SI KC Fed Manufacturing Regime

Kansas City Fed manufacturing survey captures Tenth District industrial pulse; the z-score regime tracks silver industrial-demand turning points one to two months ahead of the national ISM print.

David Stendahl · Market Lab Analytics · November 6, 2026

What this signal is

The Kansas City Fed manufacturing survey covers a large US industrial district. The composite index z-score leads the national ISM reading by one to two months, giving silver industrial-demand regime detection ahead of consensus.

The composite is bounded between minus one and plus one through tanh. On 2004-05-03 it reached its series maximum plus 0.998 and on 2008-12-02 its series minimum minus 0.995.

Across 37 years the kc mfg expansion state (Phase +1) has returned on average plus 1.42 percent forward 60-day silver return. The kc mfg contraction state (Phase −1) has returned on average plus 1.55 percent. Normal state (Phase 0) returned on average plus 0.37 percent.

Today the composite reads near +0.82. See live page for current state.

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How the inputs compose

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The engine also computes four confirming features: five-day velocity, 60-day volatility regime, 60-day correlation with silver returns, 63-day lag-1 autocorrelation.

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What the state-conditional returns have actually done

The silver forward-60-day return baseline (unconditional) is mean plus 1.70 percent, median plus 0.80 percent.02 percent, median minus 0.15 percent.

> **Reference baseline (6,186 silver-aligned forward-60-day windows over the live engine window)**

> Silver forward-60-day return baseline: mean plus 1.02 percent. Phase 0 source: Z85702 engine parquet joined with COMEX silver back-adjusted continuous closes.

KC Mfg expansion (Phase +1), 2,817 trading days, returned on average plus 1.42 percent.

Normal (Phase 0), 3,807 trading days, returned on average plus 0.37 percent.

KC Mfg contraction (Phase −1), 2,592 trading days, returned on average plus 1.55 percent.

The pattern shows the kc mfg contraction state (Phase −1) delivering the strongest mean return and the normal state (Phase 0) delivering the weakest.

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Three cases that frame how to read the signal

Case 1: 2004-05 composite series maximum

On 2004-05-03 the composite reached its series maximum plus 0.998. Silver subsequent 60-day behavior aligned with the kc mfg expansion regime pattern of average plus 1.42 percent.

Case 2: 2008-12 composite series minimum

On 2008-12-02 the composite reached its series minimum minus 0.995. Silver subsequent 60-day behavior aligned with the kc mfg contraction regime pattern of average plus 1.55 percent.

Case 3: March 2020 COVID shock window

The March 2020 COVID liquidity shock drove violent regime shifts across silver drivers. The composite oscillated as the underlying mechanism repriced during the Fed intervention window.

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How to use the signal today

This is a regime detector on a 60-day forward horizon.

Three best uses. First, as a regime filter for silver exposure (Phase +1 = kc mfg expansion). Second, as a cross-check against positioning and price-momentum signals. Third, as a transition-window warning, pairing with price-based signals for conviction.

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Methodology notes

The Kansas City Fed manufacturing survey covers a large US industrial district. The composite index z-score leads the national ISM reading by one to two months, giving silver industrial-demand regime detection ahead of consensus.

The 1989 start reflects the earliest reliable source coverage.

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What this signal does not cover

Four caveats. The signal is a regime detector, not a timing signal. State-conditional means hold on average, not for every individual window. Regime persistence varies with macroeconomic backdrop. Individual windows can run much longer or shorter than mean sample. State-conditional edges are backward-looking empirical averages. Future regimes may differ. The baseline is COMEX silver back-adjusted continuous (SI_1240BD). Spot silver and ETF returns differ modestly.

Not investment advice. Signal readings and empirical statistics are derived from publicly available data sources. (c) 2026 David Stendahl.