



Economics Group

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Dodge Momentum Index Higher in September

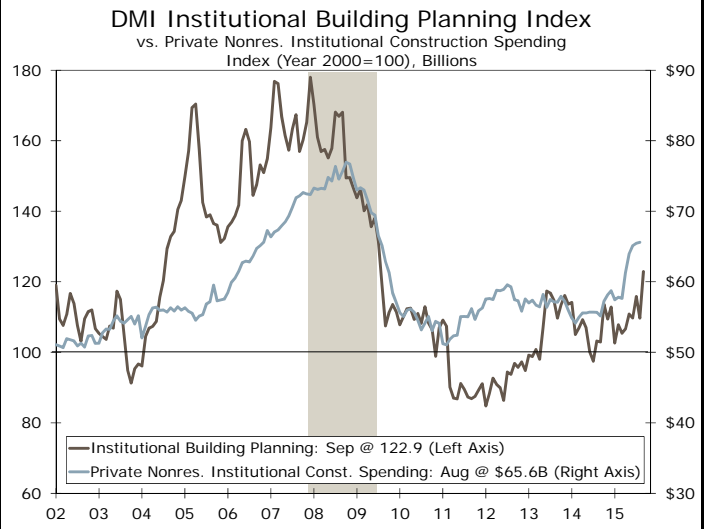
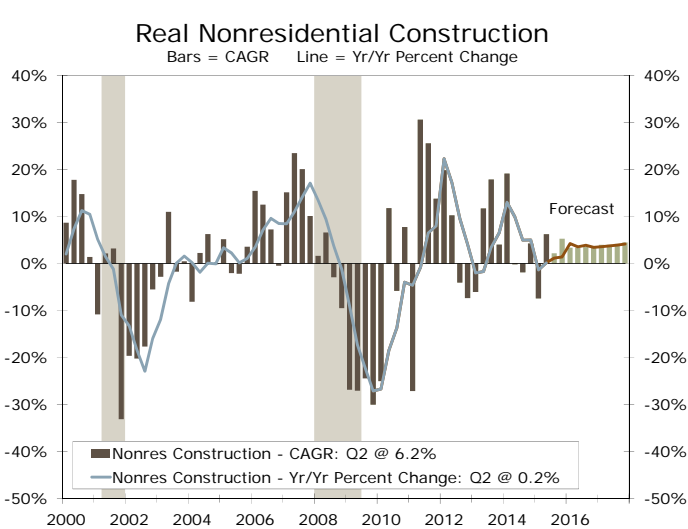
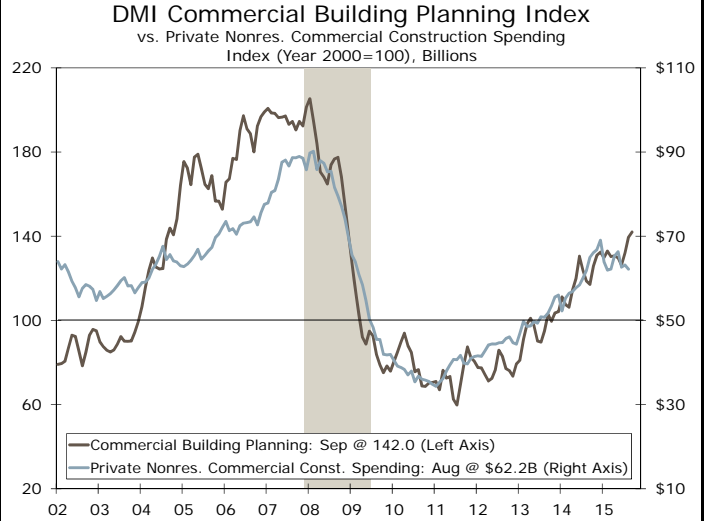
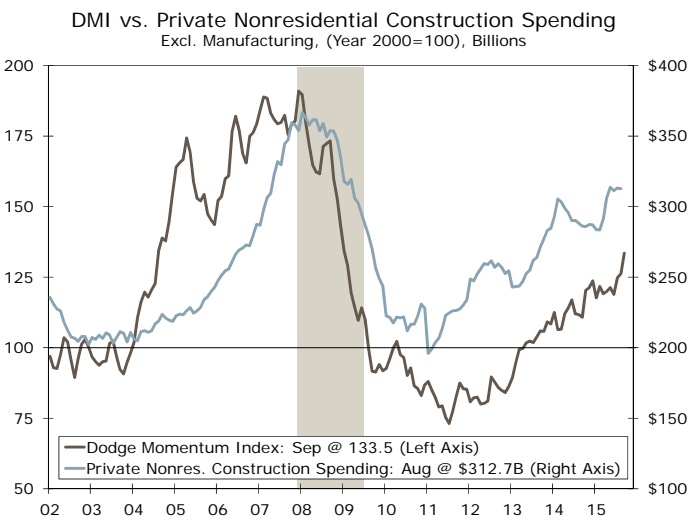
The Dodge Momentum Index (DMI) posted a strong 5.8 percent gain, pushing the index to a 133.5 reading. Gains were broad-based with much of September's increase coming from a surge in institutional planning.

Nonresidential Building Activity Jumps

- The Dodge Momentum Index rose 5.8 percent in September, up from a downwardly revised August print, to a reading of 133.5. Continued gains in the DMI, an early indicator of private nonresidential construction spending, is a result of the strengthening economy and growth in construction financing. We continue to expect nonresidential outlays to improve in the coming months and increase between 7 percent and 11 percent over the next two years.

Institutional Leads Planning Activity

- Commercial building planning rose a modest 1.8 percent while institutional surged 12 percent during the month. Year over year, both are posting double-digit gains.
- Institutional planning has been quite mixed thus far. Historically, this sector lags behind commercial in a recovery. As such, we are starting to see a pickup in institutional spending as state and local government budgets continue to recover. We also expect to see this sector grow at a 3.9 percent pace this year.



Source: Dodge Data & Analytics, U.S. Department of Commerce and Wells Fargo Securities, LLC

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