

Around the Industry

Schneider Electric announces multi-million investment in U.S. factories

Schneider Electric will invest about \$46 million in its Lexington, KY and Lincoln, NE, manufacturing plants to modernize their operations and increase circuit breaker and related electrical product output for its customers in the U.S. and Canada. The new investment augments the more than \$100 million the company earmarked in 2021 to expedite the reshoring of its manufacturing capability in North America.

The modernization efforts in the 65-year-old Lexington plant and 50-year-old Lincoln plant will include installing new equipment with the most current and connected technology and automation. The newer technology, coupled with using an architecture optimized for digitization, will help increase the plants' quality and capacity and make them more energy efficient.

Further, these upgraded manufacturing facilities enabled by digitization and connectivity will improve operational efficiency and mean time between failures, or the average time between repairable failures of a technology product. Since the new, advanced equipment will be connected, employees will be able to monitor and adjust energy usage and perform online diagnostics and predictive maintenance tasks remotely.

"To keep pace with the near and long-term demand for our products and to plan for the future, we must invest in our supply chain capabilities," said Ken Engel, senior VP, Global Supply Chain, North America, in the press release.

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Electrical Stocks Get Pounded in 3Q 2022 with Widespread Double-Digit YTD Losses

One word comes to mind when analyzing the prices of electrical stocks through 3Q 2022 - Yikes! The carnage is widespread throughout the publicly held electrical manufacturer, distributor and contractor stocks are tracking the roller-coast ride of the market indices. The Dow Jones (-21.5%); S&P 500 (-25.2%); and NASDAQ (-33.2%) have all seen some their biggest drops in recent years, but many stocks in *EM's* Quarterly Stock Index are doing as poorly or even worse.

Singing the saddest song of the major electrical stocks is former high-flyer Generac, which in just four years saw its stock rocket from \$50 per share to more than \$500 per share. But through Sept. 30 the stock was down -48.8% year-to-date and -61.5% year-over-year. And when Generac slashed sales expectations on Oct. 19, its stock got whacked even worse, plummeting another -25% to around \$110 per share, a fraction of the \$500 level it pierced last fall and down

approximately -78% from its all-time closing high of \$503.52 on Oct. 28, 2022.

The news wasn't all bad for electrical stocks in the *EM* Stock Index. Quanta Services was up +13.5% through the third quarter and +12.5% year-over-year. Hubbell led all manufacturers with a +8.6% YTD increase and a +17.5% YOY increase. Nexans was the only other large electrical company that registered gains through 3Q 2022, up +4.1% YTD and +11.1% YOY.

The stock market is a cyclical business, but it's tough to recall so many companies taking such a gut-wrenching round trip in just 12 months. When you look at the list of blue-chip stocks in the chart on page 2 suffering year-to-date share price losses of -30% or worse, you will see some very familiar names, including Littelfuse, Rockwell, Legrand, Siemens, ABB and Schneider that were up over +30% around this time last year.

— Jim Lucy

EM/VRP Q3 Distributor Survey – Strong Demand Despite Mounting Uncertainty

Over the past two years, Nick Lipinski and his team at Vertical Research Partners (VRP), an equity research firm with a tight focus on publicly held companies in the electrical, industrial, automation and transmission and distribution and distributor markets, has partnered with Electrical Marketing to provide a quarterly survey of economic conditions in the electrical market.

With all that's going on with inflation, lead times, geopolitical concerns and the potential for a recession, their Q3 2022 analysis of the survey results are particularly timely. Below is an excerpt of their report. EM subscribers can download the full report through the digital version of this article at www.electricalmarketing.com.

Strong sales and pricing that's still robust but moderating. Q3 distributor sales were up +13.5% with prices up +5.8% and volume growth of +7.7%. The result was broadly similar to the +13.7% growth in Q2,

with the volume and pricing results roughly flipped this quarter. The two-year growth stack of +28.2% in Q3 was also similar to the +29.5% in Q2.

While pricing moderated from the record seen in Q2, the +5.8% increase was still among the highest reported increases in our survey's history back to 2006. Electrical equipment sales led for the third straight quarter, showing slight sequential acceleration to +17.2% including price up +6.3%. Power also showed sequential improvement at +11.9% on volume growth of +6.5% and +5.4% in price, and was the only category to see an improved two-year growth stack. Automation sales grew +8.5% on +3.1% volume growth and 5.4% in price.

Brave new world. To say the operating environment continues to be highly challenging and dynamic risks understatement. The days of book and ship are clearly over.

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3Q 2022 Report for Electrical Stocks and Other Stocks & Channels of Interest

Company Name	Symbol	Sept. 30, 2022	Jan. 3, 2022	Oct. 19, 2021	YTD % Change	YOY % Change
MANUFACTURERS						
3M Co.	MMM	110.5	177.74	182.31	-37.8	-39.4
ABB Ltd.*	ABB	25.66	38.47	34.54	-33.3	-25.7
Acuity Brands	AYI	157.47	213.09	208.66	-26.1	-24.5
Atkore Inc.	ATKR	77.81	110.44	90.52	-29.5	-14.0
Belden Inc.	BDC	60.02	64.9	60.63	-7.5	-1.0
Dialight#	DIA.L	235	330	363	-28.8	-35.3
Eaton Corp.	ETN	133.36	168.66	161.48	-20.9	-17.4
Emerson Electric Co.	EMR	73.22	91.76	96.42	-20.2	-24.1
Encore Wire Corp.	WIRE	115.52	140.99	110.47	-18.1	4.6
Energy Focus	EFOI	0.52	4.41	3.15	-88.2	-83.5
EnerSys	ENS	58.17	81.1	78.18	-28.3	-25.6
Federal Signal Corp.	FSS	37.32	43.2	40.97	-13.6	-8.9
Freeport-McMoRan	FCX	27.33	41.48	38.85	-34.1	-29.7
Generac Holdings	GNRC	178.14	347.91	462.84	-48.8	-61.5
General Electric Co.	GE	61.91	96.24	104.73	-35.7	-40.9
Hubbell Inc.	HUBB	223	205.29	189.8	8.6	17.5
Legrand SA	LR.PA	66.66	103.3	93.88	-35.5	-29.0
Littelfuse	LFUS	198.69	315.95	287.6	-37.1	-30.9
LSI Industries	LYTS	7.69	6.89	7.94	11.6	-3.1
Mersen SA*	MRN.PA	28.55	37.6	31.25	-24.1	-8.6
Nexans SA*	NEX.PA	91.9	88.3	82.7	4.1	11.1
Nucor Corp.	NUE	106.99	113.04	103.3	-5.4	3.6
nVent Electric plc	NVT	31.61	37.89	32.43	-16.6	-2.5
Orion Energy Systems	OESX	1.56	3.8	4.27	-58.9	-63.5
OSRAM Licht AG*	OSR.HM	52.5	56.75	56.25	-7.5	-6.7
Pentair	PNR	40.63	70.99	72.66	-42.8	-44.1
Rockwell Automation	ROK	215.11	339.66	316.14	-36.7	-32.0
Schneider Electric*	SU.PA	116.94	175.14	142.9	-33.2	-18.2
Siemens AG*	SIE.HA	100.58	154.02	140.5	-34.7	-28.4
Signify*	LIGHT.AS	26.63	41.86	42.77	-36.4	-37.7
Zumtobel Group AG*	T9Z.F	5.97	7.62	8.99	-21.7	-33.6
SMART Global Holdings	SGH	15.87	36.5	25.97	-56.5	-38.9
DISTRIBUTORS						
Arrow Electronics	ARW	92.19	135.3	118.68	-31.9	-22.3
Avnet	AVT	36.12	41.1	38	-12.1	-4.9
Fastenal Co.	FAST	46.04	61.98	56.26	-25.7	-18.2
Genuine Parts	GPC	149.32	136.04	124.51	9.8	19.9
W.W. Grainger	GWW	489.19	510.2	436.32	-4.1	12.1
MSC Industrial Direct Co.	MSM	72.81	83.95	85.9	-13.3	-15.2
Rexel SA*	RXL.PA	15.48	18.15	18.15	-14.7	-14.7
WESCO International	WCC	119.38	131.42	125.9	-9.2	-5.2
CONTRACTORS						
EMCOR Group	EME	115.48	127.36	117.69	-9.3	-1.9
IES Holdings	IESC	27.62	52.44	48.02	-47.3	-42.5
MDU Resources Group	MDU	27.35	30.67	30.88	-10.8	-11.4
MasTec	MTZ	63.5	94.18	86.87	-32.6	-26.9
Quanta Services	PWR	127.39	112.27	113.25	13.5	12.5
ONLINE MERCHANTS & RETAILERS						
Amazon	AMZN	113	170.4	3,444.15	-33.7	NA
Alibaba Group	BABA	79.99	120.38	177	-33.6	-32.0
Home Depot	HD	277.82	401.02	349.87	-30.7	-20.6
Lowe's	LOW	187.81	255.51	222.91	-26.5	-15.7
Shopify Inc.	SHOP	26.94	136.31	148.57	-80.2	-81.9
Tractor Supply	TSCO	185.88	232.44	200.25	-20.0	-7.2
MARKET INDICES						
Dow Jones Industrial Average	^DJI	28,725.51	36,585.06	35,457.31	-21.5	-19.0
S&P 500	^GSPC	3,585.62	4,796.56	4,519.63	-25.2	-20.7
NASDAQ Composite	^IXIC	10,575.62	15,832.80	15,129.09	-33.2	-30.1

Notes: * - Euros; # - Great Britain pence; Stock prices for June 30, 2022 and Jan. 3, 2022 and Oct. 19, 2021 are the closing prices adjusted for both dividends and splits.

Around the Industry

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In addition, company officials said, construction of its El Paso, TX, manufacturing plant is progressing on schedule. The 160,000-sq-ft plant is projected to be operational by the end of 2022. Hiring for select engineering positions has started, and additional hires will be made through early 2023. The plant will employ about 400 workers. The company is also expanding its Tlaxcala, Mexico, operation to meet demand for the circuit breakers and electrical panel boards produced there. The 150,000-sq-ft operation will employ about 600 workers and will provide the company with the capability to manufacture and ship products

VRP/EM Survey Reveals Some Cautious Optimism

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The reality of extended and unreliable supply lines are forcing creativity and adaptability in finding solutions to fill customer orders. There is no end in sight as manufacturers have been slow to react in disentangling a just-in-time inventory system assembled over many years. Price increases continue, reflecting the strong demand pull, continued limitations on availability, and the absence of noticeable demand destruction to date. While we may not continue to see price pushed at the pace it has been over the past year, two-to-three increases per year are possible (versus the one increase that sometimes historically occurred).

The demand environment remains broadly strong but faces a number of cross currents. Interest rates are clearly beginning to impact some construction projects, with some possibly speculative commercial investments most at risk of cancellations. At the same time, government stimulus is boosting infrastructure and energy retrofit activity. Switchgear availability was mentioned several times as a key limiting factor to sales/delivery, but issues continue to pop up across the product portfolio including in lower end items. Backlogs continue to grow even as some project cancellations are popping up, and should ensure a steady pace of activity into 2023.

High uncertainty driving a cautious distributor outlook. Distributors historically demonstrated solid predictive ability in gauging their next quarter's sales, but for roughly the past year appear to have been waiting for a slowdown that has yet to arrive. From 2015-2020, the average beat/

in-region should the need arise. The plant is expected to be operational in early 2023.

IDEA forms new technology council

The Industry Data Exchange Association, Inc. (IDEA) formed a new IDEA Technology Advisory Council, with the mission of driving continual digital innovation within IDEA for the electrical industry. The IDEA Technology Advisory Council brings together digital leaders from both within and outside the electrical industry with extensive experience in distribution, manufacturing and software technology. Council members identify and provide input on current and future digital needs and opportunities within the electrical

miss versus the projected growth expectation was essentially 0%, with some lags up and down through the cycle netting out. In the post-COVID recovery since 2021, distributor sales have consistently come in above their expectations heading into the quarter, by approximately +5.5% on average. Distributors overall are expecting +4% growth in calendar Q4 2022. While some slowdown is inevitable, with price up +5.8% in Q3, there is likely enough carryover benefit to support the +4% Q4 growth outlook. The recently understated projections likely reflect some conservatism on the part of distributors in the face of widespread uncertainty relating to the supply chain. The variation within distributor outlooks has been elevated since the COVID pandemic broke out, and this quarter showed the largest variability outside of the peak pandemic panic in Q220.

Survey reach. We surveyed 29 distributor branch managers in total throughout North America capturing an estimated \$700 million in revenues. Although the sample revenue represented by our coverage universe is a relatively small proportion of our group's total revenue, the true power of the survey is the directional growth and anecdotal commentary about end market conditions, which are salient indicators for our entire group. Companies such as Eaton, Hubbell, Rockwell, nVent, Schneider (Square D) and ABB are well represented in the survey because they sell primarily through distribution. Of the 29 distributors, 12 sold electrical equipment, 10 focused on T&D utility customers and seven sold automation equipment.

industry to IDEA's president and ultimately the IDEA board. Seeking new technologies and innovations, the council will discuss and address potential opportunities to help IDEA to solve digital challenges, increase the value of IDEA Connector and Exchange data, as well as identify new processes to become more predictive with data needs.

The IDEA Technology Advisory Council encourages IDEA's distributor and manufacturer customers to introduce any new and existing state-of-the-art, or best-in-class digital technology services and solutions to the council for vetting and review.

Members of the advisory council are John Pehler, Rexel USA's chief digital officer; Arivand Padmanabhan, executive VP and chief technology officer, nVent; and Kerry Young, an entrepreneur and tech advisor with expertise in Master Data Management (MDM) and Product Information Management (PIM) solutions.

Dodge Momentum Index shows growth in September with +5.7% increase

The Dodge Momentum Index (DMI) remained solid despite the economic storm clouds on the horizon. The DMI improved +5.7% (2000=100) in September to 183.2 points from the revised August reading of 173.4 points.

After a solid performance in September, the DMI landed less than -5% below an all-time high. The DMI is a monthly measure of the initial report for nonresidential building projects in planning, shown to lead construction spending for nonresidential buildings by a full year.

On the commercial side, the figure was primarily bolstered by an influx of data centers entering the planning queue. The institutional component saw a notable increase in research and development laboratory projects in the education sector, with solid contributions from healthcare and recreation projects entering the planning process. On a year-over-year basis, the DMI was +26% higher than September in 2021; the commercial component was up +25%; and institutional planning was +28% higher.

A total of 39 projects with a value of \$100 million or more entered planning in September. The leading commercial projects included a \$500-million data center campus on the Tech Park at Brambleton site in Ashburn, VA, and the \$500 million construction of two

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Industry Events

October 26-27 2022

NAED Data

Analytics Conference

Dallas; National Association of Electrical Distributors (NAED)

www.naed.org

Oct. 26-27, 2022

Electric Expo 2022

King of Prussia, PA, Electrical Association of Philadelphia

www.electricepo.org

November 14-16 2022

NAED Eastern Conference

Tampa, FL; www.naed.org

November 16-17 2022

NEMA Annual Meeting

Amelia Island, FL; National Electrical Manufacturers Association (NEMA)

www.nema.org

January 16-18, 2023

NAED Western Conference

Palm Desert, CA; www.naed.org

January 31 - February 2, 2023

NAW Executive Summit

Washington, DC; National Association of Wholesaler-Distributors (NAW)

www.naw.org

January 30 - February 2, 2023

NEMRA Conference

Las Vegas, NV; National Electrical Manufacturers Representatives Association;

www.nemra.org

February 27 - March 1, 2023

NAED South Central Conference

Orlando, FL; www.naed.org

March 7-8, 2023

LEDucation

New York, Designers Lighting Forum of New York; www.leducation.org

May 21-23, 2023

LightFair Trade Show & Conference

New York; www.lightfair.com

May 23-25, 2023

NAED Annual Conference

Marco Island, FL; www.naed.org

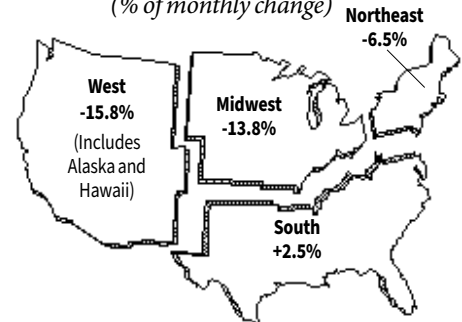
September Single-Family Housing Starts Continue Decline and Sink -4.7% to 936,000

Privately-owned housing starts in September were at a seasonally adjusted annual rate of 1,439,000, -8.1% below the revised August estimate of 1,566,000 and -7.7% below the Sept. 2021 rate of 1,559,000. The U.S. Census Bureau said single-family housing starts in September were at a rate of 892,000, -4.7% below the revised August figure of 936,000.

“The ongoing decline for single-family construction mirrors weakness for single-family builder sentiment, which has now declined for 10 straight months and stands at half the level of a year ago,” said Robert Dietz, chief economist for the National Association

of Home Builders. “The September single-family level is below a 900,000 annualized rate and the lowest level since May 2020.”

Single-Family Housing Starts by Region (% of monthly change)



New Privately Owned Housing Units Started

(Thousands of units, seasonally adjusted annual rate)

Period	Total	1 Unit	5 Units or more	Northeast	Midwest	South	West
Sept. 2022 ¹	1,439	892	530	58	112	536	186
Aug. 2022 ²	1,566	936	610	62	130	523	221
July 2022 ²	1,377	900	462	73	105	513	209
Jun. 22	1,575	1,013	554	47	140	617	209
May 22	1,562	1,073	459	55	141	625	252
Apr. 22	1,805	1,173	619	52	154	679	288
Sept. 2021	1,559	1,094	455	69	132	627	266

1-Preliminary; 2-Revised; Note: Detail may not add to total because of rounding.

Source: U.S. Bureau of the Census

September EPI Price Increases Slow Down

There may be some light at the end of the tunnel for pricing, as *Electrical Market-ing's* Electrical Price Index (EPI) for September registered smaller increases in its Total Index basis on a month-to-month (+0.1%) and year-over-year (+9.5%) basis than in recent months. On a three-month average basis, monthly and annual increases for both the EPI's Total Index peaked in the first half of 2022.

Note: All EPI series represent IHS Markit aggregates of Bureau of Labor Statistics' (BLS) producer price indices (PPIs). The revised data partly reflect redefinitions of specific PPIs by the BLS, but mostly reflect the rebenchmarking of all EPI price series to a 2012 base year. The four following EPI series have been affected by BLS redefinitions: boxes, conduit (fittings), nonmetallic conduit, and generators. Sources: U.S. Bureau of Labor Statistics; IHS Markit

Electrical Price Index — September 2022

2012=100	Sept. 2022	Aug. 2022	Aug. 2021	% Change 1 Mo.	% Change 1 Yr.
Building Wire & Cable	258.0	259.1	246.6	-0.4	4.6
Power Wire & Cable	366.1	366.6	301.3	-0.1	21.5
Telephone	226.4	230.1	224.2	-1.6	1.0
Hand & Power Tools	163.8	164.2	149.0	-0.2	9.9
Elec. Heating Equip.	176.9	176.9	158.2	0.0	11.9
Residential Lighting	179.3	179.3	164.3	0.0	9.1
Industrial Fixtures	165.3	164.8	155.6	0.3	6.2
Fans & Blowers	201.7	201.6	182.8	0.0	10.3
Wiring Devices & Connectors	159.7	160.2	147.7	-0.3	8.1
Pole Line Hardware	283.7	282.3	238.8	0.5	18.8
Boxes	298.4	298.9	247.0	-0.2	20.8
Conduit Fittings	251.5	251.5	242.2	0.0	3.8
Metal Conduit	238.8	239.0	215.1	-0.1	11.0
Nonmetallic Conduit	262.2	258.4	236.5	1.5	10.9
Motors	206.5	202.7	177.3	1.9	16.5
Generators	191.1	187.4	162.7	2.0	17.5
Ballasts	225.0	224.3	198.5	0.3	13.3
Elect. Meas. & Integ. Inst.	134.8	134.8	128.4	0.0	5.0
Transformers	160.1	158.3	149.8	1.1	6.9
Panelboards & Switches	211.3	217.3	186.7	-2.8	13.2
Circuit Breakers	220.0	220.5	193.0	-0.2	14.0
Switchgear	231.5	237.2	195.1	-2.4	18.7
Fuses	208.7	208.3	174.9	0.2	19.3
Industrial Controls	201.0	201.0	173.0	0.0	16.1
Lamps	191.4	191.4	173.0	0.0	10.6
Appliances	137.6	138.1	122.5	-0.4	12.3
Air Conditioners	202.6	199.5	168.8	1.5	20.0
Fasteners	210.3	208.1	179.2	1.1	17.3
Total Index	198.2	198.0	180.9	0.1	9.5

Electrical Marketing's Leading Economic Indicators

September building permits increase. Privately-owned housing units authorized by building permits in September were at a seasonally adjusted annual rate of 1,564,000, +1.4% above the revised August rate of 1,542,000, but -3.2% below the September 2021 rate of 1,615,000. According to the U.S. Census Bureau, single-family authorizations in September were at a rate of 872,000, -3.1% below the revised August figure of 900,000.

AIA's Architecture Billings Index slides in September. The AIA Architecture Billings Index (ABI) score for September was 51.7 points, down from a score of 53.3 points in August, indicating essentially stable business conditions for architecture firms (any score above 50 points indicates an increase in billings from the prior month). Also in September, both the new project inquiries and design contracts indexes moderated from August but remained positive with scores of 53.6 points and 50.7 points, respectively.

"While billings in the Northeast region and the institutional sector reached their highest pace of growth in several years, there appears to be emerging weakness in the previously healthy multi-family residential and commercial/industrial sectors, both of which saw a decline in billings for the first time since the post-pandemic recovery began," said AIA Chief Economist Kermit Baker in the press release. "Across the broader architecture sector, backlogs at firms remained at a robust seven months as of the end of September, still near record-high levels since we began collecting this data regularly more than a decade ago."

Conference Board's CEO panel bracing for a recession. The Conference Board's Measure of CEO Confidence stands at 32 points to start Q4 2022, down from 34 points in Q3 2022. It fell deeper into negative territory to lows not seen since the depths of the Great

Recession. (A reading below 50 points reflects more negative than positive responses.)

Dana M. Peterson, chief economist, the Conference Board, said in the press release that

only 5% reported business conditions were better today than they were six months ago, and that the same proportion — just 5% — expected conditions to improve over the next six months.

The Marketplace : Key Figures

	Month	Latest month	Previous month	Month-over-month % change	Year ago	Year-over-year % change	2021 annual
CONSTRUCTION							
New Construction Put in Place (billions of dollars, SAAR) ²							
Total	AUG	1781.28	1793.51	-0.7	1627.99	9.4	1626.21
Offices	AUG	73.78	73.58	0.3	74.98	-1.6	74.89
Industrial	AUG	96.65	97.10	-0.5	76.78	25.9	78.32
Housing Starts (Thousands of units, SAAR) ²							
Total	SEPT	1439	1566	-8.1	1664	-13.5	1605
Single-unit	SEPT	892	936	-4.7	1165	-23.4	1131
Mobile Home Shipments ³ (thousands of units, SAAR)							
	AUG	119	118	0.8	105	13.3	106
Employment, Construction Workers (thousands) ⁴							
	SEPT	7877	7910	-0.4	7557	4.2	7413
Employment, Electrical Contractors (thousands) ⁴							
	AUG	1004.4	1001.3	0.3	962.2	4.4	961.1
Hourly Wage, Electrical Contractors ⁴							
	AUG	34.43	33.76	2.0	32.09	7.3	31.91
PRODUCTION							
Industrial Production Index (1967=100) ⁵							
	SEPT	105.2	104.8	0.4	100.2	5.0	100.0
Construction Supplies Production Index ⁵ (1977=100-SA)							
	SEPT	105.6	104.5	1.1	99.1	6.6	101.0
Employment in Electrical Equipment & Supplies Mfg. Production workers (Thousands) ⁴							
	AUG	143.5	144.8	-0.9	139.5	2.9	138.5
Weekly hours							
	AUG	42.8	42.2	1.4	41.7	2.6	42.0
Hourly wage							
	AUG	25.06	25.12	-0.2	22.68	10.5	23.21
Electric Power Output Index (1967=100) ⁵							
	SEPT	102.1	102.7	-0.6	104.9	-2.6	102.1
Machine Tool Orders* (millions of dollars) ⁶							
	AUG	456.17	386.07	18.2	476.95	-4.4	480.63
Industrial Capacity Utilization (percent, SA) ¹							
	SEPT	79.96	79.70	0.3	76.98	3.9	77.13
TRADE							
Electrical Mfrs' Shipments							
	AUG	3,788	3,733	1.5	3,452	9.7	3,505
Electrical Mfrs' Inventories (millions of dollars, SA) ²							
	AUG	7,778	7,652	1.6	6,646	17.0	6,724
Electrical Mfrs' Inventory-to-Shipments Ratio							
	AUG	2.053	2.050	0.2	1.925	6.7	1.919
Electrical Mfrs' New Orders (millions of dollars, SA) ²							
	AUG	3,958	4,046	-2.2	3,405	16.2	3,526
Electrical Mfrs' Unfilled Orders (millions of dollars, SA) ²							
	AUG	16,777	16,294	3.0	14,144	18.6	14,296
Exports, Electrical Machinery (f.a.s. value in millions of dollars) ²							
	AUG	7,530	6,961	8.2	7,026	7.2	83,120
U.S. Dollar vs. Other Major Currencies (1973=100) ⁵							
	SEPT	120.18	117.05	2.7	105.22	14.2	106.31
PRICES & INTEREST RATES							
Industrial Commodities Wholesale Price Index (Bureau of Labor Statistics, 1967=100)							
	SEPT	271.4	271.5	0.0	228.9	18.6	228.4
Electrical Price Index (Electrical Marketing, 1997=100)							
	SEPT	198.2	198.0	0.1	172.9	14.6	173.1
Construction Materials Wholesale Price Index (Bureau of Labor Statistics, 1982=100)							
	SEPT	351.3	352.9	-0.5	306.0	14.8	299.0
Copper Prices (Metals Week, cents per pound)							
	SEPT	348.03	361.44	-3.7	439.80	-20.9	424.28
Prime Rate ⁵							
	SEPT	5.73	5.5	4.2	3.25	76.3	3.25
Federal Funds Rate ⁵							
	SEPT	2.56	2.33	9.9	0.08	3100.0	0.08
Mortgage Rate ⁷							
	SEPT	6.11	5.22	17.0	2.98	105.4	2.95

*Several series related to employment are now being reported on a NAICS basis. Because of this change, some numbers are not directly comparable to previously reported data, but are consistent in year-over-year comparisons and comparisons shown in the table.

Sources: ¹McGraw-Hill Construction/Dodge; ²Dept. of Commerce; ³Manufactured Housing Institute; ⁴Dept. of Labor; ⁵Federal Reserve Board; ⁶The Association for Manufacturing Technology; ⁷Federal Home Loan Bank Board.
Note: Some figures shown—prime rate, for example—are averaged for month. NYA—not yet available SA—seasonally adjusted. SAAR—seasonally adjusted annual rate. Source for chart: Global Insight.
For further information about construction starts, please contact Dodge Analytics at 1-800-591-4462

Around the Industry

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warehousing buildings at the Matrix Global Logistics Park's West Campus in Bloomfield, NY. The leading institutional projects were the \$311-million Shoshone-Bannock Casino in Mountain Home, ID, and a \$300-million laboratory project in Somerville, MA.

"The gain in the Momentum Index and its components in September reassures us that despite whispers of recession, owners and developers are still looking to move forward with projects to meet demand," said David Reaves, senior economist for Dodge Construction Network, in the press release. "Certain subsectors have shown resilience since the pandemic's onset, such as data center projects, and continue to stream into the planning pipeline. However, looming challenges still remain for the sector, including supply shortages and the rising cost of materials that could chip away at the flow of new projects if inflation is not tempered."

Schneider's Innovation Summit explores green market opportunities

In the opening keynote at Schneider Electric's 2022 Innovation Summit in Las Vegas last week that attracted more than 1,500 electrical professionals, Jean-Pascal Tricoire, the company's chairman and CEO, said digitization, sustainability and the increasing demand for electricity will present huge revenue opportunities for the electrical market.

Tricoire said his job as CEO is to put Schneider in the places with the strongest tailwinds and to eliminate financial risk. In the 20 years he has worked in sustainability, a confluence of factors are creating an unparalleled opportunity for market growth. "We need to make the grid smart," he said. "We can connect everything from the plant to the plug."

Many speakers talked about the rise of the "prosumer," the customer who is now both consuming electricity and producing it at their home or business, and the need for electrical professionals to market their companies to these emerging players in the green market. These prosumers are producing power with local photovoltaic installations or wind farms and storing it in batteries, which represents both revenue opportunities and technical challenges because of the need for a utility infrastructure that integrates bi-directional power systems.

While Schneider has for decades offered a broad range of electrical products and soft-

ware solutions to help customers save energy, presentations by the company's executives at the Innovation Summit reflected a renewed sense of passion and urgency about the green market's future because of some key drivers:

- Climate change's geopolitical and local impact and the move toward decarbonization
- Digital control of most electrical devices
- Geopolitical concerns about supply chains and America's move toward onshoring of industrial production
- Challenges for the U.S. electrical grid in blending in the huge increase of electrical power produced by renewable power sources
- The billions of dollars that will be available over the next few years through the Inflation Reduction Act, CHIPS Act and other federally based economic stimulus funds
- Installation of EV charging stations
- Microgrids' potential for truly massive production and storage of electricity

Wiseway's Cain sells stake of company to private-equity firm

John Cain, owner of Wiseway Supply, Florence, KY, sold a large stake of the company to the CID Capital private-equity firm. Cain said in a post on the website of the company that advised him on that transaction, ArkMalibu, that CID Capital's investment in Wiseway would "provide additional fuel to turn my family-owned company into a platform that will grow even more aggressively than we have in our first 50 years."

Lumileds to emerge from Chapter 11

Lumileds Holding BV said the United States Bankruptcy Court for the Southern District of New York has confirmed the company's plan of reorganization. Lumileds plans to emerge from the Chapter 11 process the week of Oct. 31. Under the terms of the plan, Lumileds will complete a comprehensive restructuring transaction that will reduce the company's funded debt by approximately \$1.4 billion and provide capital to accelerate Lumileds' future growth opportunities.

People

Fromm Electric Supply (Reading, PA): **Stephen Miller** was named VP of information systems and strategy. He will manage the company's digital infrastructure.

Service Wire Co. (Houston): **Jeff Anderson** joined the company as a strategic account manager in the Houston sales office. Anderson has over six years of experience

People

in local and national corporate account management.

Cembre (Edison, NJ): **Bethany Sarchet** is now Southeast regional sales manager. Sarchet's career started in the oil industry, but she has 15-plus years of electrical industry experience.

Rep News

O.T. Hall & Son now represents Cembre's Electrical and Industrial division in the Maryland, DC, Virginia and Delaware markets. They have been a rep in these markets since 1920. Cembre has a sales office and large distribution warehouse in Edison NJ, and a sales office in Schaumburg, IL.

Current selected **Smart Lighting Solutions** as its new representative in Georgia for its HLI Brands Portfolio. Smart Lighting Solutions will help Current drive specification of its advanced lighting and connected controls portfolio. Established in 2014, Smart Lighting Solutions has two locations servicing north and south Georgia.

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