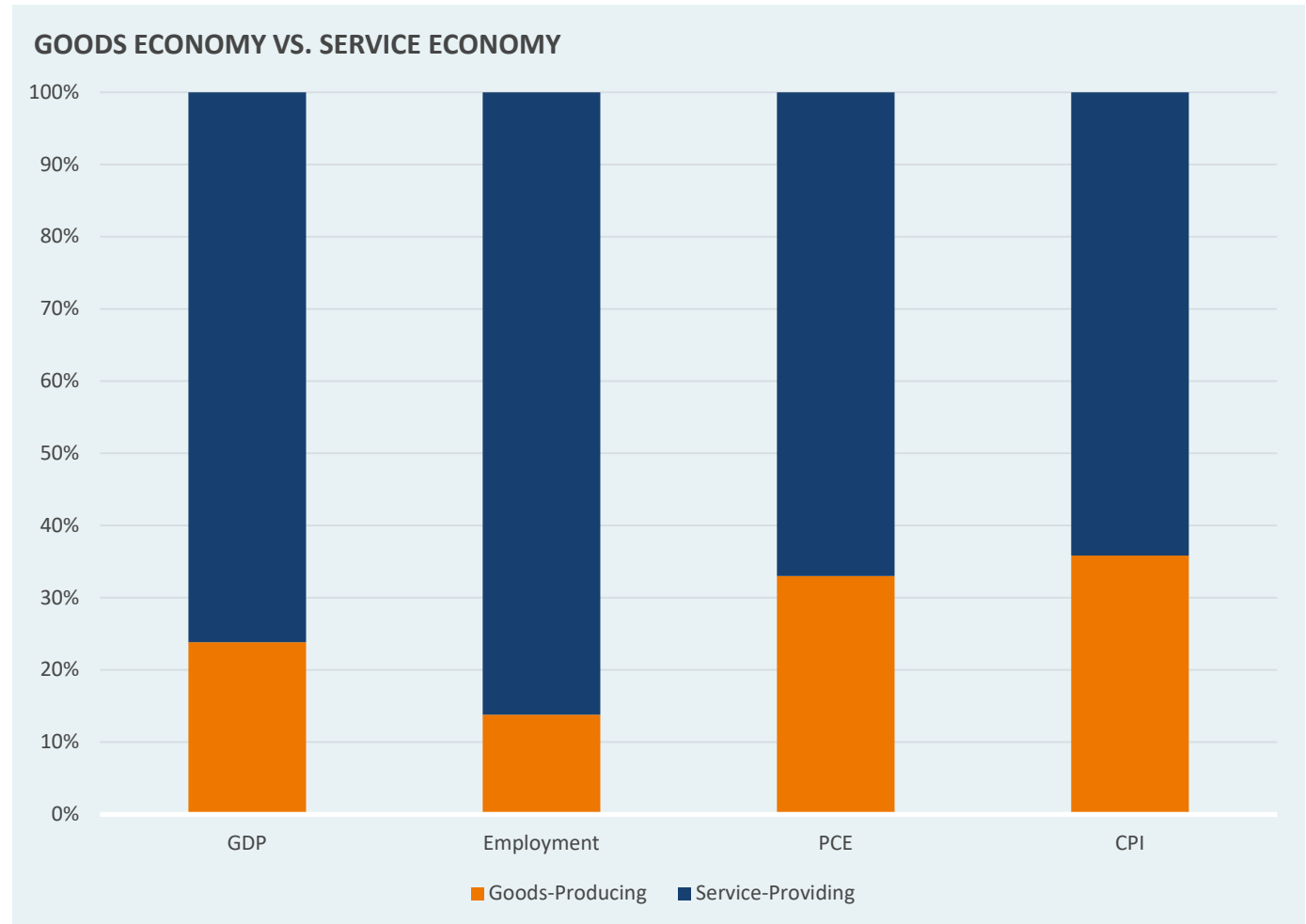


Verus Market Note

Economic picture: Goods & Services

After 16 months of contraction, the ISM Manufacturing PMI notched its first expansionary reading this week. Given this positive metric, it's worth examining the impact manufacturing growth could have on the overall economy.

Our chart of the week looks at the relative balance between goods and services across the domestic economy. As offshoring has become more prevalent over the past several decades, manufacturing-focused business has decreased. However, manufacturing remains important to the U.S. economy in terms of overall growth, employment, and household purchases. Additionally, there could be a renewed focus on U.S. manufacturing as businesses realize the value of stronger, more dependable supply chains, and as Americans have gained a greater appreciation for high-quality made-in-America products.



Source: BLS, BEA, St. Louis FRED, as of 4/3/24