SREDA INSIGHTS

PROVINCIAL MANUFACTURING JUMPS IN JUNE

Given some of the less than stellar news stories emanating from the Saskatchewan manufacturing sector recently (including job losses), yesterday's manufacturing shipment survey from Statistics Canada provides a welcome dose of positive news.

LATEST FIGURES

Saskatchewan companies shipped $1.22B worth of manufactured goods in June, up an impressive 4.3% from May (all figures adjusted for seasonality). Saskatchewan's gain in June was by far the largest among all the provinces (Alberta was second at +1.8%) and also marked the fourth consecutive month of rising manufacturing shipments in Saskatchewan.

CONTEXT

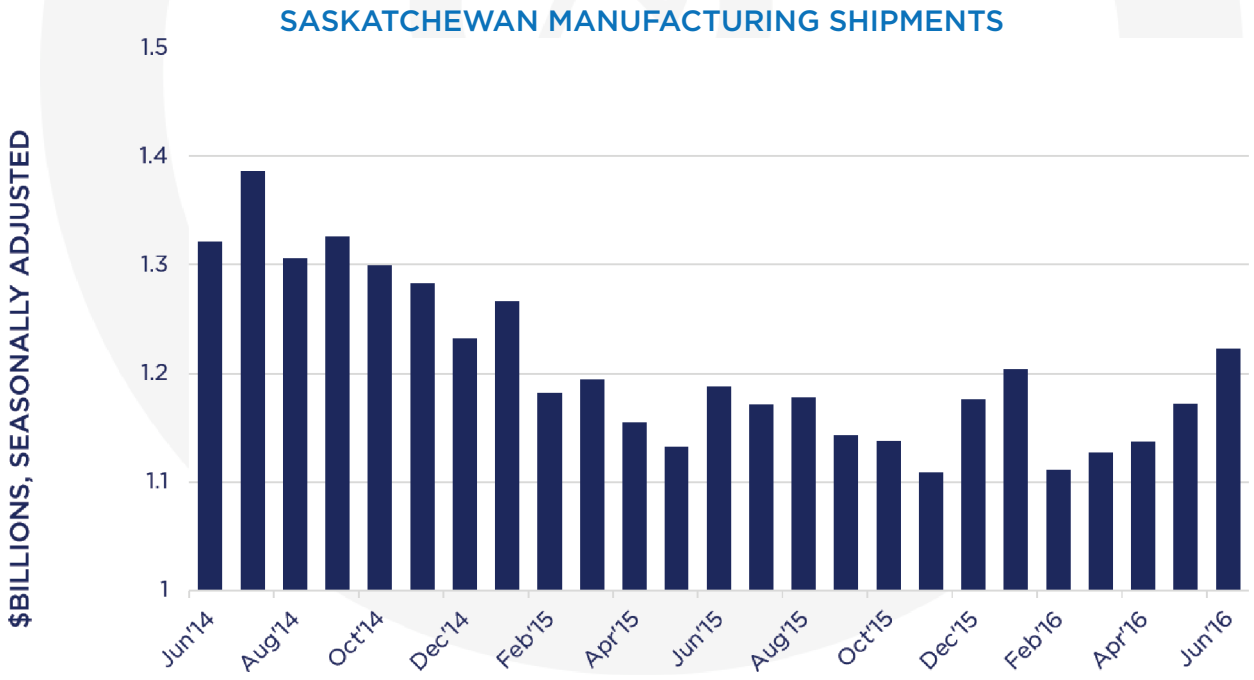
Saskatchewan manufacturing shipments remain well below their monthly peak of ~$1.4B; however, the four month surge observed this year does bring seasonally-adjusted shipments to their highest monthly level since January 2015 (see graph).

While it's difficult to understand the full picture of why manufacturing shipments have risen over the last four months, two products up sharply in June were machinery (+21%) and chemicals (+7%).

THE OUTLOOK

While monthly data can be volatile, and manufacturing shipments can certainly decline as fast (or faster) as they can rise, the recent trend is encouraging.

Looking ahead more positive data points are necessary to definitively show that SK manufacturing shipments are back on the steady growth trajectory.



Source: Statistics Canada

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