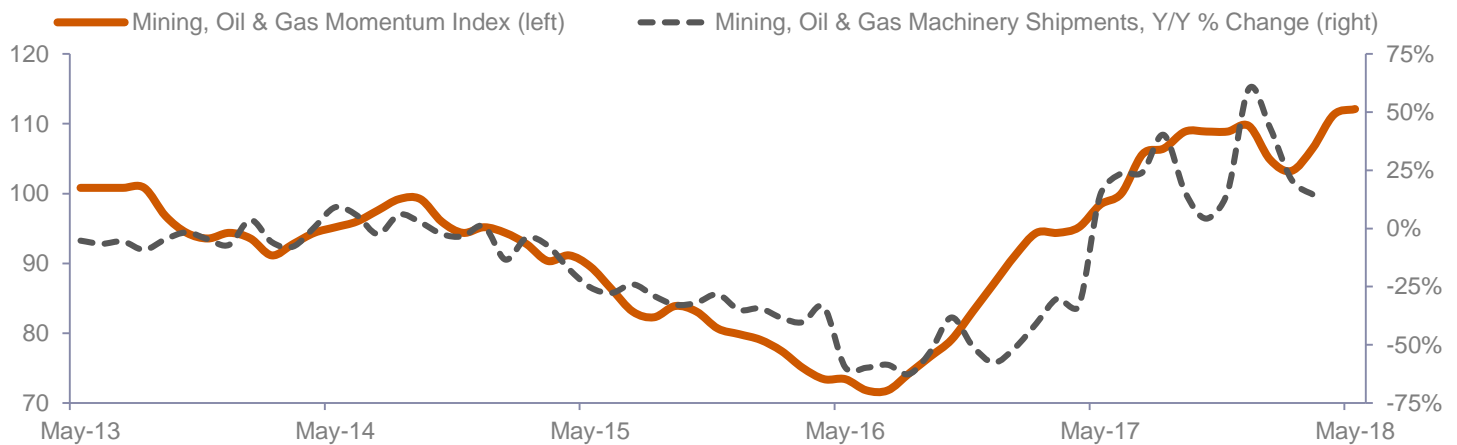


MSCI - Keybridge Momentum Monitor

Mining, Oil & Gas Machinery

Preliminary Q3 Forecast - May 2018

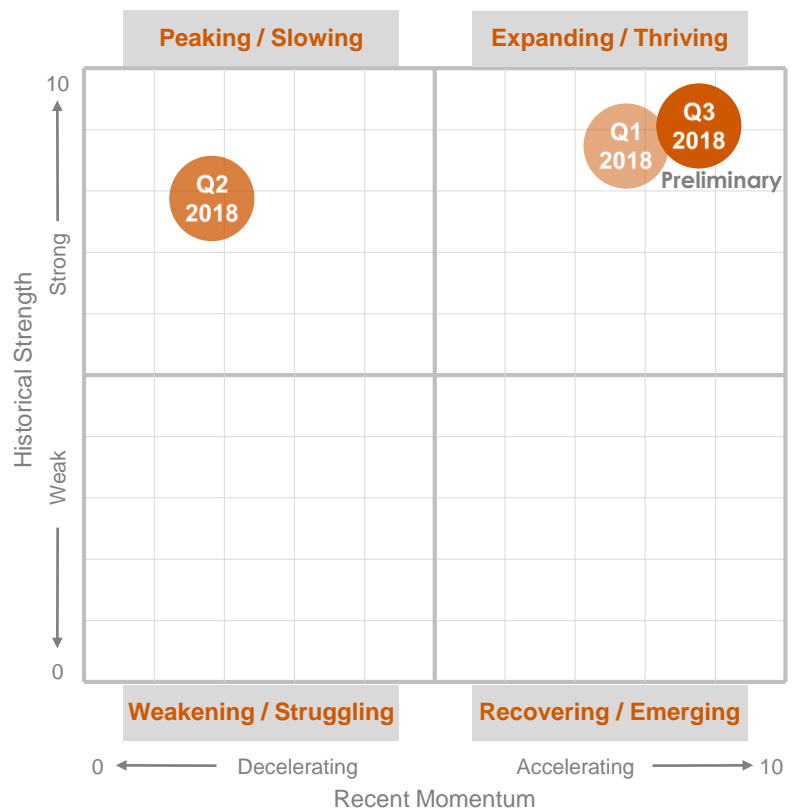
The **Mining, Oil & Gas Machinery Index** increased from 103.2 (revised) in February 2018 to 112.1 in May 2018, its strongest reading since July 2011. In February, Mining, Oil & Gas Machinery Shipments rose 3.3% to \$1.119 billion, following declines the previous two months. February shipments stood nearly 15% above their level one year ago. After signs of a slowdown earlier this year, the latest data now point to a ramp up in oil & gas sector activity. Overall, the Index points to continued strong growth in mining, oil & gas machinery shipments over the next three to six months, with potential for a modest acceleration.



Drivers

- +** **Employment in Oil & Gas Extraction** rose 1.6% in March to 150,200 payrolls.
- +** **LME Copper Closing Stock** surged 17% in March, its fourth consecutive monthly increase.
- +** The **Iron & Steel Product Import Price Index** rose 2.7 points in March, continuing consistent gains over the past year.
- +** **Commercial Sector Energy Consumption** increased by an additional 6.2% in January after a 16% surge in December.

Current and Previous Forecasts



Mining, Oil, and Gas Machinery Momentum Monitor

Indicator	Units	Latest Data Point	Recent Change	
			M/M	Y/Y
Shipments of Mining, Oil, & Gas Field Machinery	Million 1980 Dollars	\$522.65	3.8%	14.6%
Weekly Hours of Agricultural, Construction, & Mining Machinery Manufacturing Employees	Average weekly hours, SA	43.4	-0.7%	2.4%
Mining & Logging Employment	Thousands of employees, SA	534.0	1.3%	12.7%
Mining Support Activities Employment	Thousands of employees, SA	334.1	1.7%	18.6%
Oil & Gas Extraction Employment	Thousands of employees, SA	150.20	1.6%	3.8%
Gasoline Production	Million barrels per day	9.97	1.3%	1.4%
US Crude Oil Production	Millions of barrels	308.9	0.1%	12.9%
Brent Spot Price	Dollars per barrel	\$69.02	4.4%	32.2%
Bloomberg Commodity Index	Dollars	\$89.19	-1.0%	0.9%
LME Copper Stock Closing	Thousands of metric tons	383.025	16.8%	31.5%
Iron & Steel Product Import Prices	Index (2000=100)	172.0	1.6%	23.1%
S&P Steel Index	Dollars	\$279.6	-8.1%	8.7%
Natural Gas Index	Dollars	0.32	1.4%	-29.4%
Mining & Oilfield Industrial Production	Index, SA (2012=100)	62.1	-0.4%	34.5%
Industrial Production for Crude Oil Extraction	Index, SA (2012=100)	159.1	0.9%	14.4%
Industrial Production for Natural Gas Distribution	Index, SA (2012=100)	119.6	15.6%	14.8%
Steel Capacity Utilization	% of capacity	76.2%	-3.2%	6.7%
New Orders for Oil & Gas Field Machinery	Billions of dollars, SA	1.10	1.8%	13.4%
Commercial Sector Energy Consumption	Trillion BTUs	1,863	6.2%	8.4%

About The Mining, Oil, and Gas Machinery Momentum Monitor

The MSCI-Keybridge Mining, Oil & Gas Machinery Momentum Monitor is designed to anticipate shifts in the mining, oil & gas end-user markets that are likely to affect demand for machinery over the next one to two quarters. It is based on analysis of high-frequency indicators with a proven history of signaling turning points in shipments of mining, oil & gas machinery over the near term. The Momentum Monitor report displays information about the Mining, Oil & Gas Machinery Index, a composite diffusion index that tracks closely with real shipments data. The time series chart displays how the Index's level and movement tracks with year-on-year growth in shipments. The Drivers section showcases the key indicators driving changes in the Index this quarter. The Current and Previous Forecasts matrix displays the Index's relative strength and degree of acceleration or deceleration for the current quarter, and in comparison to the two previous quarters. End-user market Momentum Monitors are produced by Keybridge on behalf of the Metals Service Center Institute (MSCI).