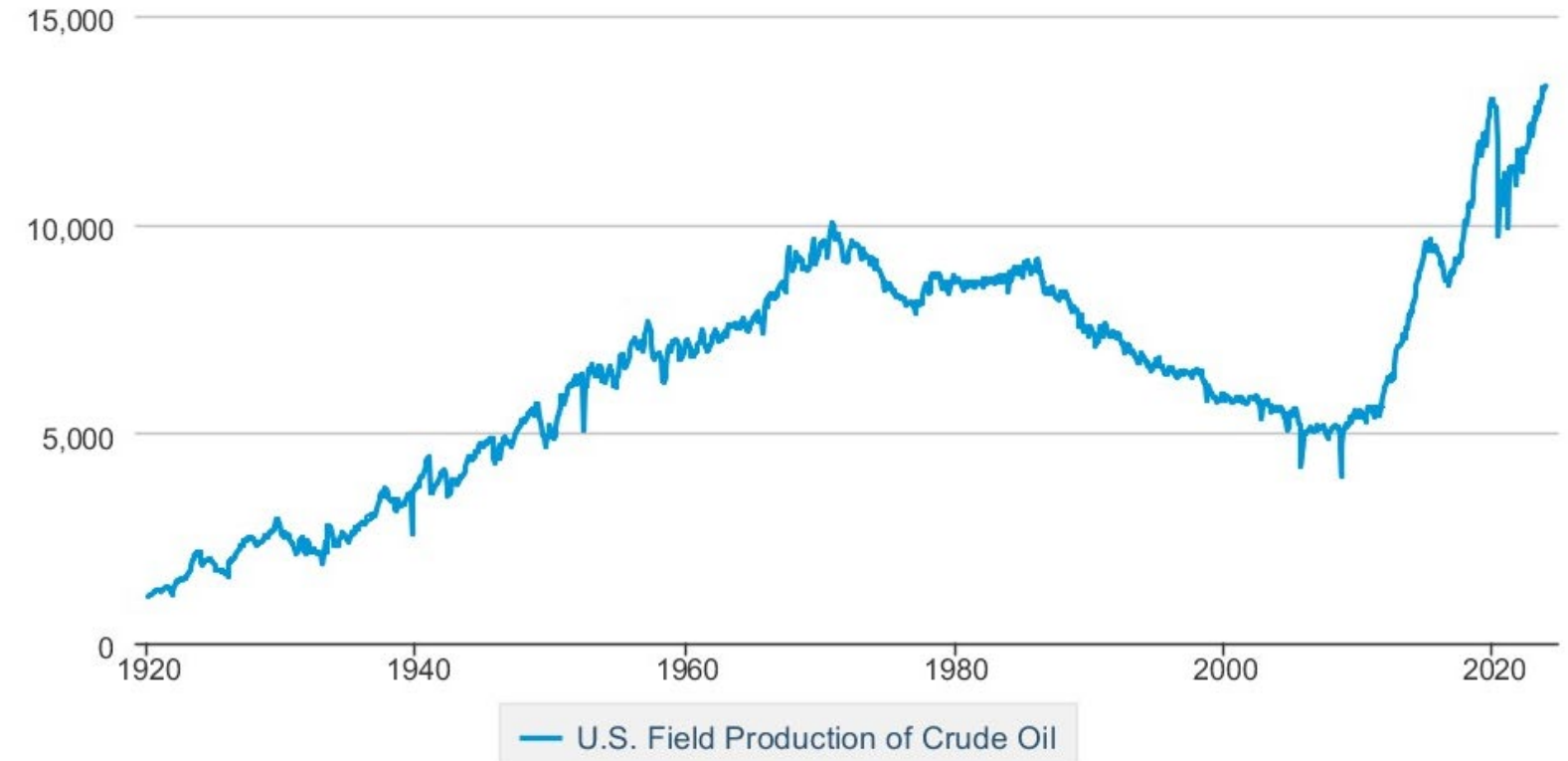
Weekly U.S. Ending Stocks of Crude Oil in SPR



eia Data source: U.S. Energy Information Administration

U.S. Field Production of Crude Oil

Thousand Barrels per Day



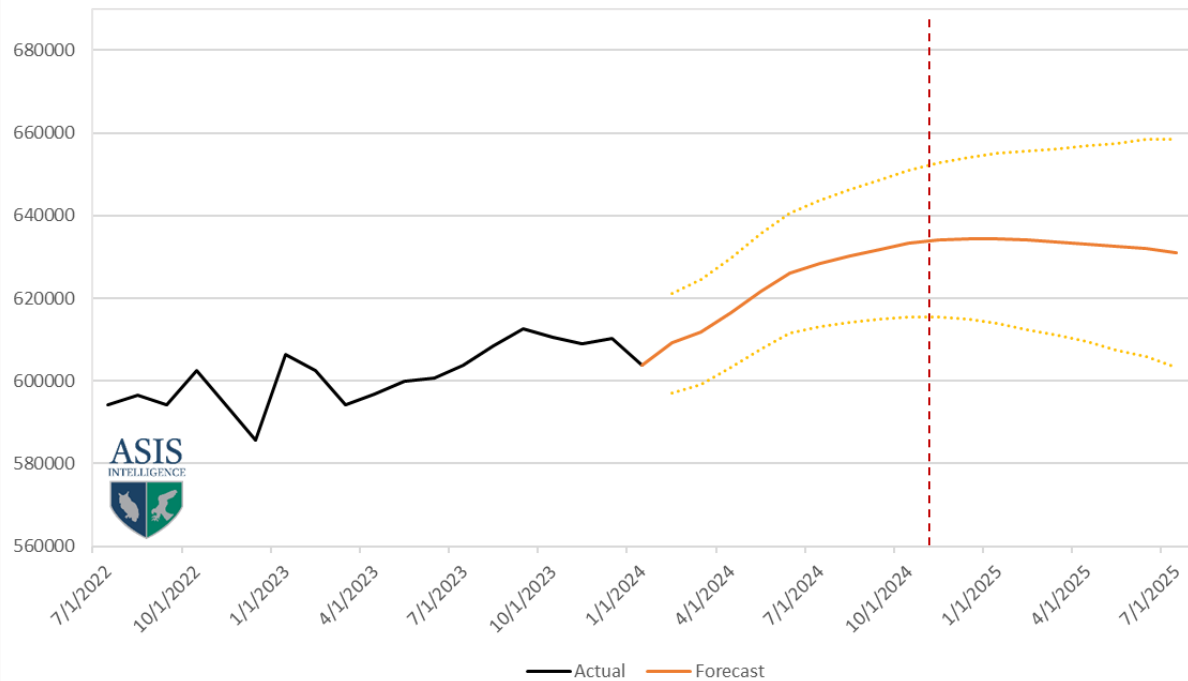
eia Data source: U.S. Energy Information Administration

Forecast Growth: Retail Spending (Consumer Spending)

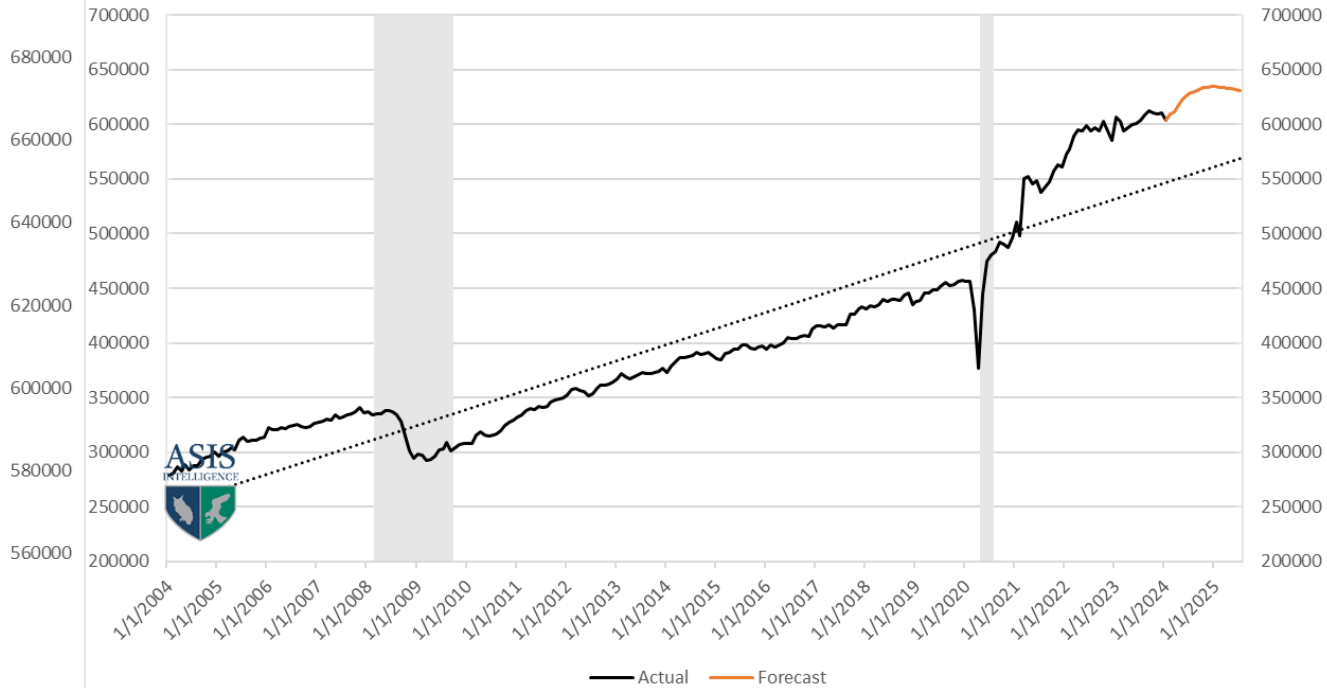
Forecast from The Watch



Advance Retail Sales: Retail Trade (RSXFS)
Forecast as of 03/13/2024



Advance Retail Sales: Retail Trade (RSXFS)
Forecast as of 03/13/2024



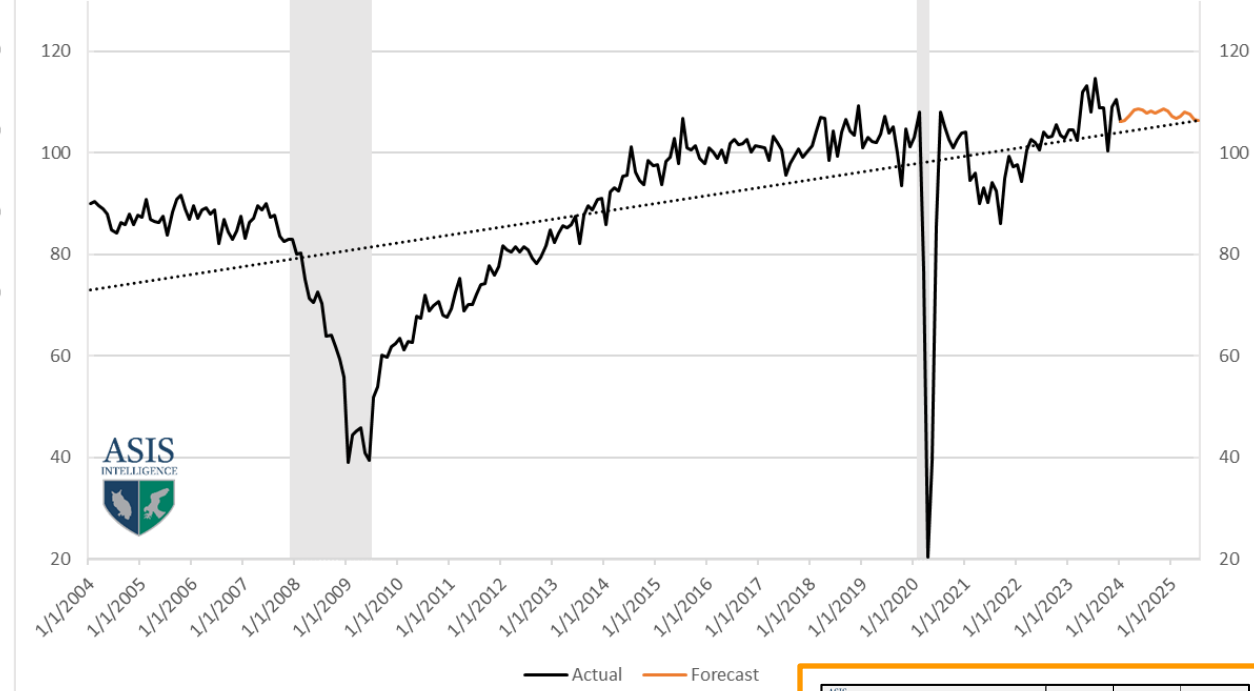
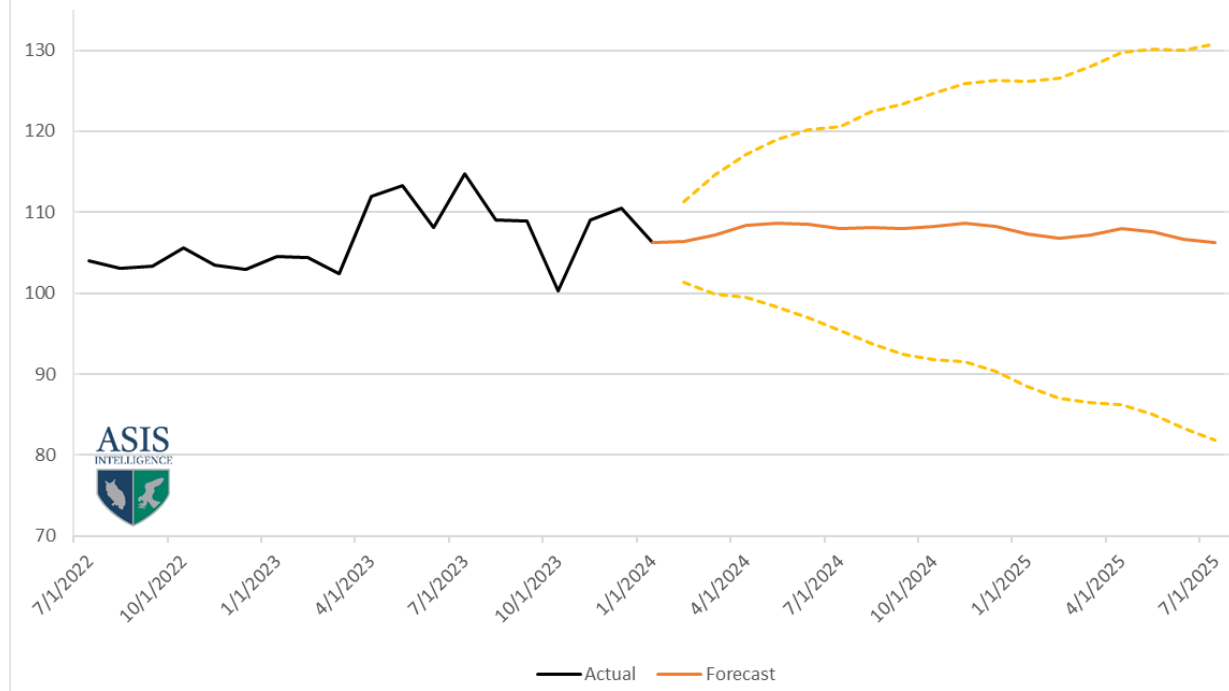
	1 mo	3 mo
TRUCK D11	94.72%	93.70%
RAILFRTCARLOADSD11	98.88%	99.75%
RSXFS	98.68%	97.89%
PNRESCONS	94.40%	93.99%

Automotive Production Forecast from The Watch



Industrial Production: Motor Vehicles and Parts (IPG3361T3S)
Forecast as of 03/13/2024

Industrial Production: Motor Vehicles and Parts (IPG3361T3S)
Forecast as of 03/13/2024

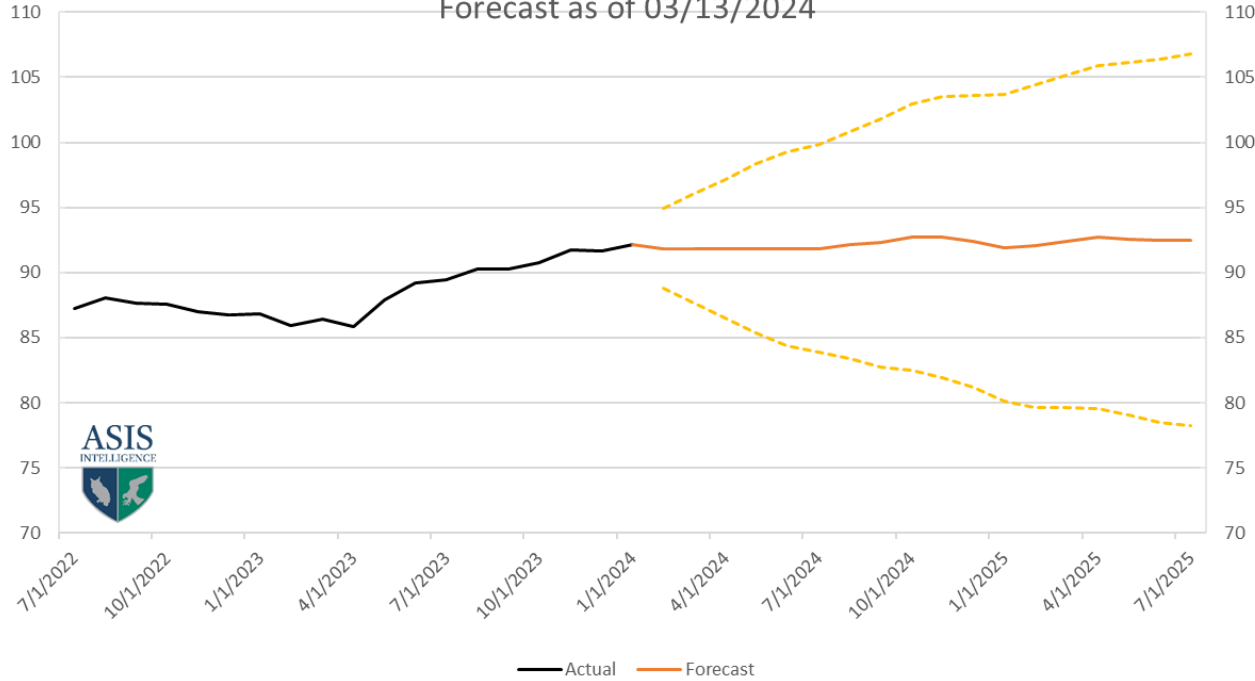


	1-month	3-month	6-month
Industrial Production: Manufacturing	99.806%	97.303%	99.332%
Aerospace and Miscellaneous Transportation Equipment	99.197%	99.548%	99.771%
Computer and Electronic Product	99.305%	97.993%	98.874%
Electrical Equipment, Appliance, and Component	98.540%	98.215%	92.380%
Fabricated Metal Product	98.485%	94.130%	96.570%
Machinery	98.462%	98.859%	98.339%
Motor Vehicles and Parts	96.998%	91.727%	99.618%
Primary Metal	98.570%	93.495%	99.415%
Average	98.670%	96.409%	98.037%

Aerospace Production Forecast from The Watch



Industrial Production: Aerospace and Miscellaneous Transportation Equipment (IPG3364T9S)
Forecast as of 03/13/2024



Industrial Production: Aerospace and Miscellaneous Transportation Equipment (IPG3364T9S)
Forecast as of 03/13/2024

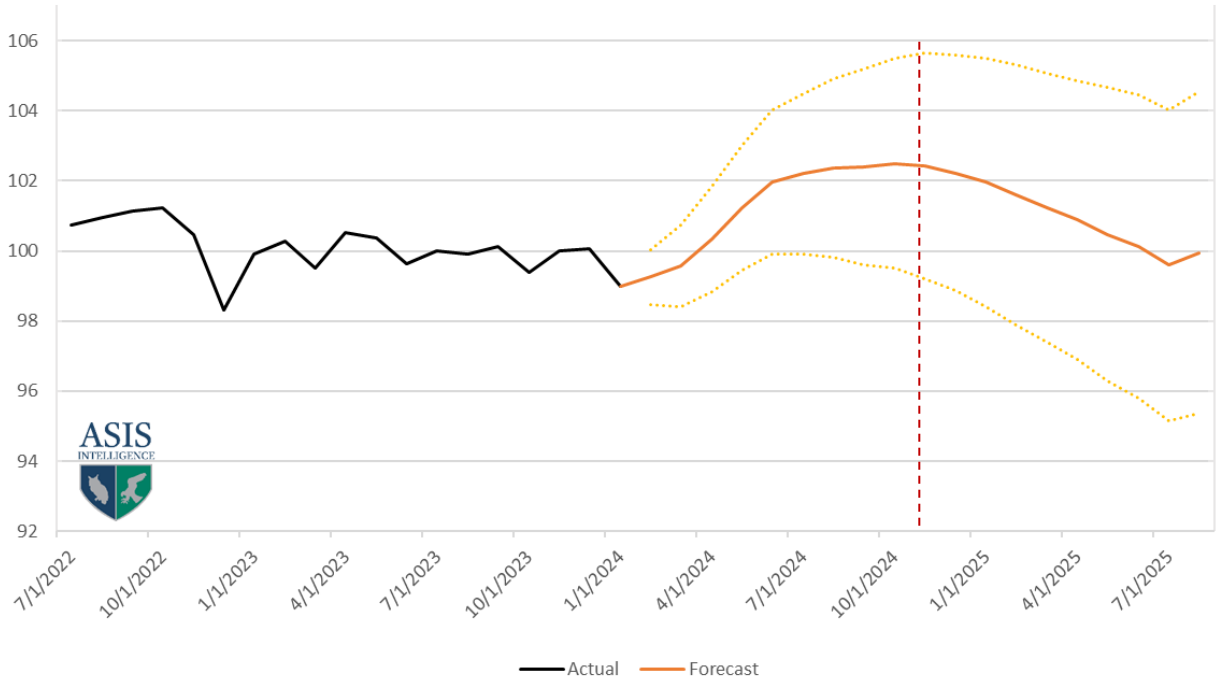


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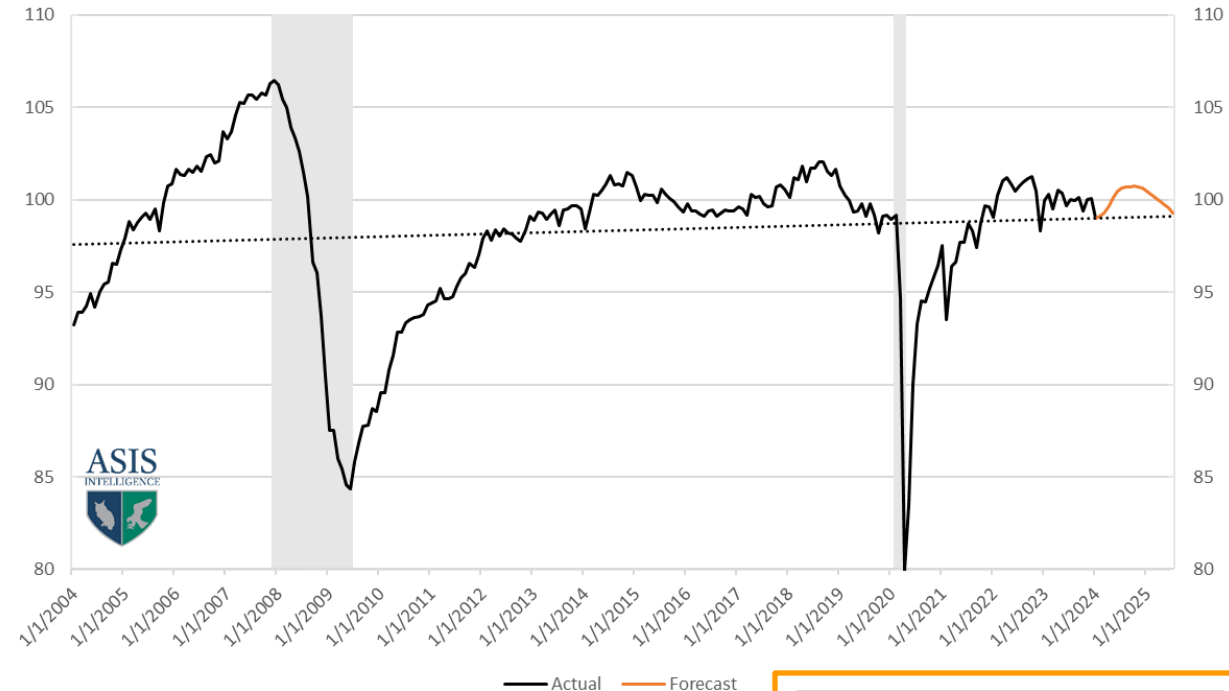
Broad Manufacturing Forecast from The Watch



Industrial Production: Manufacturing (IPMAN)
Forecast as of 03/13/2024



Industrial Production: Manufacturing (IPMAN)
Forecast as of 03/13/2024

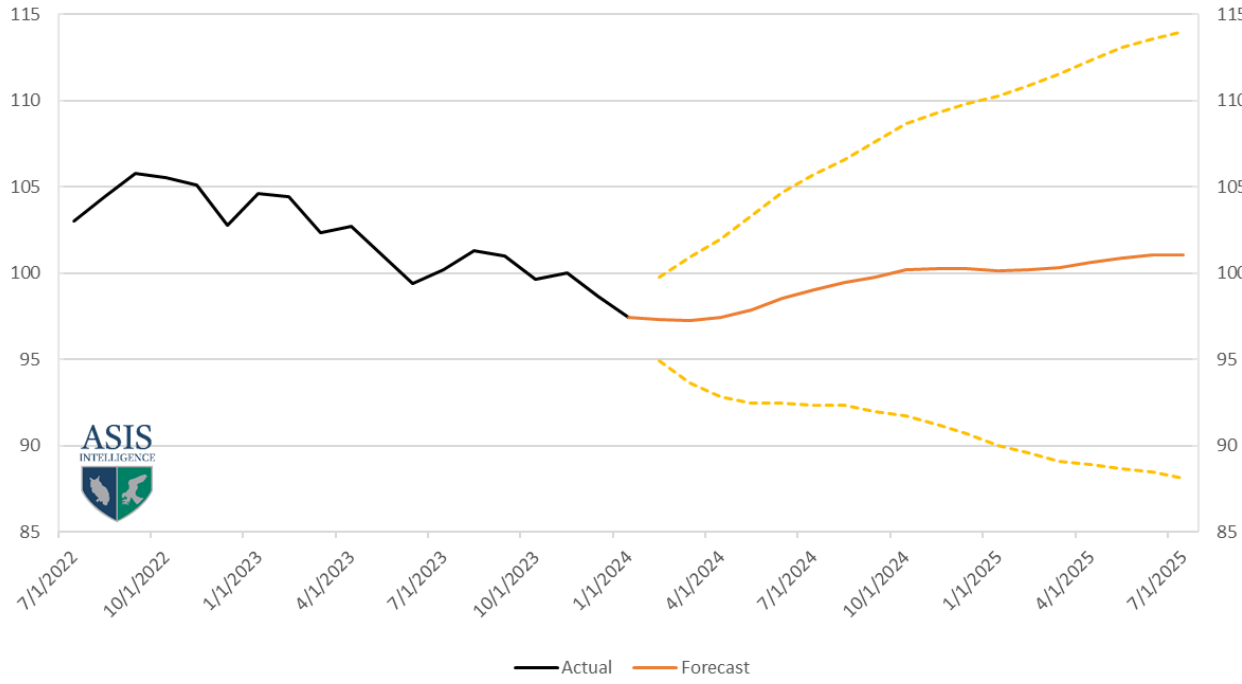


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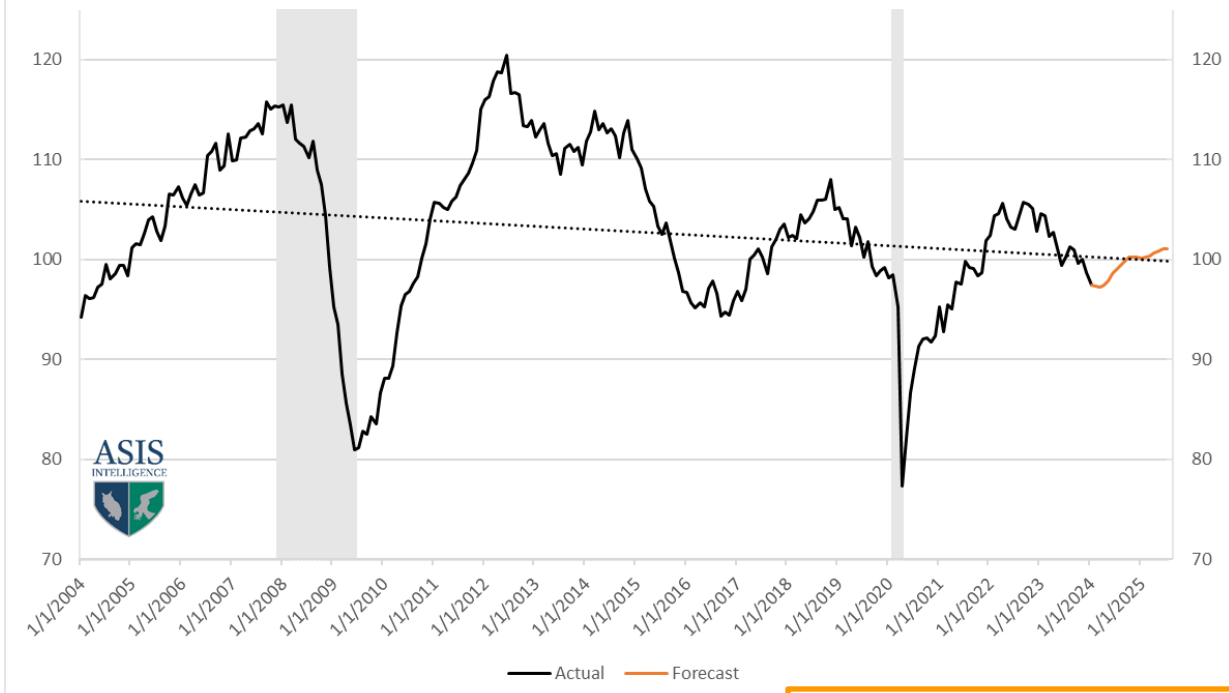
Machinery Production Forecast from The Watch



Industrial Production: Machinery (IPG333S)
Forecast as of 03/13/2024



Industrial Production: Machinery (IPG333S)
Forecast as of 03/13/2024

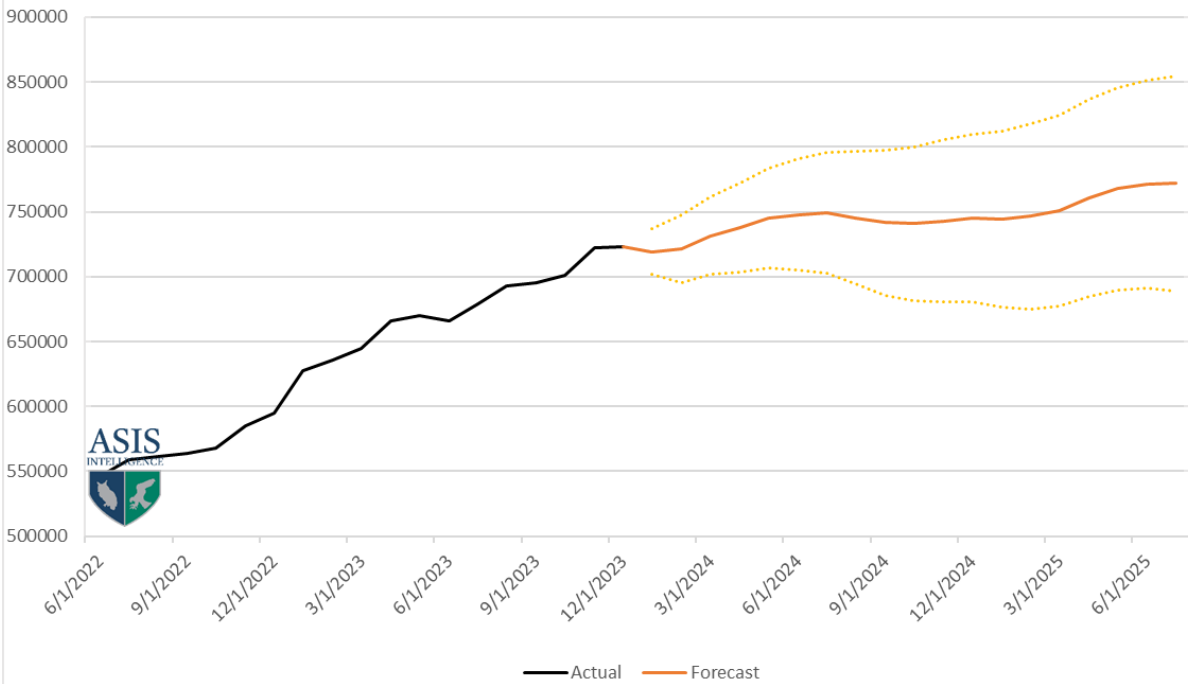


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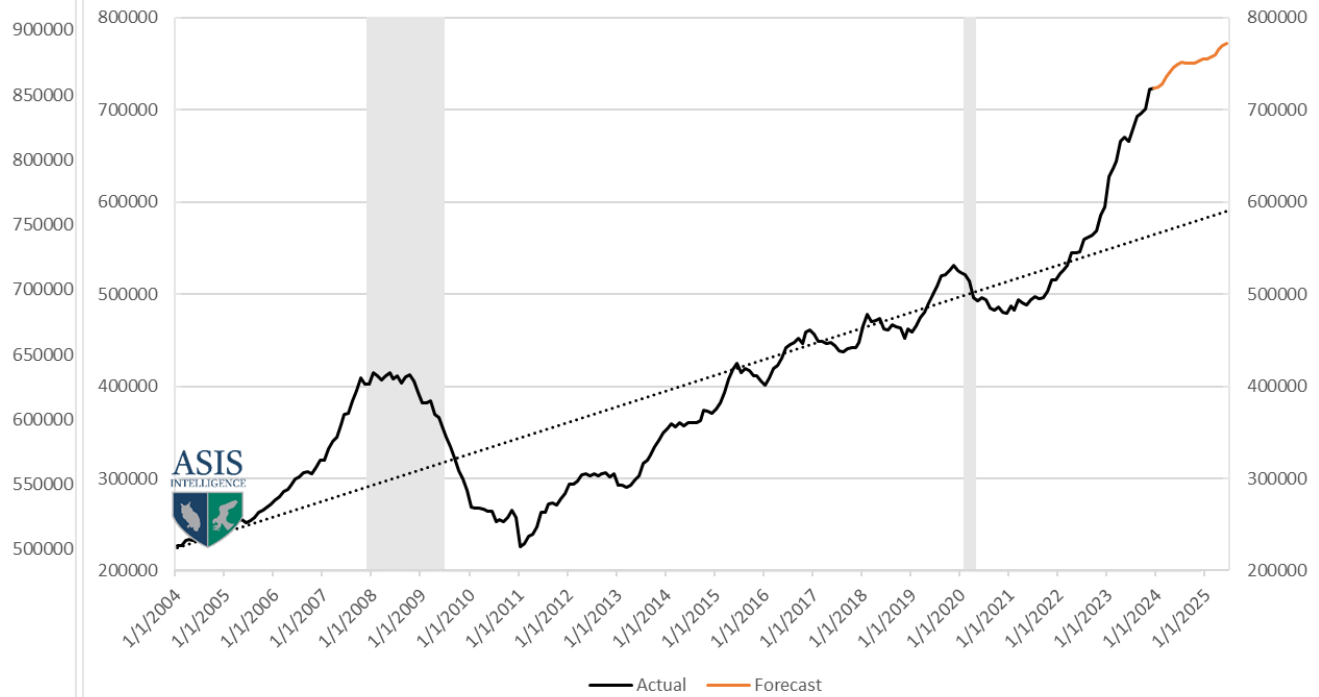
Growth Forecast: Nonresidential Construction Forecast from The Watch



Private Nonresidential Construction Spending (PNRESCONS)
Forecast as of 03/13/2024



Private Nonresidential Construction Spending (PNRESCONS)
Forecast as of 03/13/2024

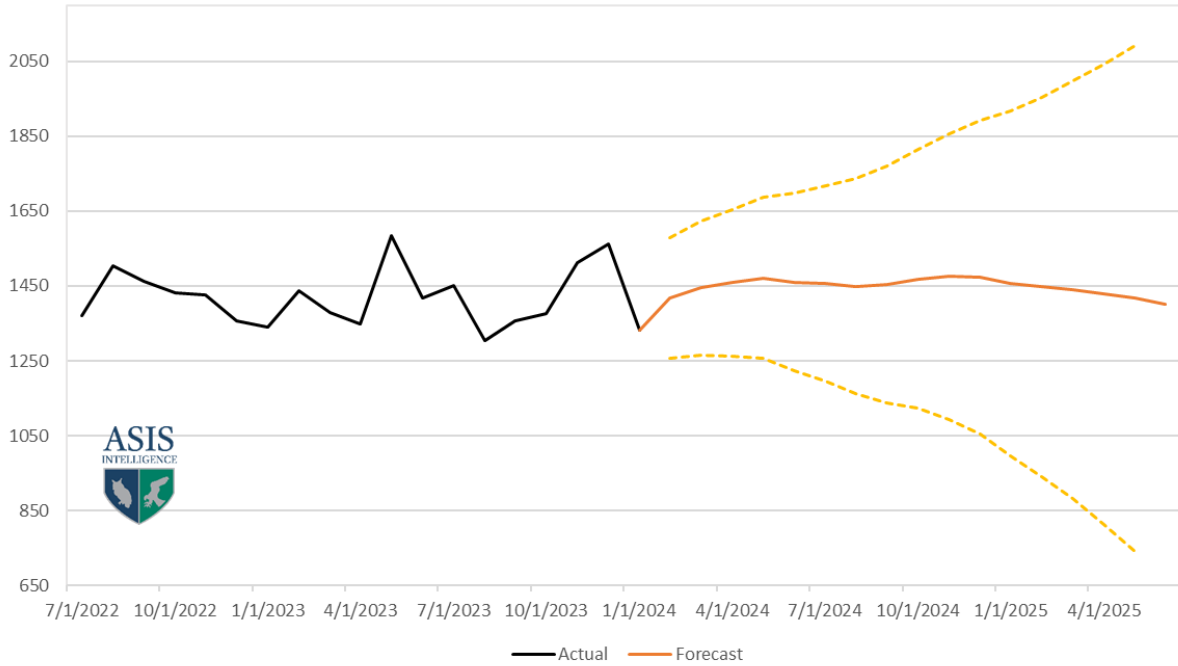


	1 mo	3 mo
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PNRESCONS	94.40%	93.99%

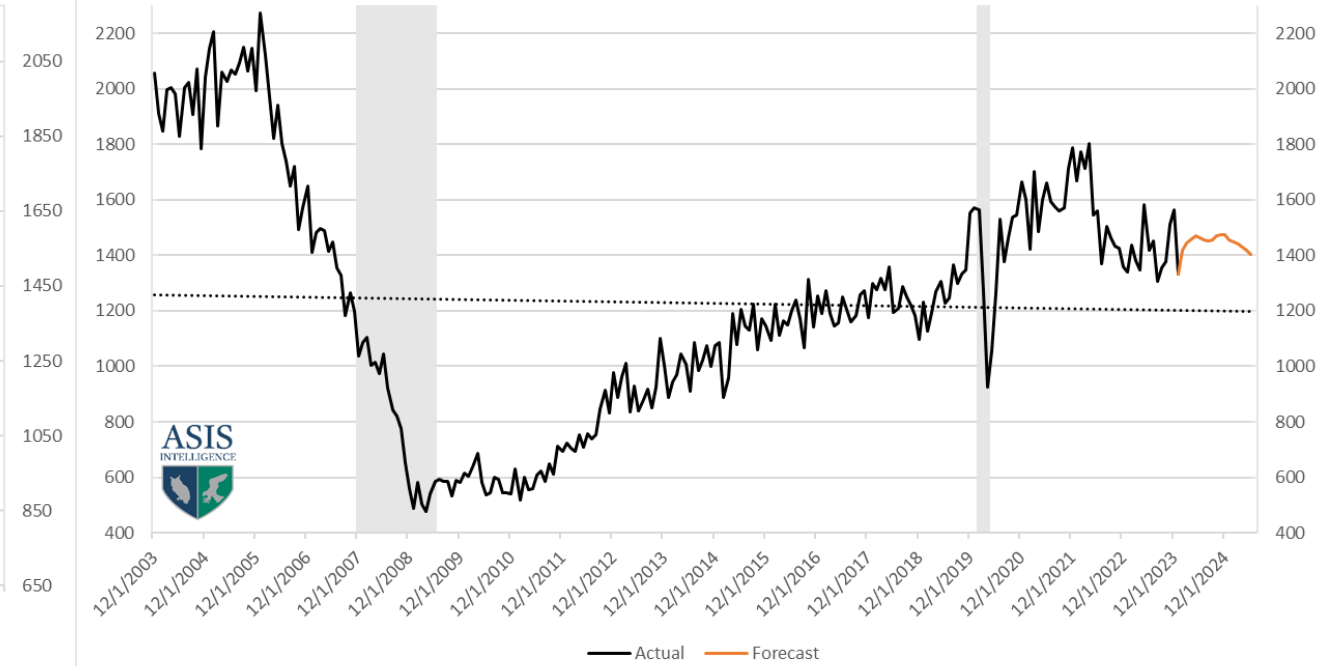
Growth Forecast: Residential Construction Forecast from The Watch



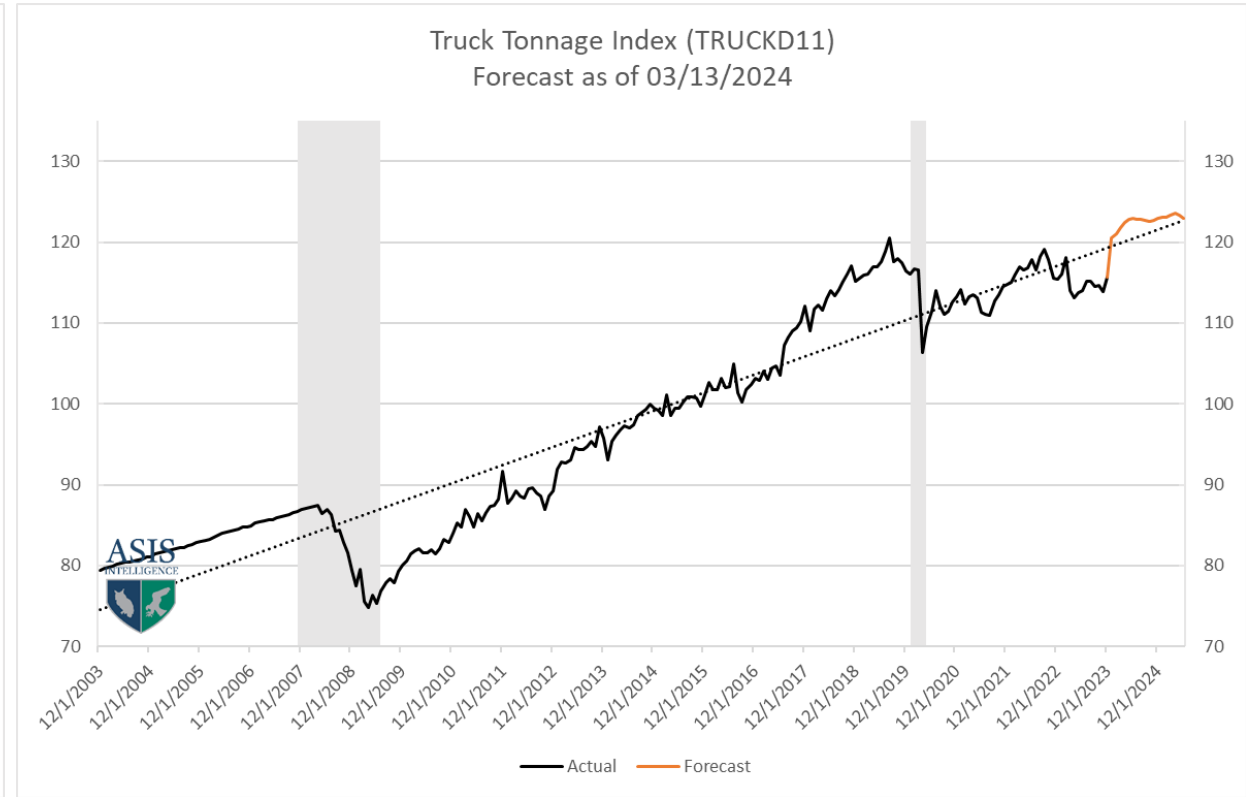
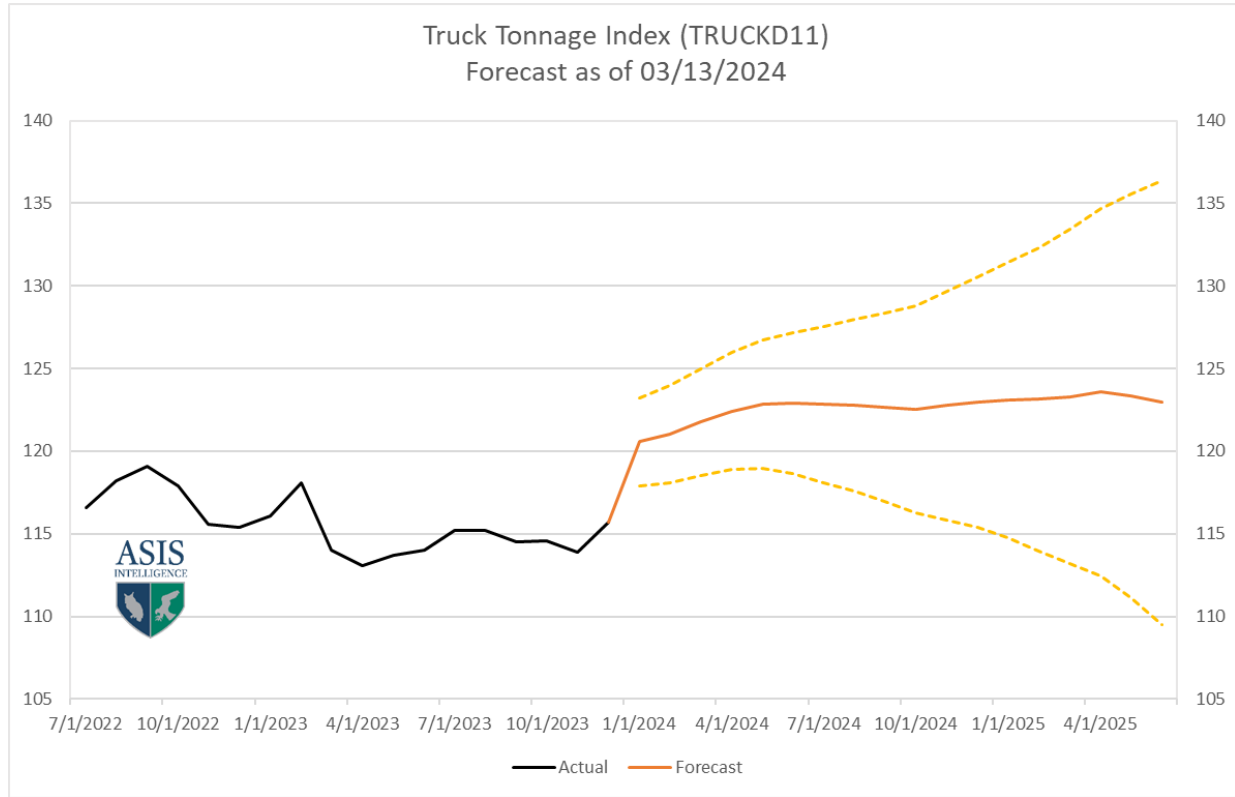
New Privately-Owned Housing Units Started: Total Units (HOUST)
Forecast as of 03/13/2024



New Privately-Owned Housing Units Started: Total Units (HOUST)
Forecast as of 03/13/2024



Truck Tonnage Forecast from The Watch

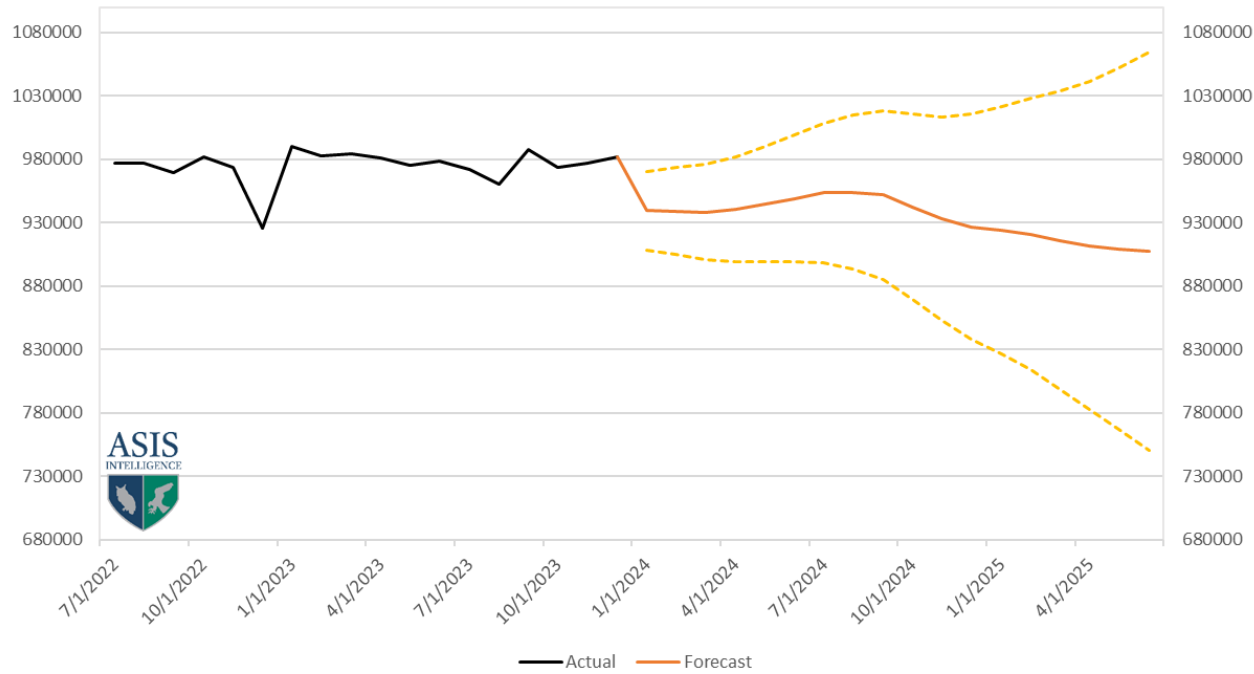


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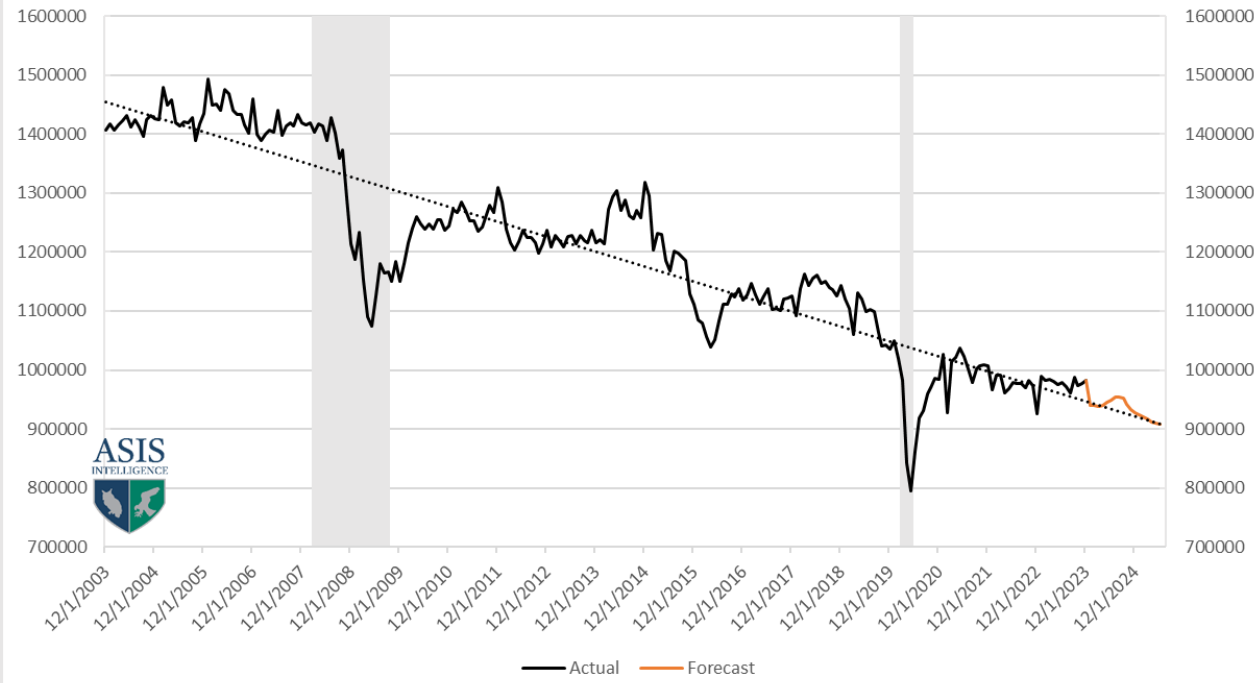
Rail Carload Forecast from The Watch



Rail Freight Carloads (RAILFRTCARLOADSD11)
Forecast as of 03/13/2024



Rail Freight Carloads (RAILFRTCARLOADSD11)
Forecast as of 03/13/2024

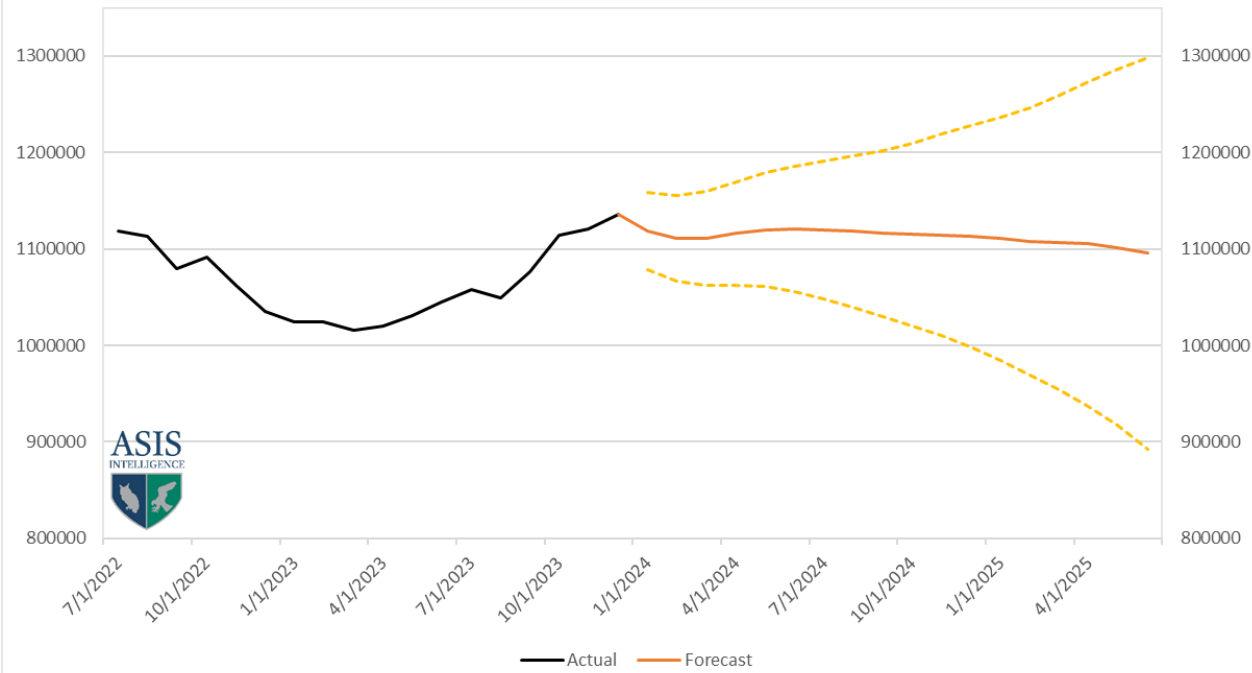


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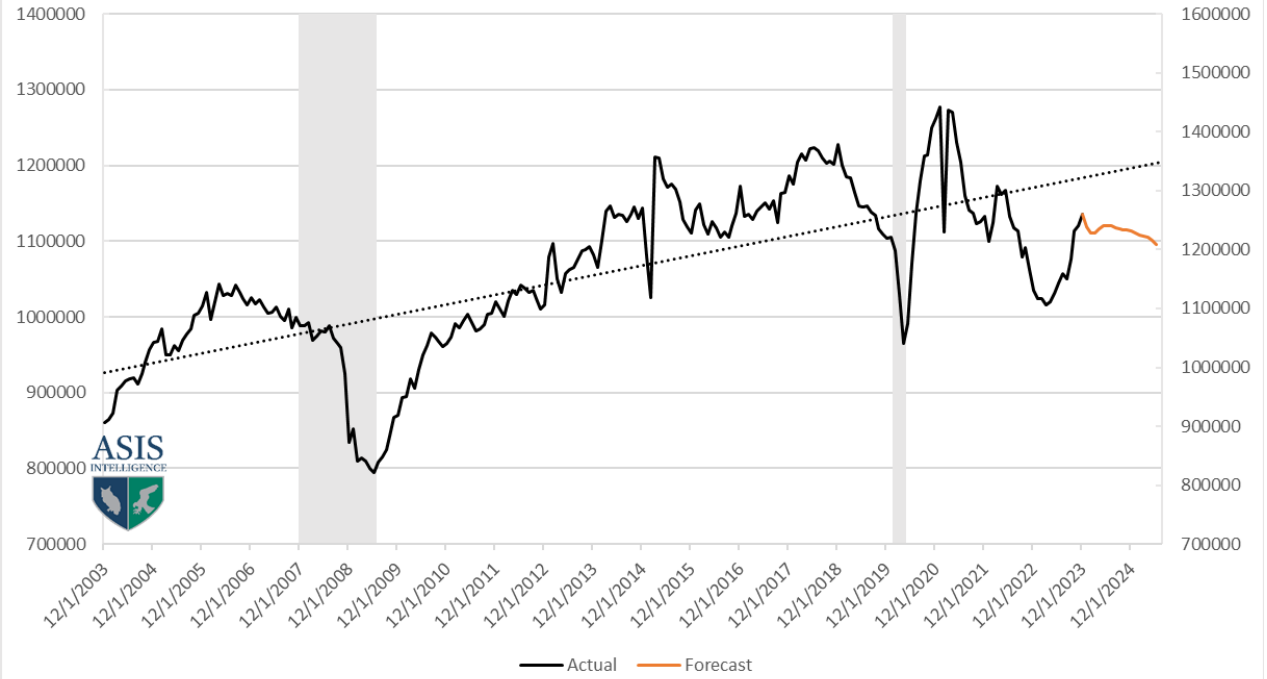
Rail Intermodal Forecast from The Watch



Rail Freight Intermodal (RAILFRTINTERMODALD11)
Forecast as of 03/13/2024



Rail Freight Intermodal (RAILFRTINTERMODALD11)
Forecast as of 03/13/2024



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Chris.kuehl@armadaci.com

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