

Market Comments

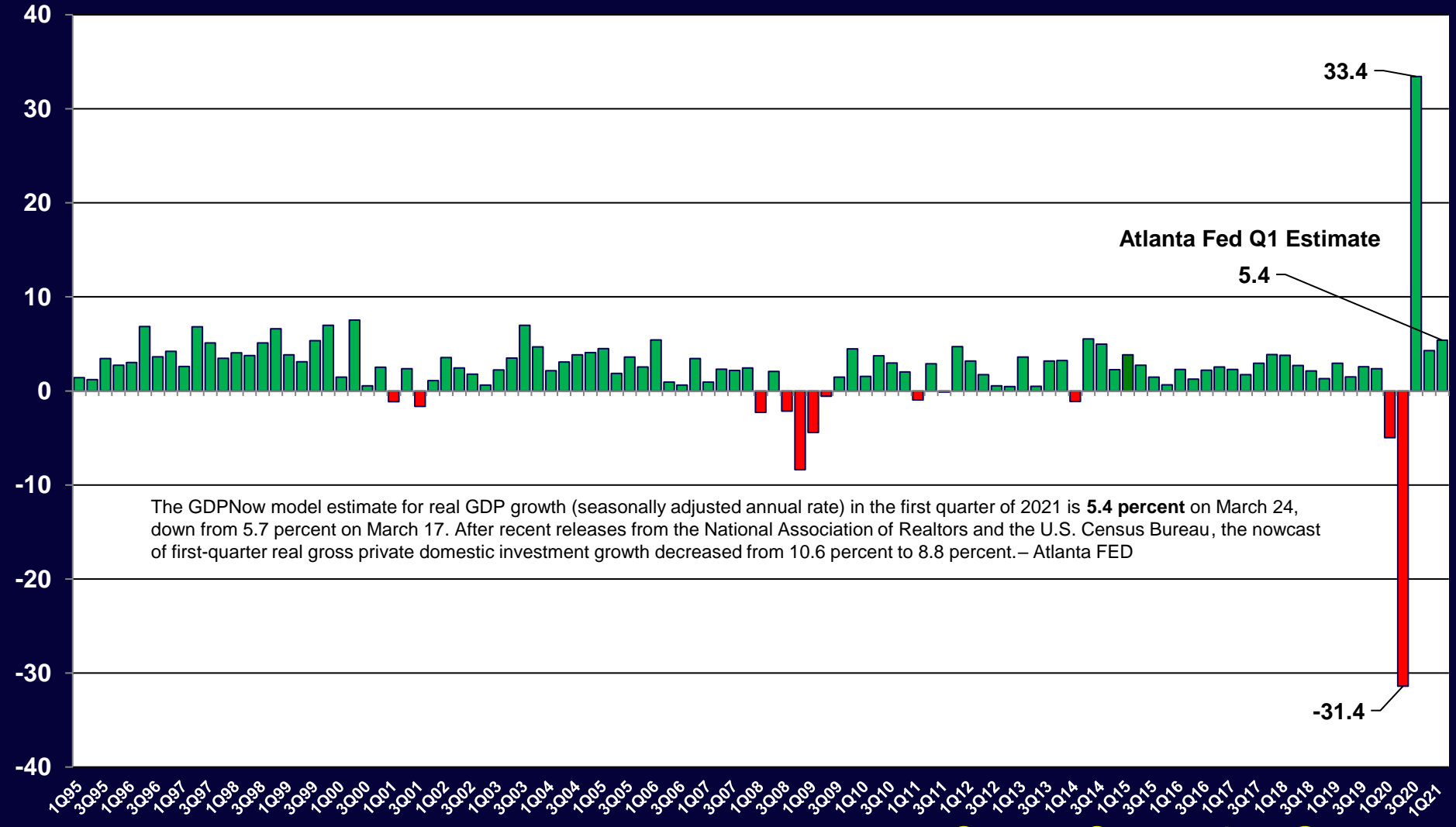
March 28, 2021

Custer Consulting Group
www.custerconsulting.com

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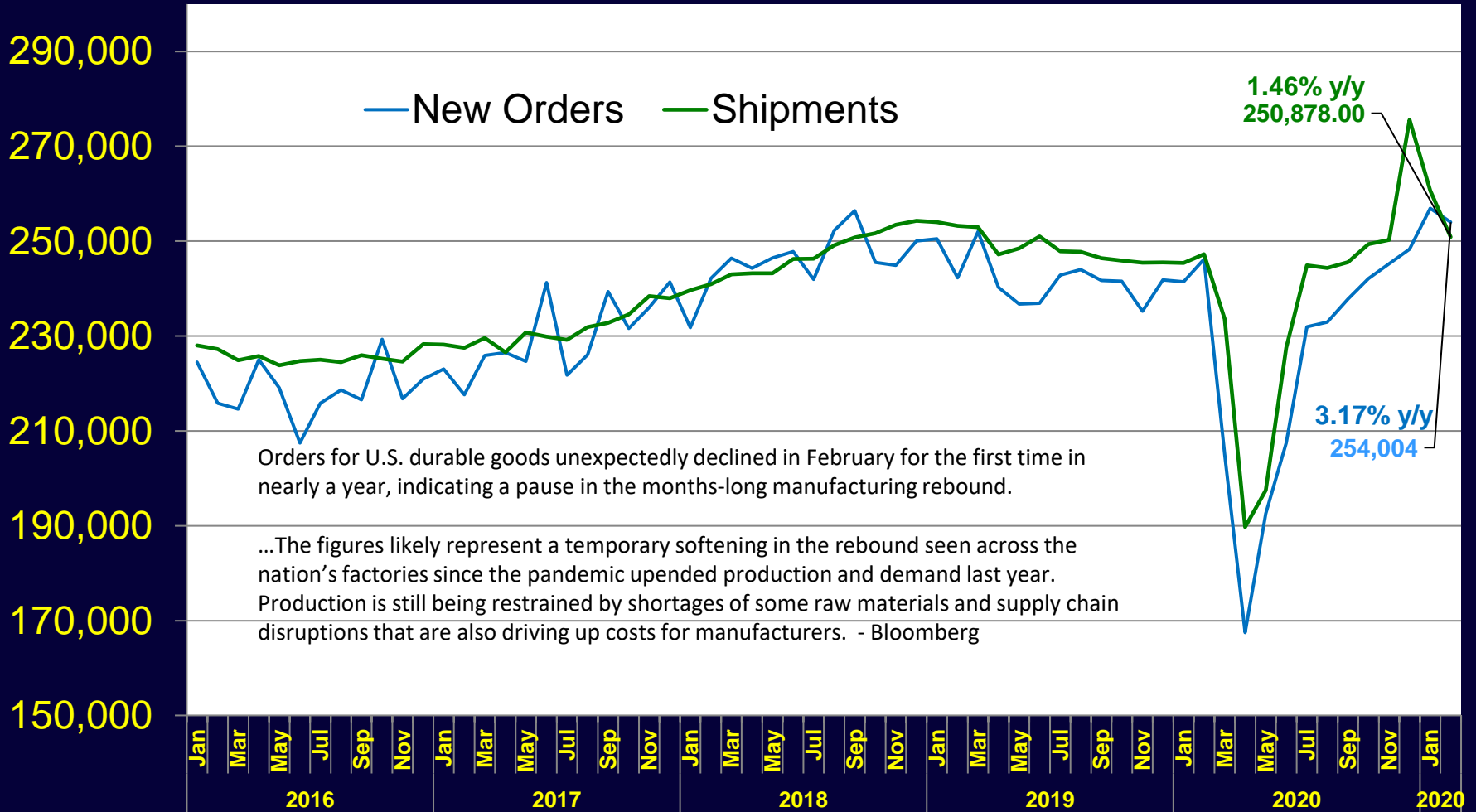
U.S. GDP Growth

% Annualized Change vs. Prior Quarter (2012 \$)



The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2021 is **5.4 percent** on March 24, down from 5.7 percent on March 17. After recent releases from the National Association of Realtors and the U.S. Census Bureau, the nowcast of first-quarter real gross private domestic investment growth decreased from 10.6 percent to 8.8 percent.— Atlanta FED

U.S. Durable Goods New Orders * & Shipments (\$ millions)

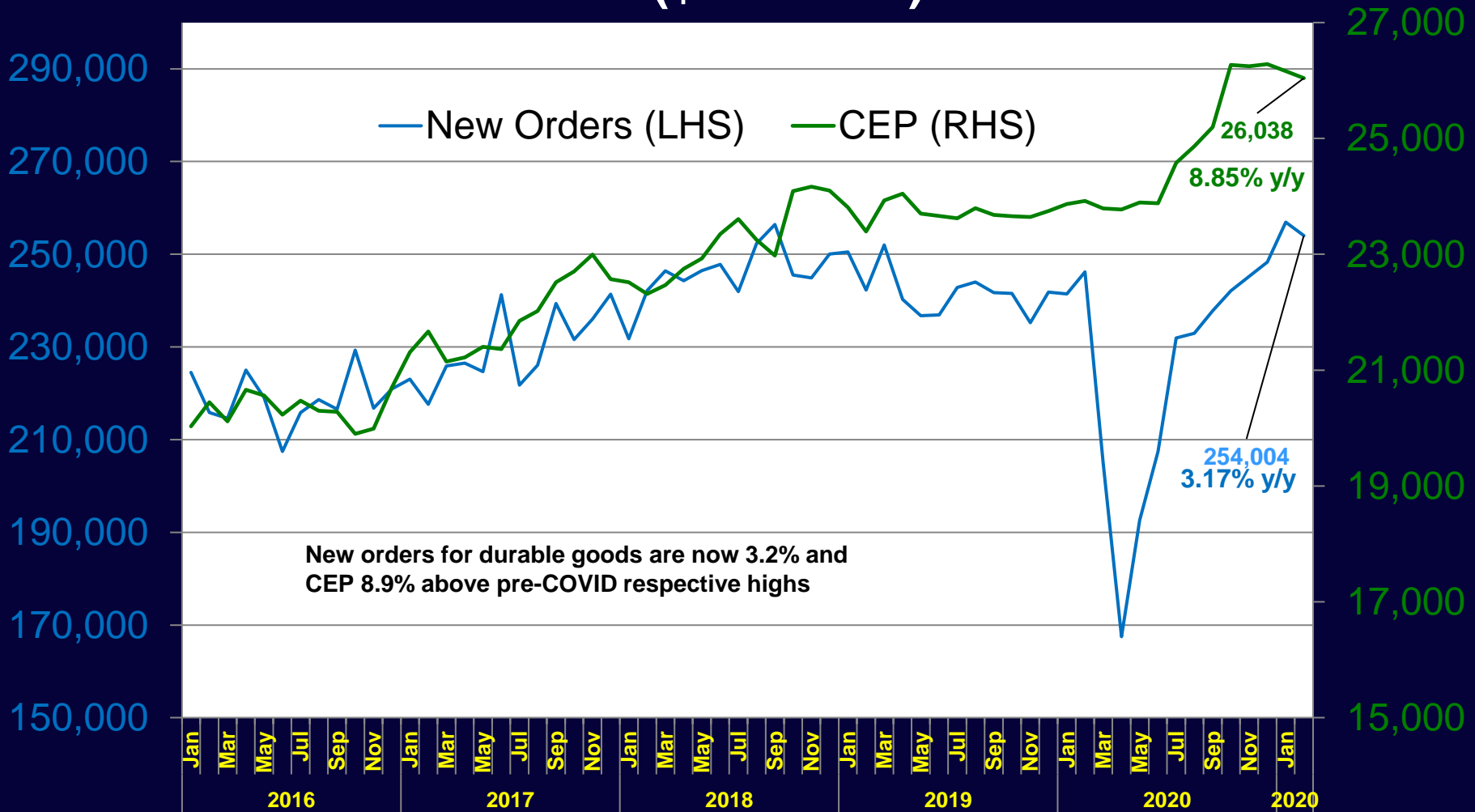


* New orders estimates exclude semiconductor industry data

Source: Census Bureau

U.S. Durable Goods vs Computer & Electronic Product New Orders

(\$ millions)



* New orders estimates exclude semiconductor industry data

Source: Census Bureau

Flash Manufacturing PMIs

U.S. Manufacturing PMI – 59.0 vs. 58.6 (February)

Although capacity pressures stemming from extensive supply shortages constrained manufacturing output growth to the slowest for five months, goods producers reported the sharpest rise in new orders since June 2014...Meanwhile, unprecedented supply chain disruptions pushed price gauges higher once again. The overall rate of input cost inflation accelerated to the fastest on record as raw material, PPE and fuel prices reportedly soared. Stronger demand conditions allowed for the partial pass-through of costs to clients, with the overall pace of selling price inflation also hitting the sharpest on record. – U.S. Flash PMI, March 25

Eurozone Manufacturing PMI – 62.4 vs. 57.9 (February)

While manufacturing output growth accelerated sharply to the highest since data were first available in 1997, the service sector continued to be constrained by [COVID], with social distancing restrictions leading to a seventh successive monthly fall in business activity...The manufacturing upturn was led by a record surge of factory production in Germany, accompanied by the fastest production growth since January 2018 in both France and the rest of the region as a whole...Average input prices across both manufacturing and services rose in March at the sharpest rate for a decade. Factory input cost inflation struck the highest since March 2011, often linked to supply shortages. - Eurozone Flash PMI, March 25

Japan Manufacturing PMI – 52.0 vs. 51.4 (February)

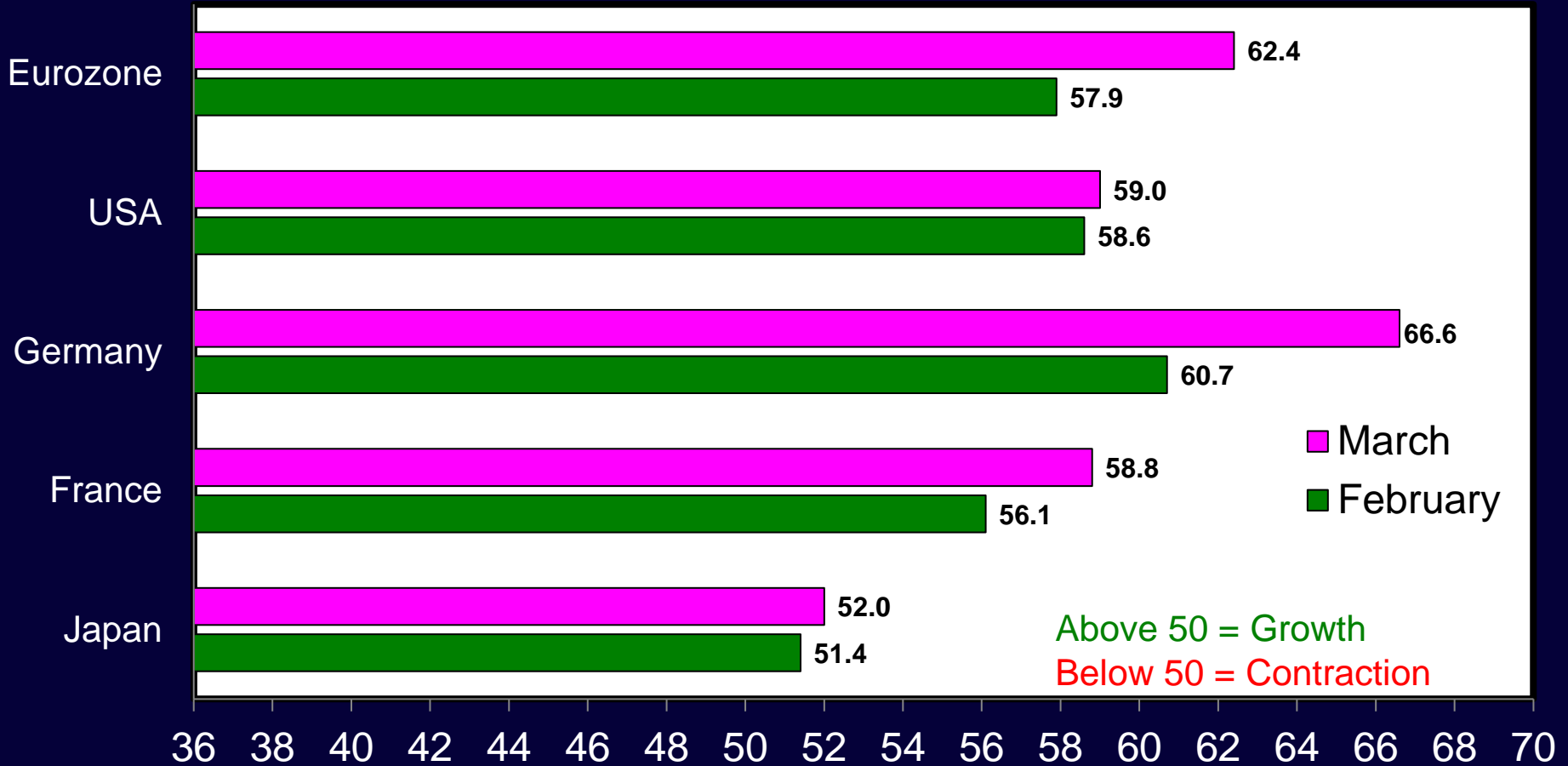
Although output growth softened slightly, new order volumes expanded at the fastest pace since October 2018. That said, manufacturers remained reluctant to take on additional staff, as job shedding continued for a third consecutive month. Moreover, positive sentiment eased in March, with the level of optimism the softest in nine months – Japan Flash PMI, March 25

Understanding **Flash** Manufacturing PMI

The Flash Manufacturing PMI is an early indicator of where the final PMI figure may settle. The flash reading of PMI is an estimate of the Manufacturing Purchasing Managers' Index (PMI) for a country, based on about 85% to 90% of the total PMI survey responses each month. Its purpose is to provide an accurate advance indication of the final PMI data.

Because flash PMIs are among the first economic indicators released each month and provide evidence of changing economic conditions ahead of comparable government statistics, they can have a significant effect on markets, particularly the foreign exchange market. Any reading of the index above 50 indicates improving conditions, while readings below 50 indicate a deteriorating economic climate.

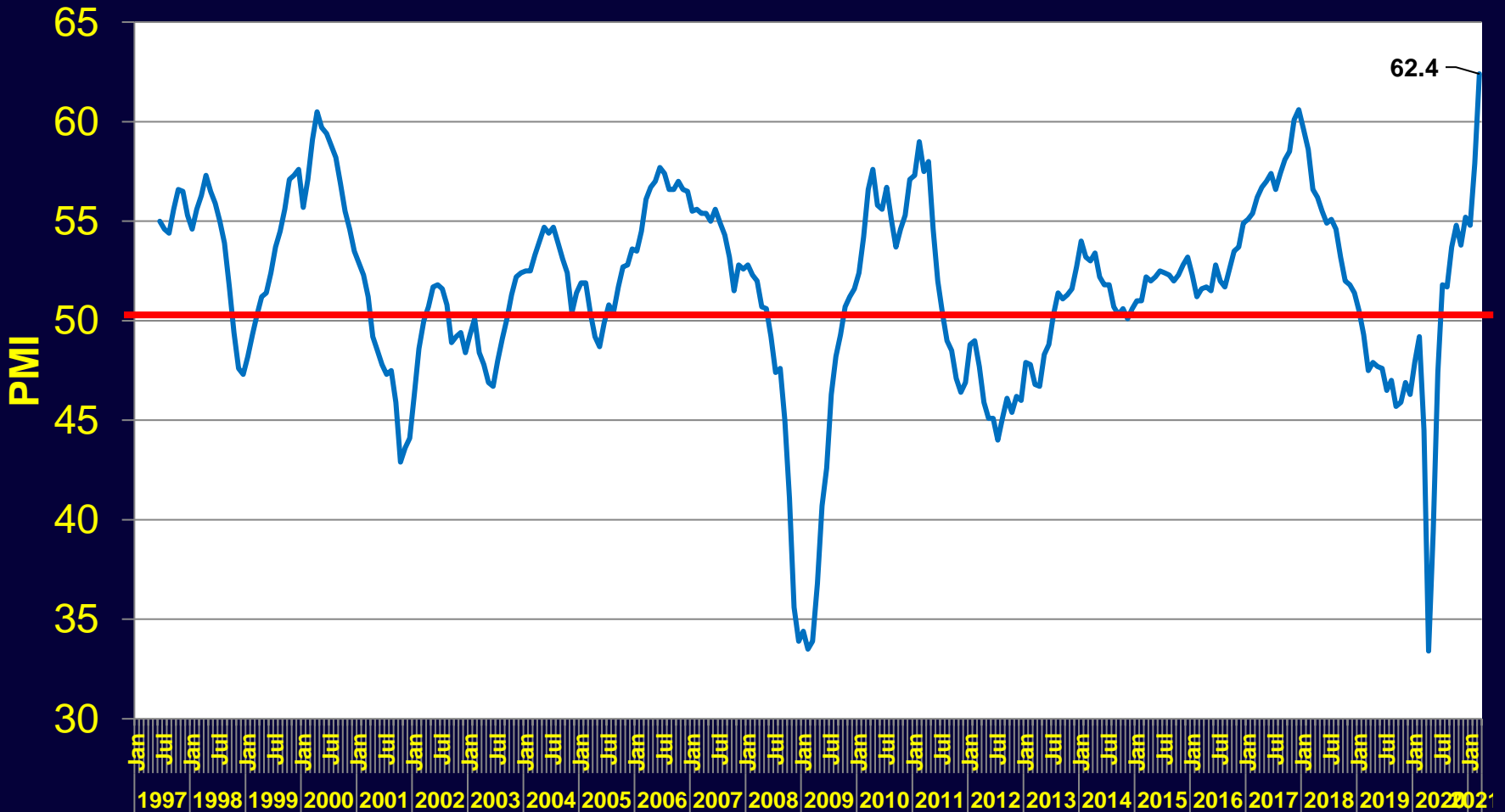
Flash Purchasing Managers' Indices February vs January 2021



Eurozone Manufacturing

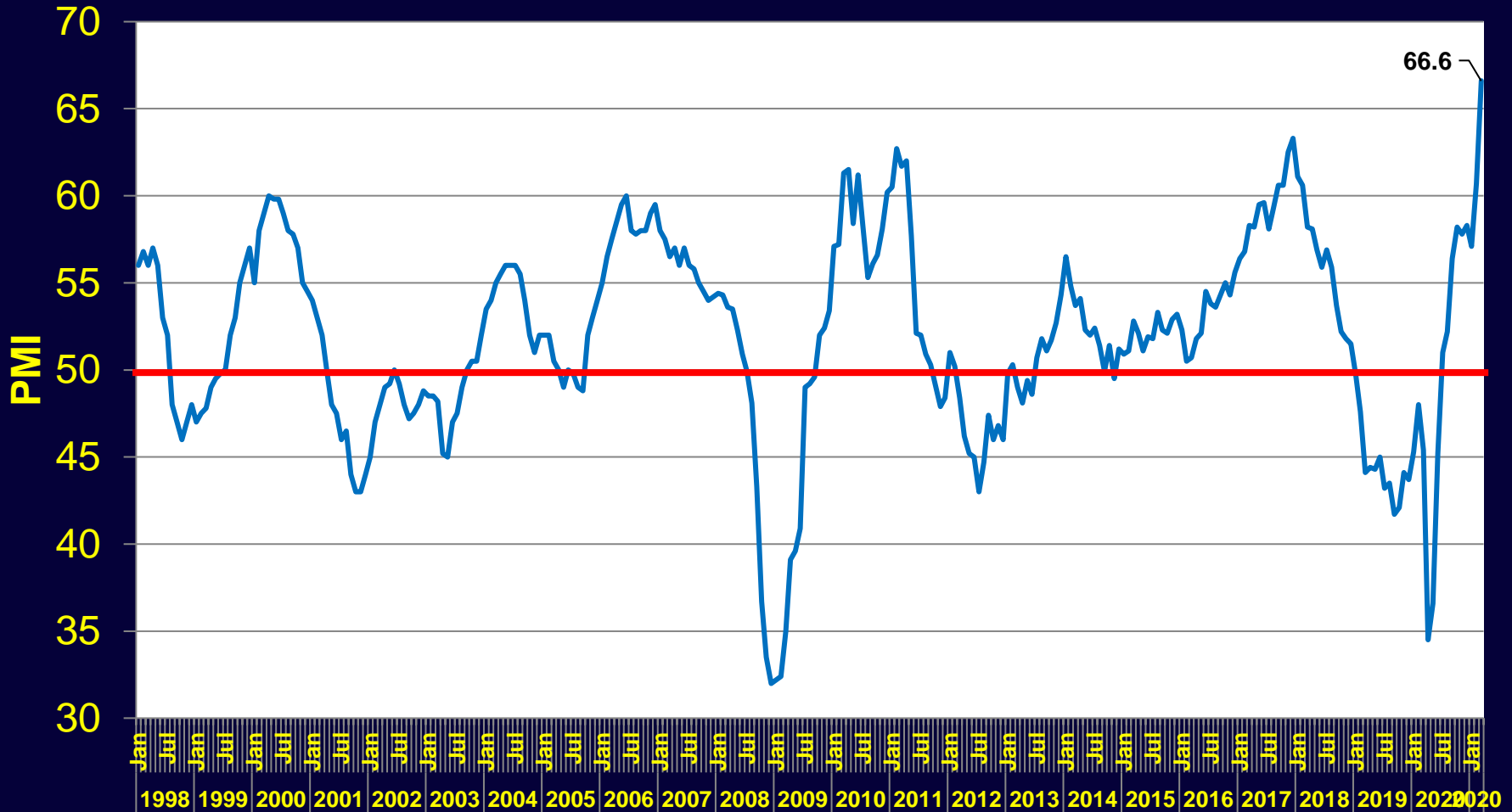
Flash "Purchasing Managers" Index

Diffusion Index, >50 = Growth



Germany Manufacturing Flash "Purchasing Managers" Index

Diffusion Index, >50 = Growth

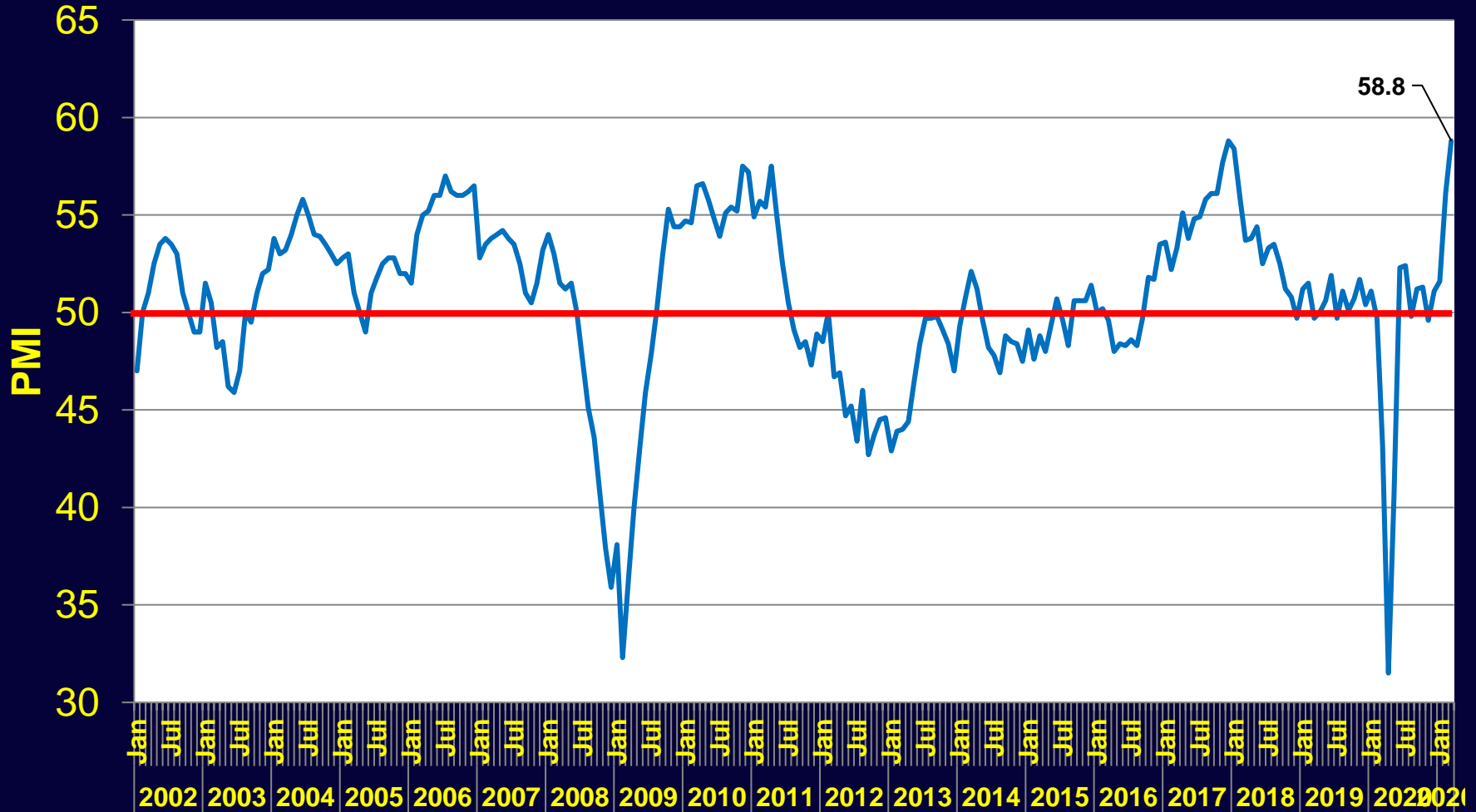


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France Manufacturing

Flash "Purchasing Managers" Index

Diffusion Index, >50 = Growth

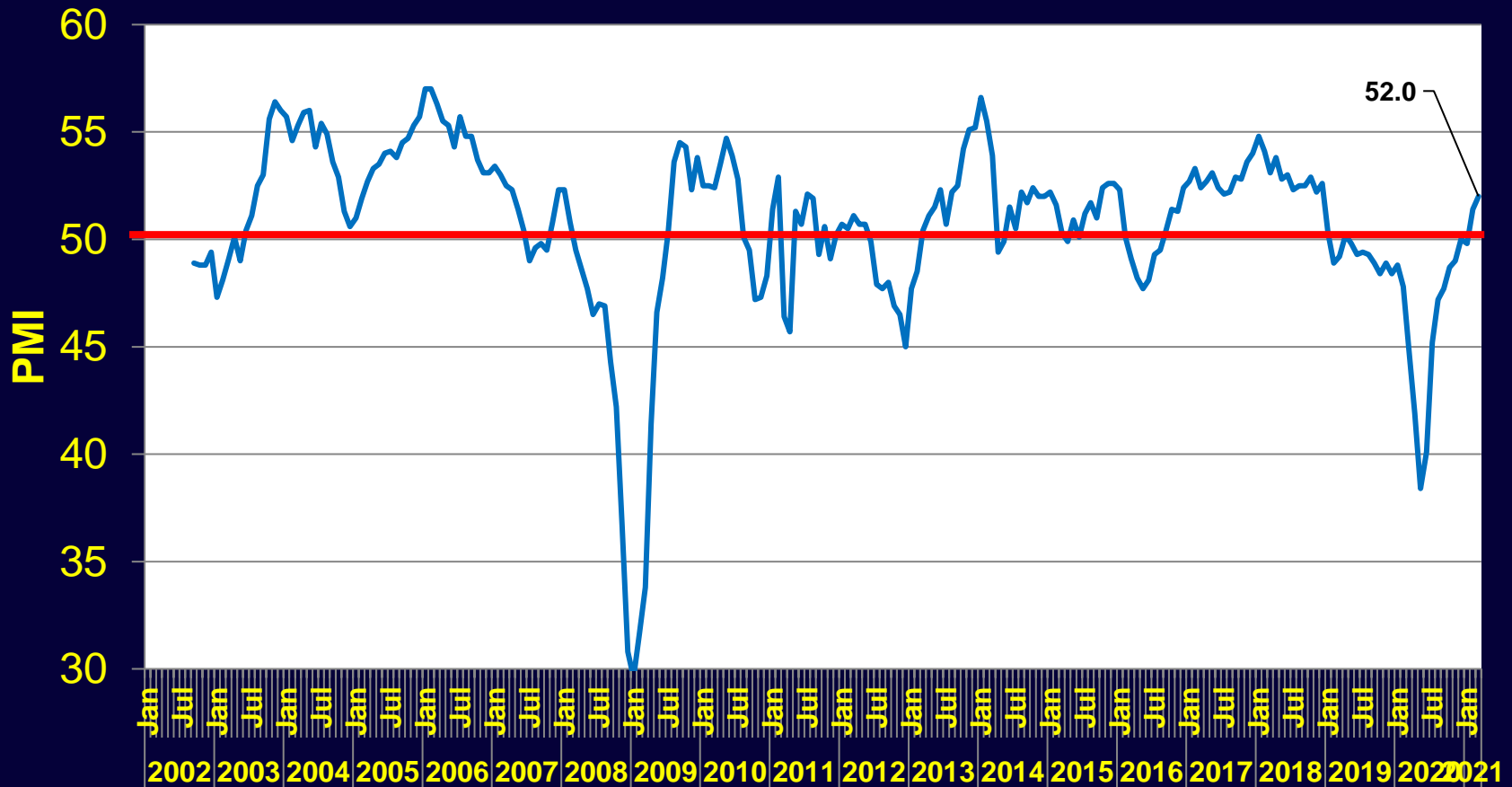


Source: Markit Economics

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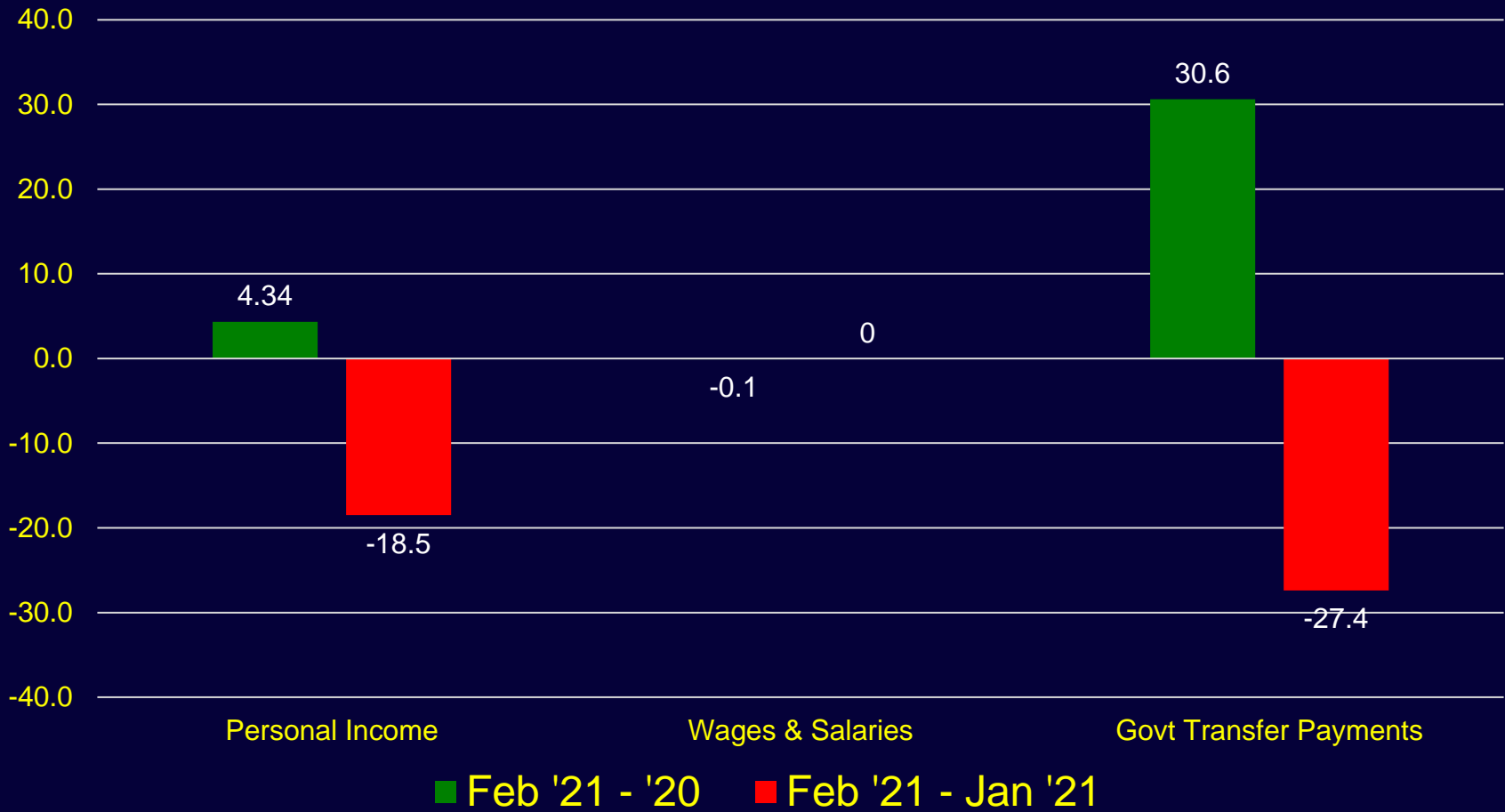
Japan Manufacturing Flash "Purchasing Managers" Index

Diffusion Index, >50 = Growth
PMI



Disposition Of U.S. Personal Income – Feb '21

% Growth

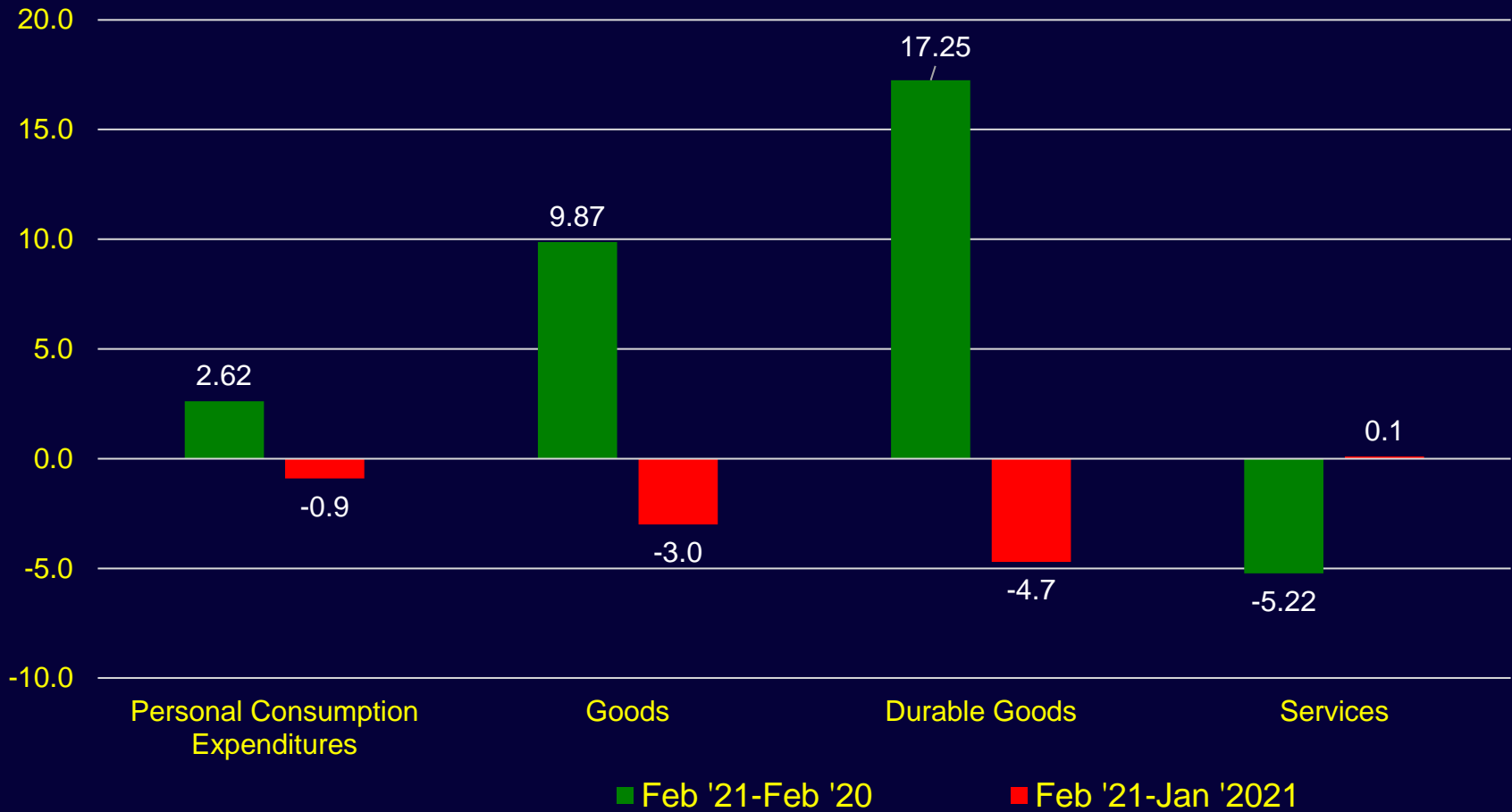


Source: BEA, Custer Consulting

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Disposition Of U.S. Personal Expenditures – Jan '21

% Growth

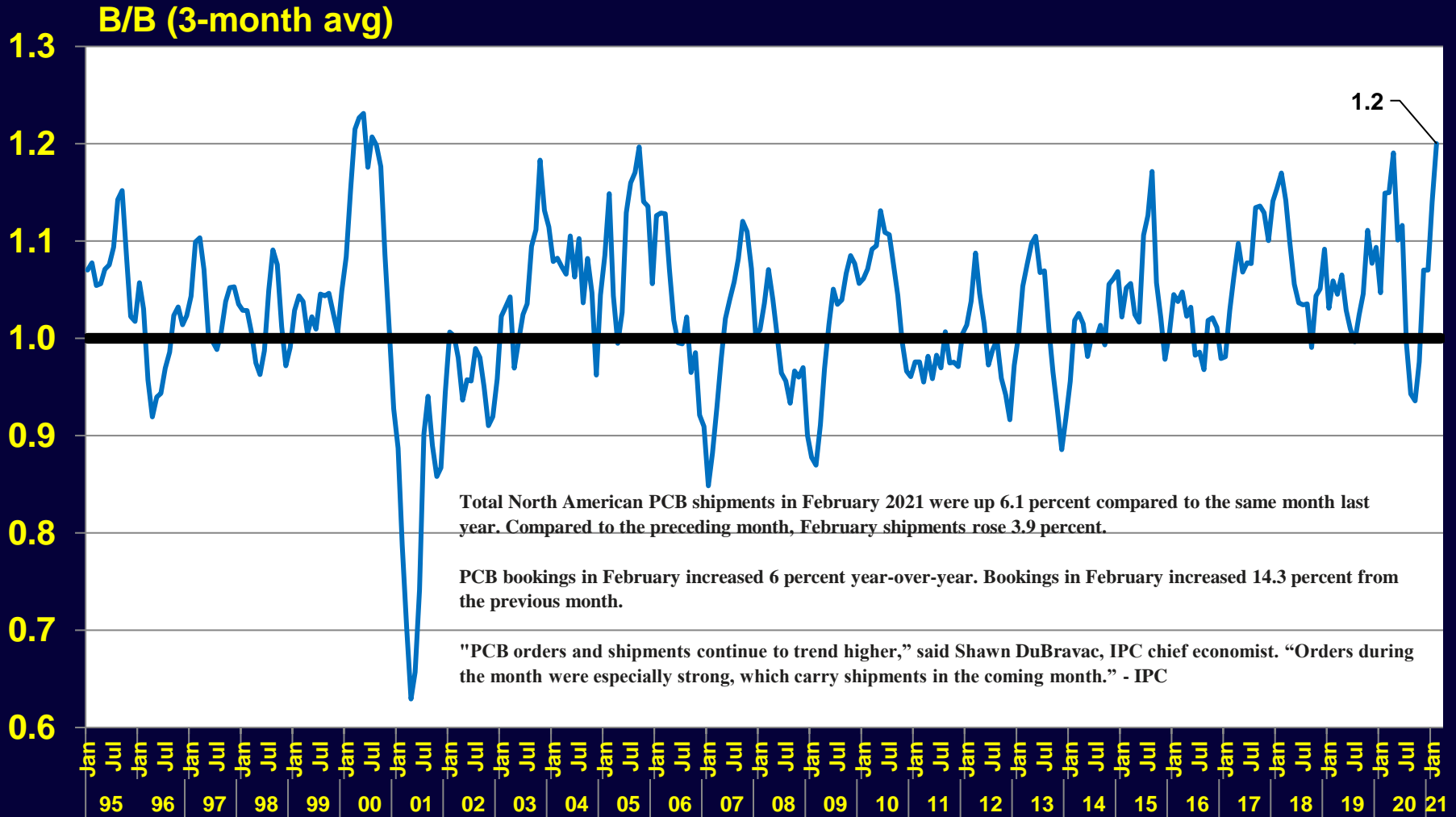


Source: BEA, Custer Consulting

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Rigid & Flexible PCB Book/Bill

North America

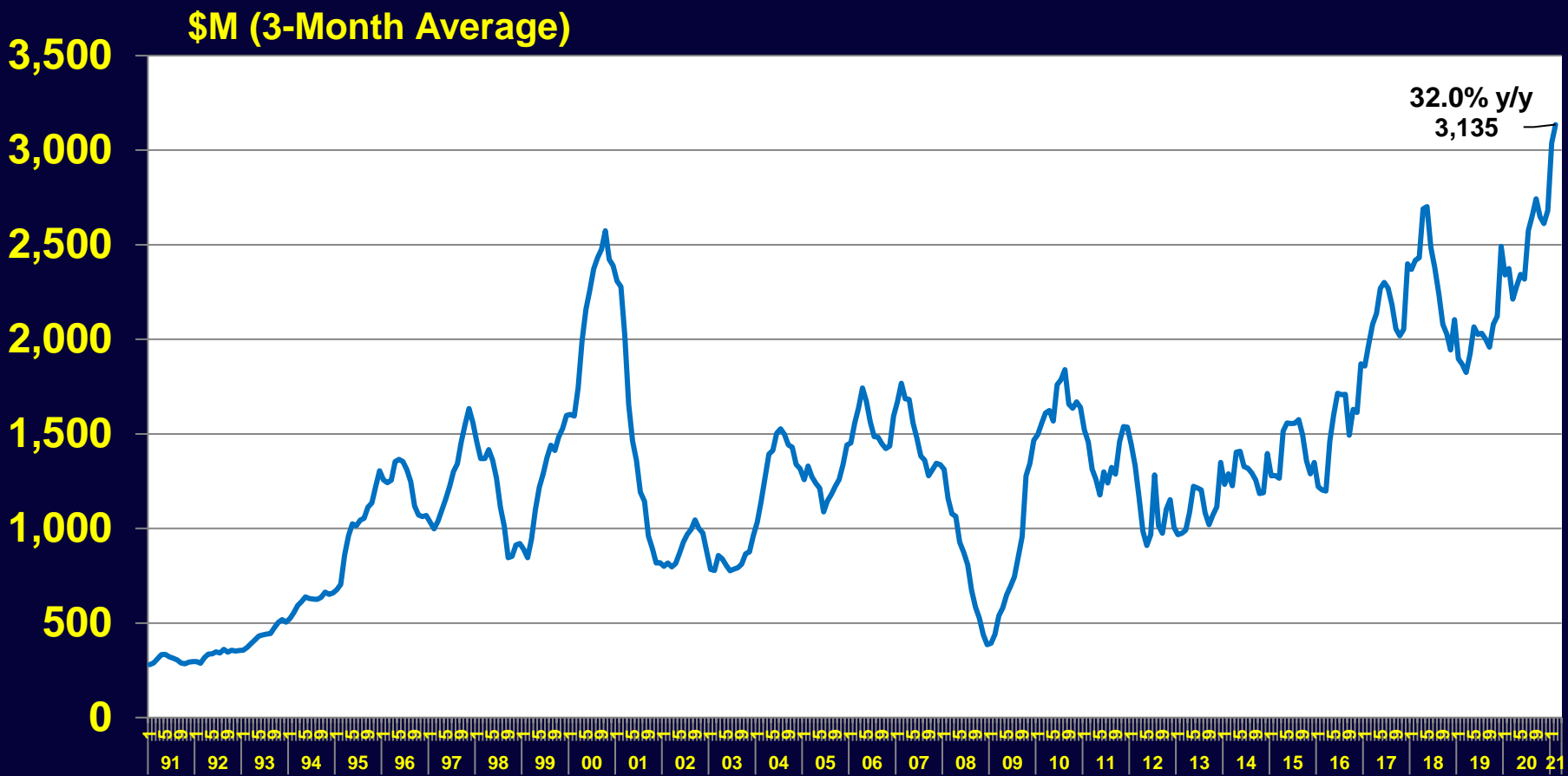


Total North American PCB shipments in February 2021 were up 6.1 percent compared to the same month last year. Compared to the preceding month, February shipments rose 3.9 percent.

PCB bookings in February increased 6 percent year-over-year. Bookings in February increased 14.3 percent from the previous month.

"PCB orders and shipments continue to trend higher," said Shawn DuBravac, IPC chief economist. "Orders during the month were especially strong, which carry shipments in the coming month." - IPC

N American Semiconductor Equipment Industry Shipments

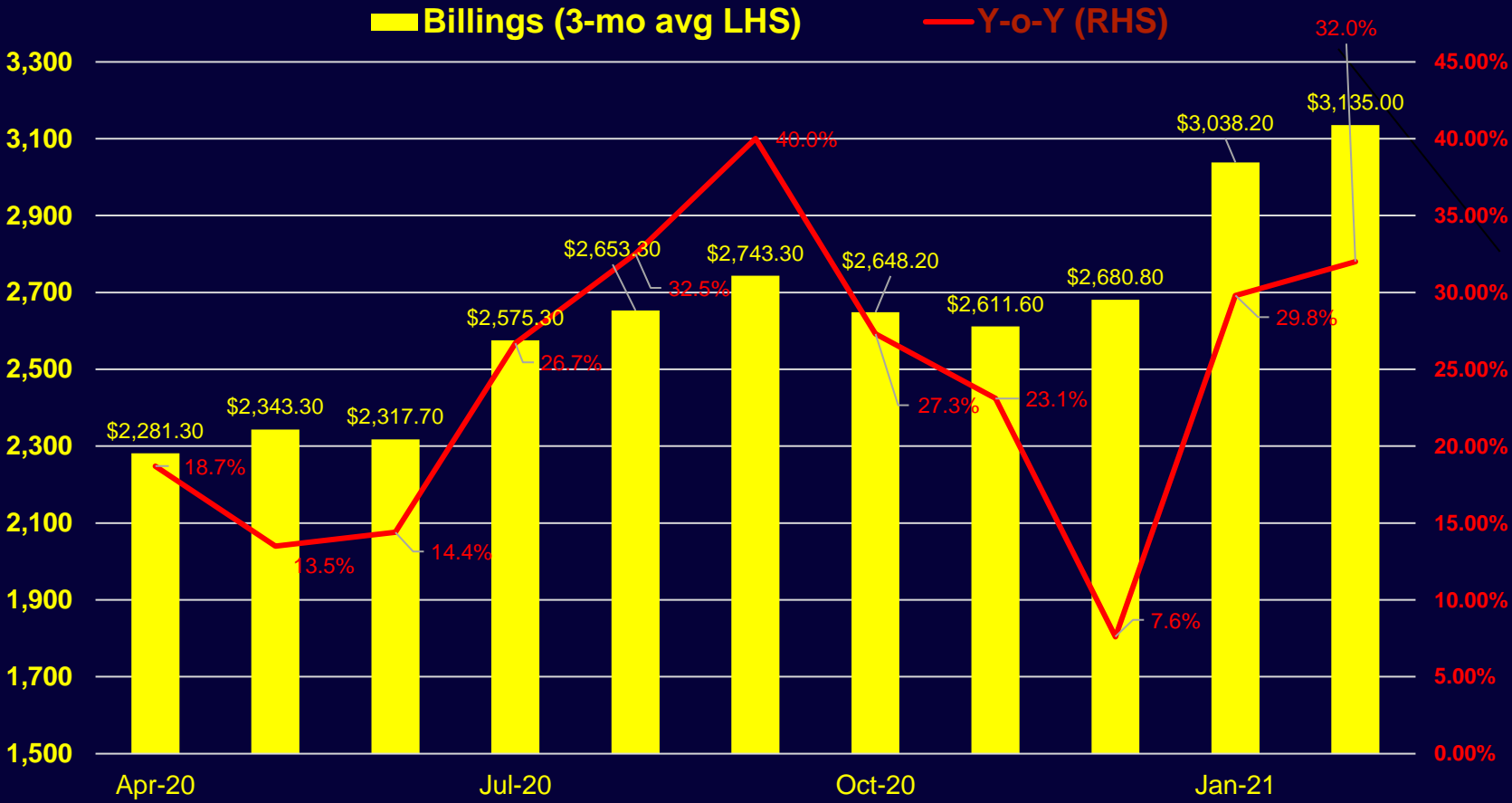


Source: SEMI

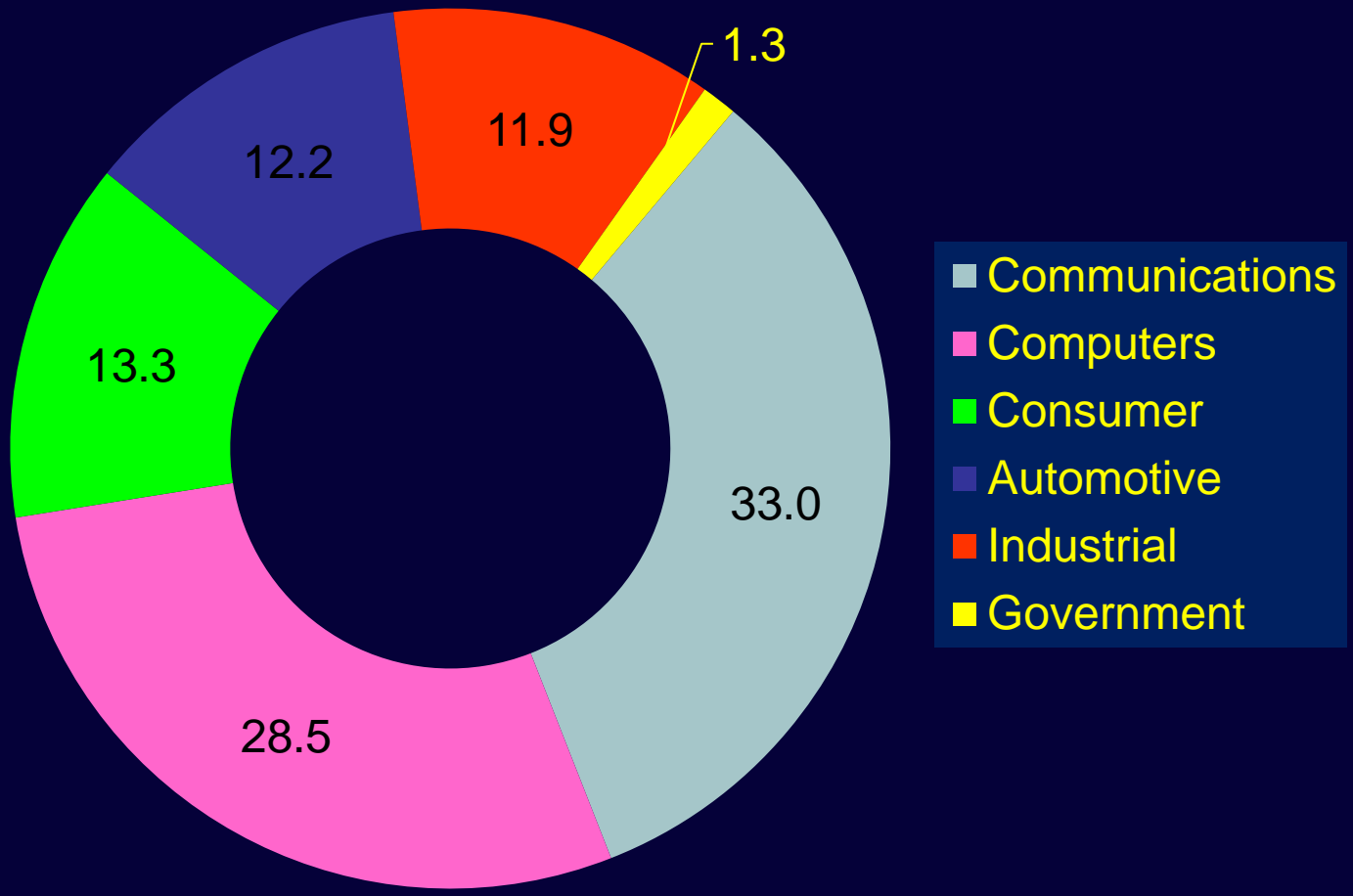
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North American-based Semiconductor Global Billings (\$ millions)

January billings of North America-based semiconductor equipment manufacturers marked a historic monthly high for the industry and a great start to the year," said Ajit Manocha, SEMI president and CEO. "The acceleration of digital transformation is fueling strong, durable demand for semiconductor equipment." - SEMI



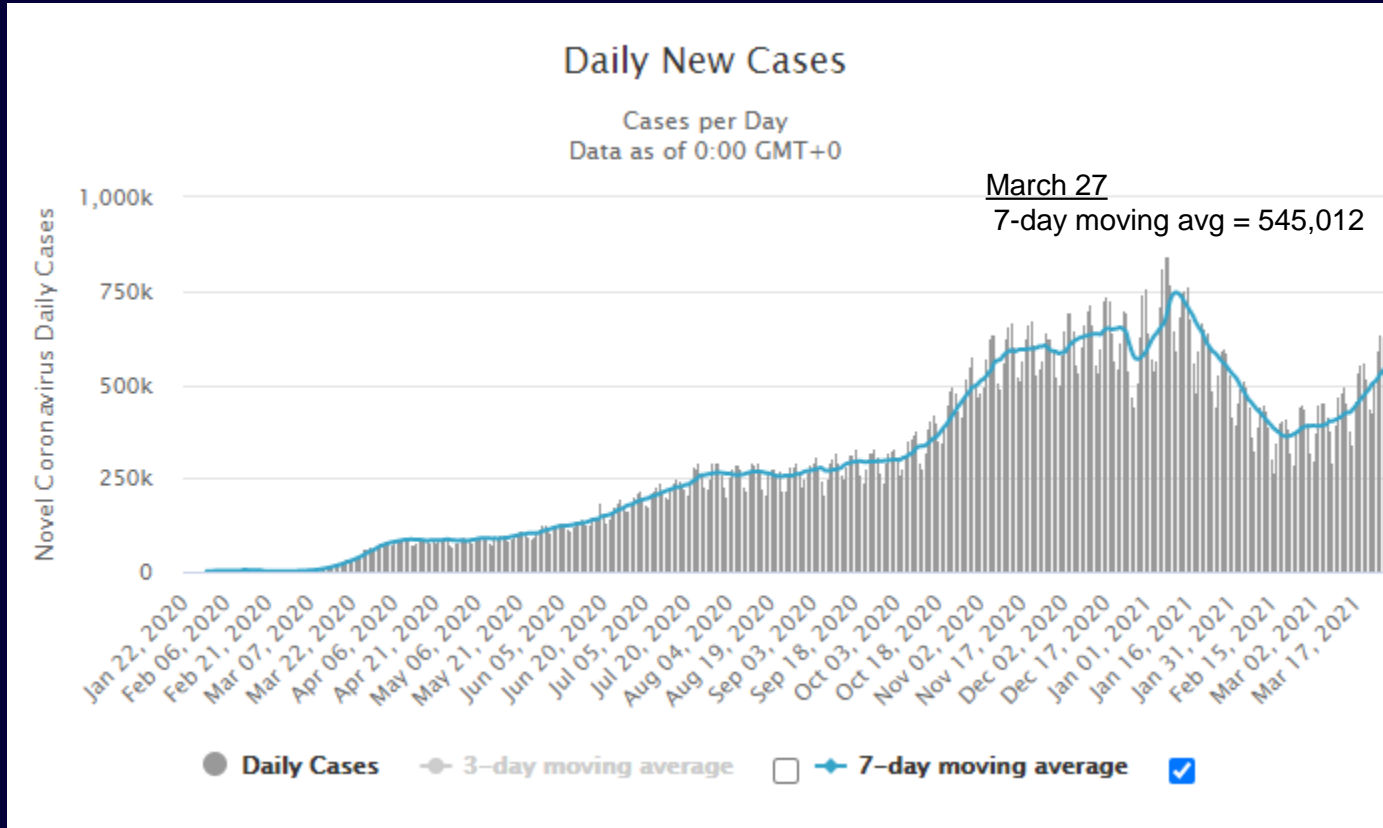
Share of Semiconductor Demand 2019



COVID Tracker

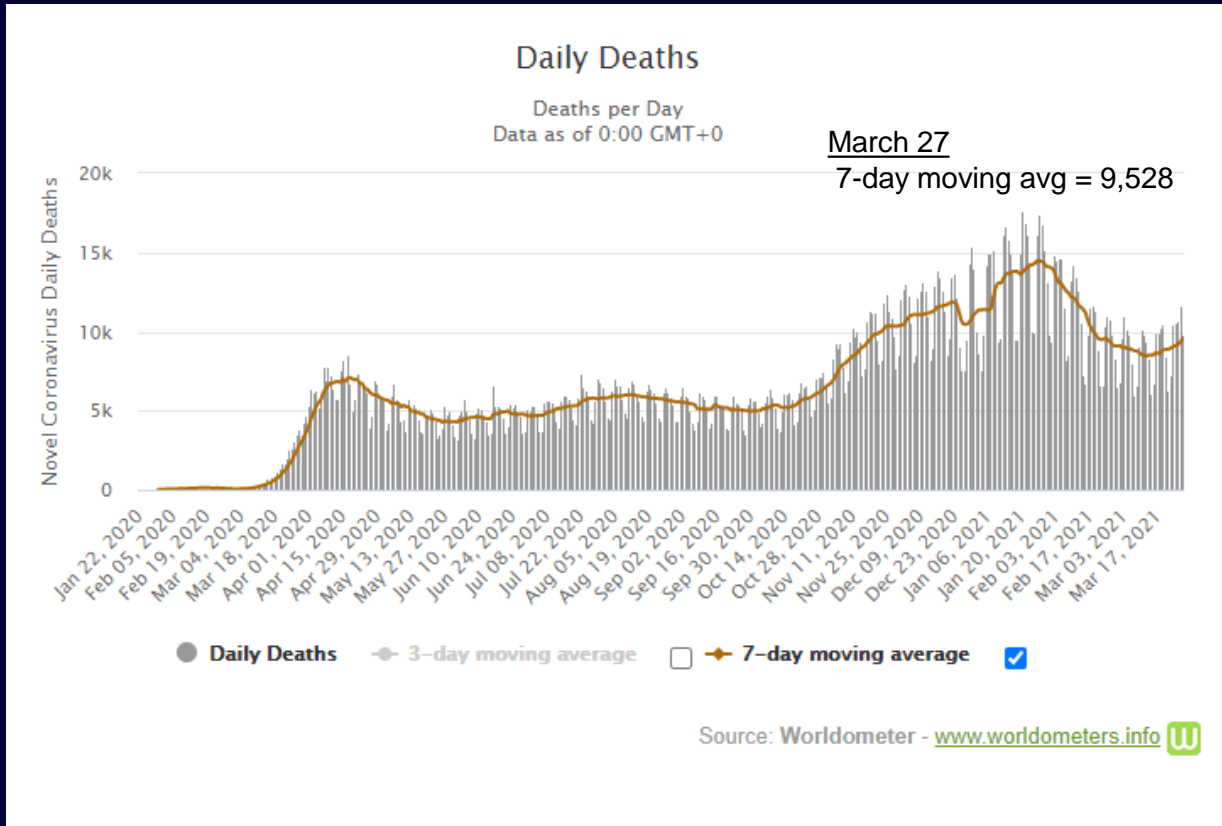
Daily New Case (Worldwide)

Cases per Day



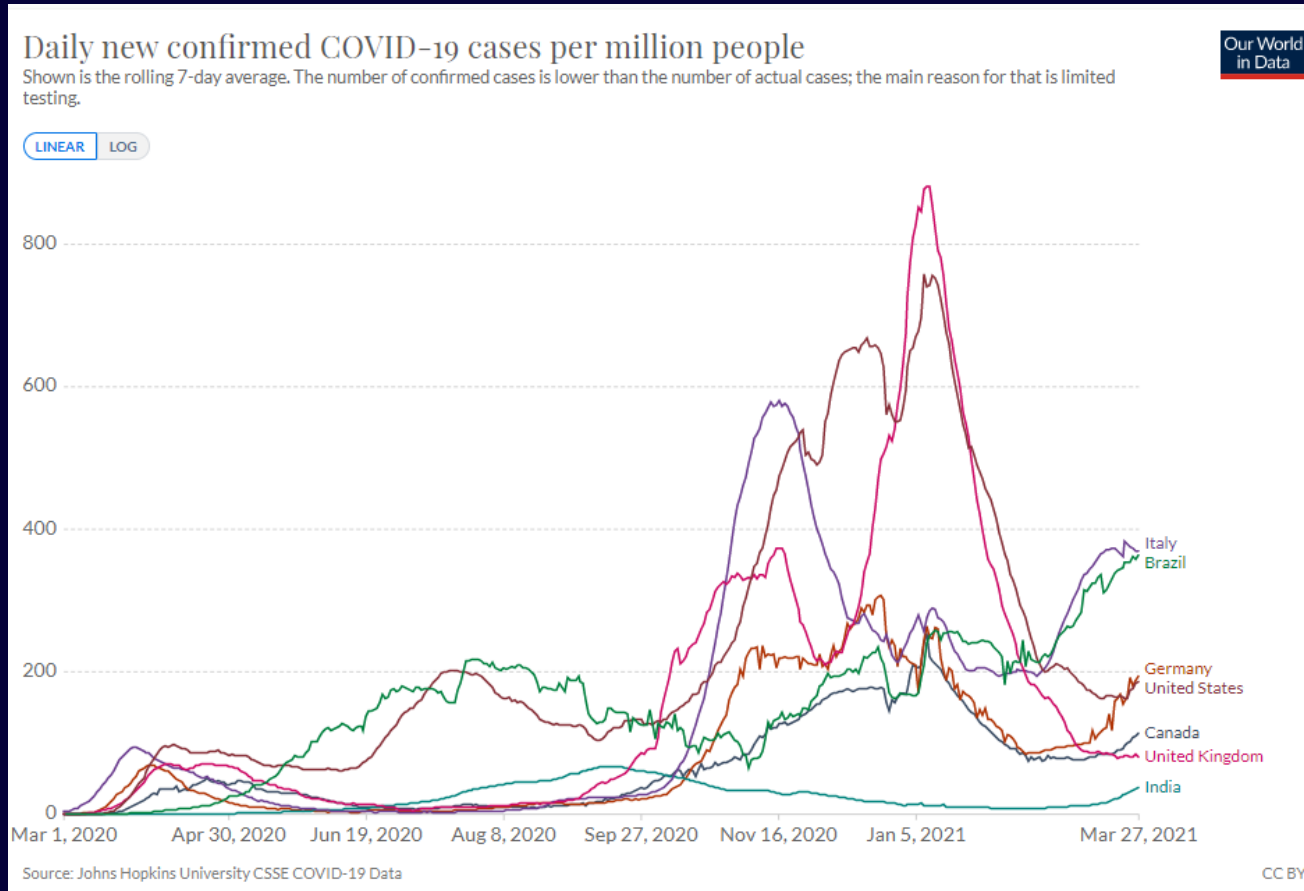
Daily New Deaths (Worldwide)

Deaths per Day



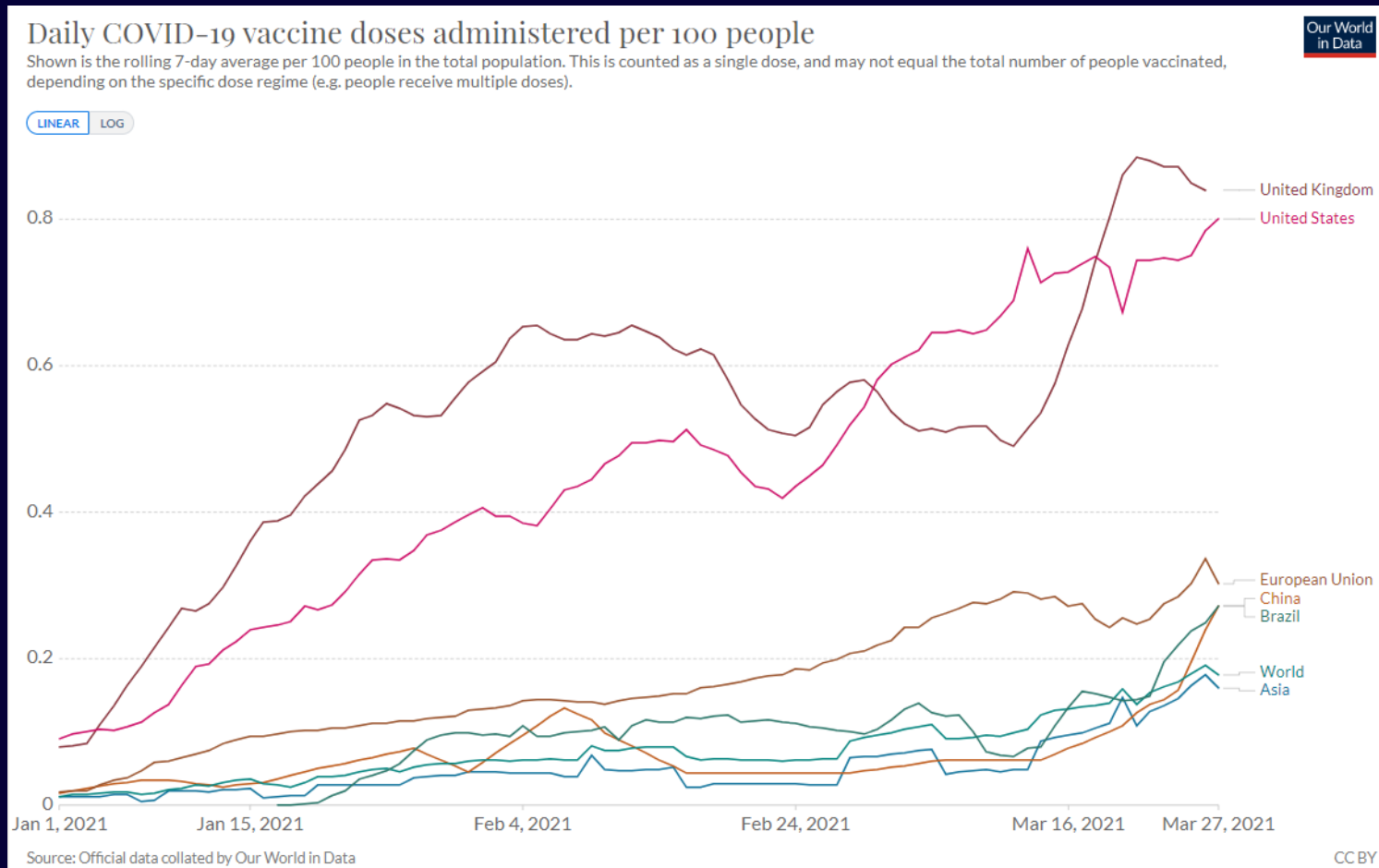
Daily New Cases Per Million People

7-Day Moving Average



Daily New COVID Vaccinations Per 100 People

7-Day Moving Average



Distribution Of Cases

