

**E**conomic activity in the manufacturing sector expanded in May, and the overall economy grew for the 96th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

The May PMI® registered 54.9 percent. The New Orders Index registered 59.5 percent, an increase of 2 percentage points from the April reading of 57.5 percent. The Production Index registered 57.1 percent. The Employment Index registered 53.5 percent, an increase of 1.5 percentage points from the April reading of 52 percent. The Inventories Index registered 51.5 percent, an increase of 0.5 percentage point from the April reading of 51 percent. The Prices Index registered 60.5 percent in May, a decrease of 8 percentage points from the April reading of 68.5 percent, indicating higher

## PMI® @ 54.9%

raw materials prices for the 15th consecutive month, but at a noticeably slower rate of increase in May compared with April.

Of the 18 manufacturing industries, 15 reported growth in May in the following order: Nonmetallic Mineral Products;

Furniture & Related Products; Plastics & Rubber Products; Machinery; Primary Metals; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Paper Products; Miscellaneous Manufacturing#;

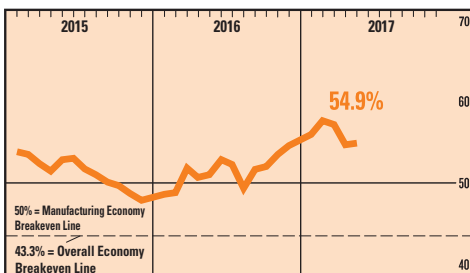
Computer & Electronic Products; Transportation Equipment; Chemical Products; Fabricated Metal Products; Petroleum & Coal Products; and Printing & Related Support.

#Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

### MANUFACTURING AT A GLANCE

Index	May Index	Apr Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	54.9	54.8	+0.1	Growing	Faster	9
New Orders	59.5	57.5	+2.0	Growing	Faster	9
Production	57.1	58.6	-1.5	Growing	Slower	9
Employment	53.5	52.0	+1.5	Growing	Faster	8
Supplier Deliveries	53.1	55.1	-2.0	Slowing	Slower	13
Inventories	51.5	51.0	+0.5	Growing	Faster	2
Customers' Inventories	49.5	45.5	+4.0	Too Low	Slower	8
Prices	60.5	68.5	-8.0	Increasing	Slower	15
Backlog of Orders	55.0	57.0	-2.0	Growing	Slower	4
New Export Orders	57.5	59.5	-2.0	Growing	Slower	15
Imports	53.5	55.5	-2.0	Growing	Slower	4
<b>OVERALL ECONOMY</b>				<b>Growing</b>	<b>Faster</b>	<b>96</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>9</b>

\*Number of months moving in current direction. Manufacturing ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Supplier Deliveries Indexes.



### PMI®

Manufacturing expanded in May as the PMI® registered 54.9 percent, an increase of 0.1 percentage point from the April reading of 54.8 percent, indicating growth in manufacturing for the ninth consecutive month. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. A PMI® above 43.3 percent, over a period of time, generally indicates an expansion of the overall economy.

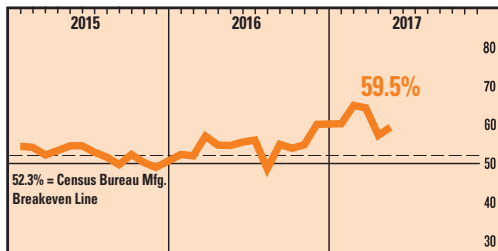
### COMMODITIES REPORTED

**Commodities Up in Price:** Aluminum (7); Corrugate (8); Corrugated Boxes (3); Lumber (2); Oil (2); Plastic Resin (3); Polypropylene (4); Rubber; Scrap Metal (4); Steel\* (17); Steel – Cold Rolled (7); Steel – Hot Rolled (6); and Steel Tubing (4).

**Commodities Down in Price:** Butadiene; Copper; Methanol; Nickel; and Steel\*.

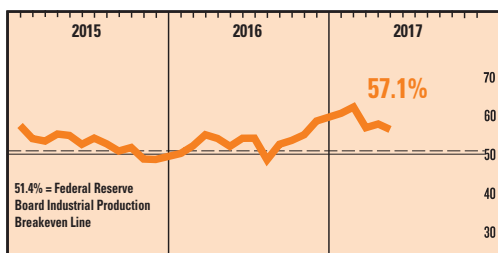
**Commodities in Short Supply:** Capacitors; Electronic Components (3); and Methacrylates.

Note: The number of consecutive months the commodity is listed is indicated after each item. \*Reported as both up and down in price.



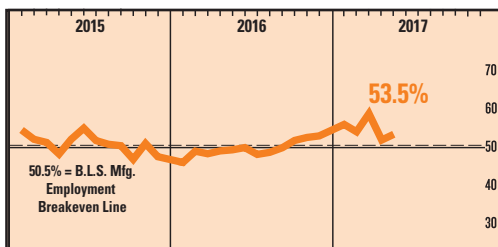
## New Orders

ISM's New Orders Index registered 59.5 percent. Fourteen of 18 industries reported growth in new orders in May, listed in the following order: Paper Products; Primary Metals; Machinery; Nonmetallic Mineral Products; Chemical Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; Printing & Related Support Activities; Furniture & Related Products; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Plastics & Rubber Products; Computer & Electronic Products; and Transportation Equipment.



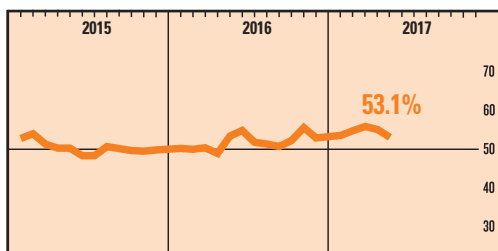
## Production

ISM's Production Index registered 57.1 percent. The 14 industries reporting growth in production during the month of May — listed in order — are: Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Furniture & Related Products; Paper Products; Fabricated Metal Products; Printing & Related Support Activities; Chemical Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; Machinery; Transportation Equipment; Food, Beverage & Tobacco Products; and Computer & Electronic Products.



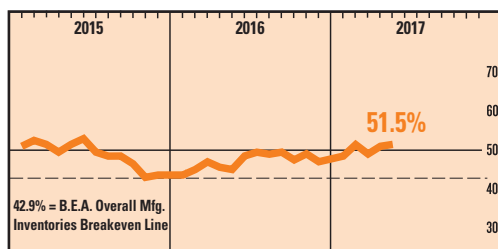
## Employment

ISM's Employment Index registered 53.5 percent. Of the 18 manufacturing industries, the 11 reporting employment growth in May — listed in order — are: Furniture & Related Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; Paper Products; Primary Metals; Petroleum & Coal Products; and Plastics & Rubber Products.



## Supplier Deliveries

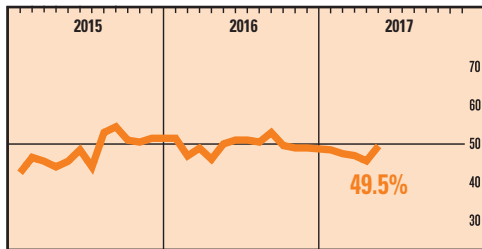
The Supplier Deliveries Index registered 53.1 percent. The 11 industries reporting slower supplier deliveries in May — listed in order — are: Nonmetallic Mineral Products; Plastics & Rubber Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Computer & Electronic Products; Chemical Products; Fabricated Metal Products; Machinery; Food, Beverage & Tobacco Products; and Transportation Equipment.



## Inventories

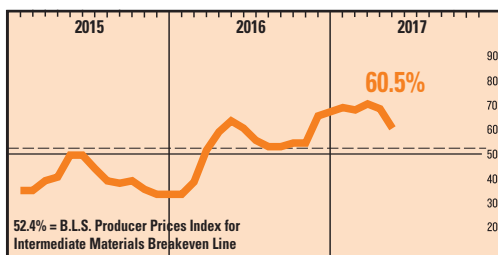
The Inventories Index registered 51.5 percent. The six industries reporting higher inventories in May — listed in order — are: Furniture & Related Products; Nonmetallic Mineral Products; Transportation Equipment; Miscellaneous Manufacturing<sup>‡</sup>; Plastics & Rubber Products; and Food, Beverage & Tobacco Products. The six industries reporting lower inventories in May — listed in order — are: Paper Products; Printing & Related Support Activities; Electrical Equipment, Appliances & Components; Primary Metals; Chemical Products; and Fabricated Metal Products.

<sup>‡</sup>Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



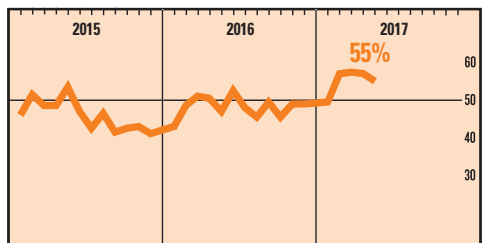
## Customers' Inventories

ISM's Customers' Inventories Index registered 49.5 percent. The six manufacturing industries reporting customers' inventories as being too high during the month of May — listed in order — are: Primary Metals; Furniture & Related Products; Transportation Equipment; Food, Beverage & Tobacco Products; Chemical Products; and Computer & Electronic Products.



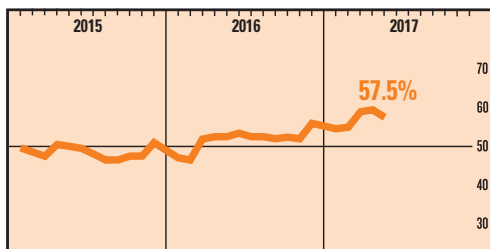
## Prices

The ISM Prices Index registered 60.5 percent. Of the 18 manufacturing industries, the 15 that reported paying increased prices for its raw materials in May — listed in order — are: Electrical Equipment, Appliances & Components; Apparel, Leather & Allied Products; Furniture & Related Products; Miscellaneous Manufacturing<sup>‡</sup>; Machinery; Food, Beverage & Tobacco Products; Printing & Related Support Activities; Nonmetallic Mineral Products; Paper Products; Chemical Products; Plastics & Rubber Products; Transportation Equipment; Computer & Electronic Products; Fabricated Metal Products; and Petroleum & Coal Products.



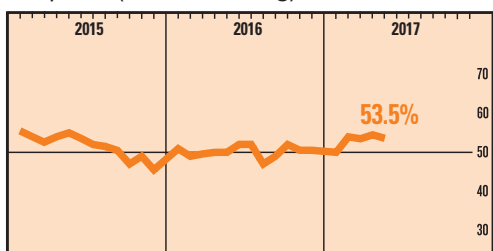
## Backlog of Orders

ISM's Backlog of Orders Index registered 55 percent. The eight industries reporting growth in order backlogs in May — listed in order — are: Paper Products; Primary Metals; Furniture & Related Products; Fabricated Metal Products; Machinery; Plastics & Rubber Products; Computer & Electronic Products; and Transportation Equipment.



## New Export Orders

ISM's New Export Orders Index registered 57.5 percent. The 11 industries reporting growth in new export orders in May — listed in order — are: Textile Mills; Wood Products; Paper Products; Furniture & Related Products; Transportation Equipment; Food, Beverage & Tobacco Products; Primary Metals; Miscellaneous Manufacturing<sup>‡</sup>; Plastics & Rubber Products; Machinery; and Chemical Products.



## Imports

ISM's Imports Index registered 53.5 percent. The seven industries reporting growth in imports during the month of May — listed in order — are: Transportation Equipment; Nonmetallic Mineral Products; Furniture & Related Products; Machinery; Chemical Products; Food, Beverage & Tobacco Products; and Computer & Electronic Products.

<sup>‡</sup>Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).