

How to Use the Momentum Monitors

Each MSCI – Keybridge Momentum Monitor forecasts shifts in demand within a key end-user market.

1 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. 2 In February, Mining, Oil & Gas Machinery Shipments rose 3.3% to \$1.119 billion, following declines the previous two months. 3 February shipments stood nearly 15% above their level one year ago. 4 After signs of a slowdown earlier this year, the latest data now point to an escalation in oil & gas sector activity. 5 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.

1 Cites the latest movement of the Momentum Monitor Index, indicating whether growth in the target series (shipments or value put in place) is accelerating or decelerating.

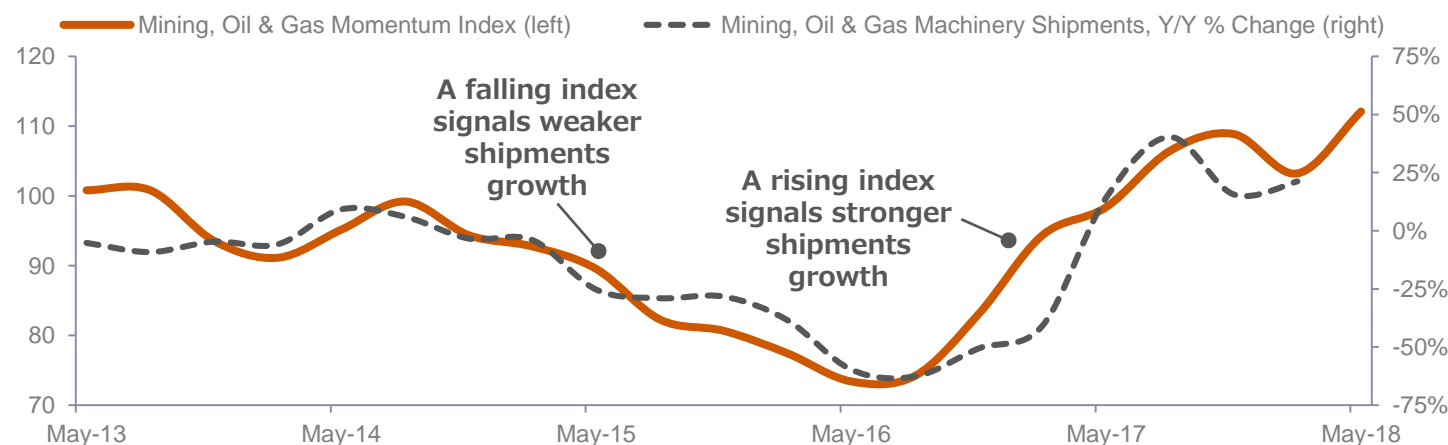
2 References the latest shipments (or construction value put in place) data.

3 Compares the latest data (shipments or value put in place) to where they were one year ago.

4 Puts the latest data and index into context with the overall economy and end-user market health.

5 Gives an overall assessment of where the end-user market target series is likely to head over the next two quarters.

The time series chart shows how the Momentum Monitor Index (**orange**) tracks with the target series (**gray dotted line**) over the last five years. The right side of the chart displays the latest signal for where shipments will head in the next **three to six months**. In this case, the index is high (**growth is strong**) and has recently moved upwards (**growth is getting stronger**).



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Drivers displays the indicators that triggered this quarter's Momentum Monitor Index in either a positive (+) or negative (-) direction.

Drivers

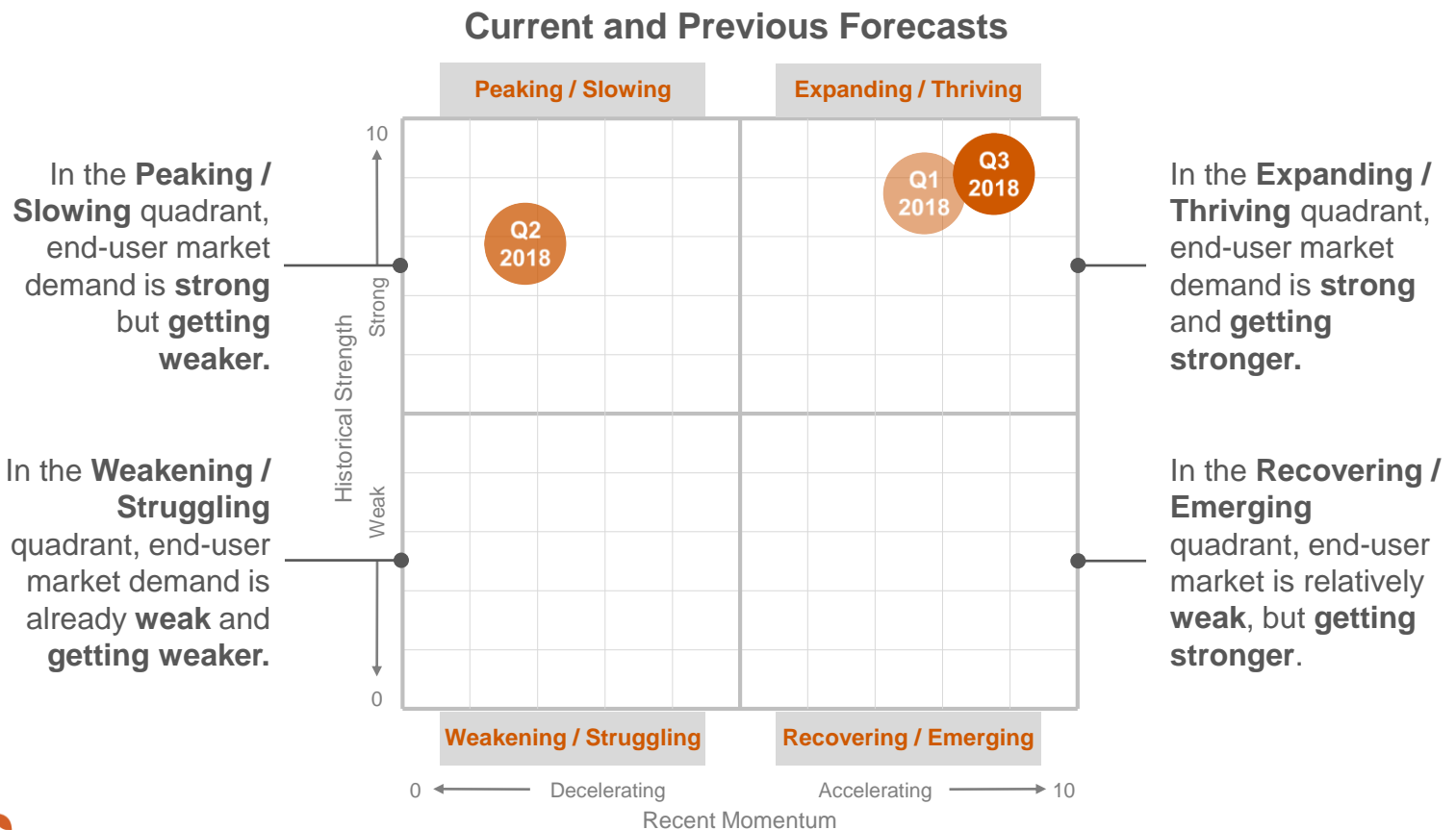
+ **Employment in Oil & Gas Extraction** rose 1.6% in March to 150,200 payrolls.

+ **Iron & Steel Product Import Price Index** rose 2.7 points in March, continuing consistent gains over the past year.

For each driver, the Momentum Monitor report highlights the latest data and change from the previous month.

The report puts each indicator in context by illustrating its historical range and/or recent behavior.

The **Current and Previous Forecasts** matrix displays the current-quarter forecast and a comparison with forecasts from the last two quarters.



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The Momentum Monitor report's back page displays a data table with information on the model's underlying data.

The indicator's **units** and whether the indicator is **seasonally adjusted (SA)**

The indicator's **latest reading** as well as the **month-on-month (M/M)** and **year-on-year (Y/Y)** change

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/month	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%	-2.50	4.80
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%