

ISM® REPORT ON BUSINESS® MANUFACTURING

SEPTEMBER 2018

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Economic activity in the manufacturing sector expanded in September, and the overall economy grew for the 113th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

The September PMI® registered 59.8 percent. The New Orders Index registered 61.8 percent, a decrease of 3.3 percentage points from the August reading of 65.1 percent. The Production Index registered 63.9 percent, a 0.6 percentage point increase compared to the August reading of 63.3 percent. The Employment Index registered 58.8 percent, an increase of 0.3 percentage point from the August reading of 58.5 percent. The Supplier Deliveries Index registered 61.1 percent,

PMI® @ 59.8%

a 3.4-percentage point decrease from the August reading of 64.5 percent. The Inventories Index registered 53.3 percent, a decrease of 2.1 percentage points from the August reading of 55.4 percent. Of the 18 manufacturing industries, 15 reported

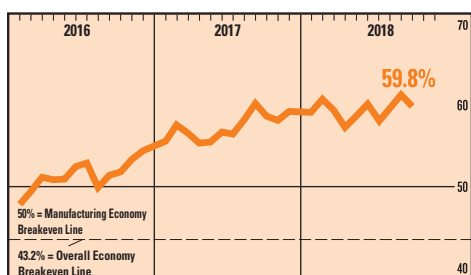
growth in September, in the following order: Textile Mills; Miscellaneous Manufacturing‡; Plastics & Rubber Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; Apparel, Leather & Allied Products; Paper Products; Electrical Equipment, Appliances & Components; Chemical Products; Petroleum & Coal Products; Transportation Equipment; Furniture & Related Products; Fabricated Metal Products; and Nonmetallic Mineral Products.

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

MANUFACTURING AT A GLANCE

Index	Sep Index	Aug Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	59.8	61.3	-1.5	Growing	Slower	25
New Orders	61.8	65.1	-3.3	Growing	Slower	33
Production	63.9	63.3	+0.6	Growing	Faster	25
Employment	58.8	58.5	+0.3	Growing	Faster	24
Supplier Deliveries	61.1	64.5	-3.4	Slowing	Slower	24
Inventories	53.3	55.4	-2.1	Growing	Slower	9
Customers' Inventories	40.5	41.0	-0.5	Too Low	Faster	24
Prices	66.9	72.1	-5.2	Increasing	Slower	31
Backlog of Orders	55.7	57.5	-1.8	Growing	Slower	20
New Export Orders	56.0	55.2	+0.8	Growing	Faster	31
Imports	54.5	53.9	+0.6	Growing	Faster	20
OVERALL ECONOMY				Growing	Slower	113
Manufacturing Sector				Growing	Slower	25

*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 September as the PMI® registered 59.8 percent, a decrease of 1.5 percentage points from the August reading of 61.3 percent. This indicates strong growth in manufacturing for the 25th consecutive month, led by strong production output, continued strength in new orders, improvements in supply chain delivery performance and better utilization of existing inventory accounts. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

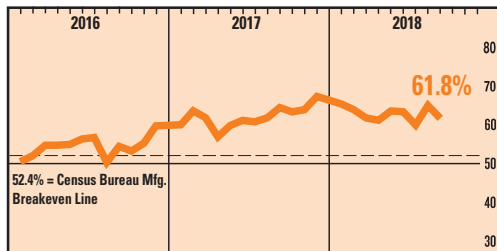
COMMODITIES REPORTED

Commodities Up in Price: Aluminum (23); Aluminum Based Products (5); Corrugate (24); Electrical Components (2); Electronic Components (2); Freight (8); Hydrochloric Acid; Lumber (3); Nylon (4); Paper (5); Steel*; Steel — Stainless (6); Steel Based Products (5); and Sulfuric Acid.

Commodities Down in Price: Brass; Copper (3); Steel*; and Steel — Hot Rolled.

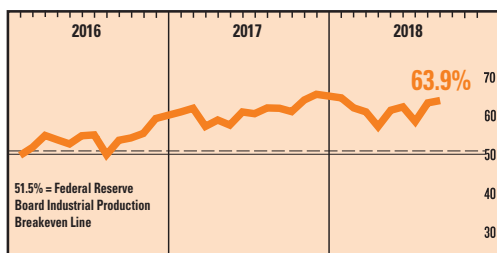
Commodities in Short Supply: Capacitors (15); Electronic Components (5); Freight (5); Labor (2); Nylon; Resistors (11); and Sulfuric Acid.

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



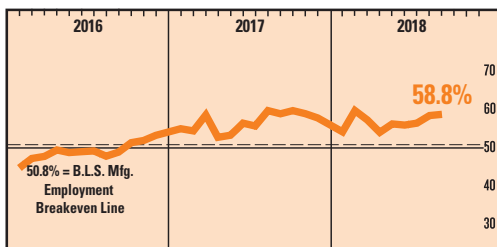
New Orders

ISM's New Orders Index registered 61.8 percent. Twelve of 18 industries reported growth in new orders in September, in the following order: Textile Mills; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Computer & Electronic Products; Printing & Related Support Activities; Chemical Products; Paper Products; Machinery; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Furniture & Related Products; and Transportation Equipment.



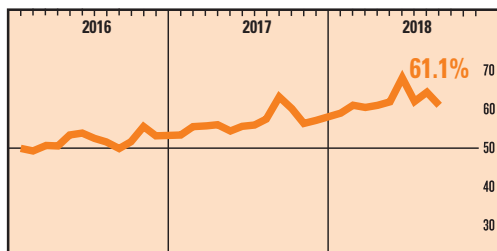
Production

ISM's Production Index registered 63.9 percent. The 14 industries reporting growth in production during the month of September — listed in order — are: Printing & Related Support Activities; Miscellaneous Manufacturing[‡]; Apparel, Leather & Allied Products; Textile Mills; Plastics & Rubber Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Machinery; Chemical Products; Furniture & Related Products; Paper Products; Fabricated Metal Products; and Transportation Equipment.



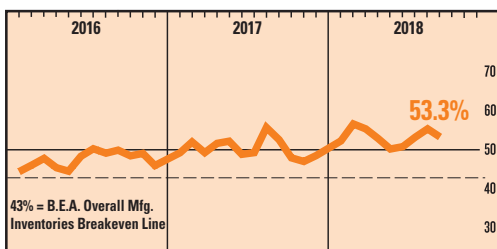
Employment

ISM's Employment Index registered 58.8 percent. Of the 18 manufacturing industries, the 12 reporting employment growth in September — listed in order — are: Textile Mills; Miscellaneous Manufacturing[‡]; Petroleum & Coal Products; Paper Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Computer & Electronic Products; Machinery; Transportation Equipment; Fabricated Metal Products; Electrical Equipment, Appliances & Components; and Chemical Products.



Supplier Deliveries

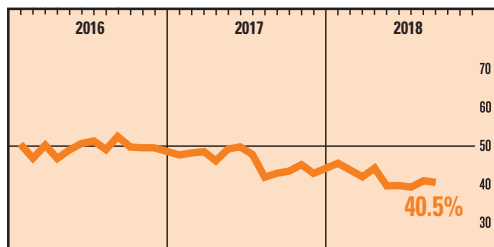
The delivery performance of suppliers to manufacturing organizations slowed in September, as the Supplier Deliveries Index registered 61.1 percent. The 13 industries reporting slower supplier deliveries in September — listed in order — are: Textile Mills; Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Fabricated Metal Products; Furniture & Related Products; Machinery; Computer & Electronic Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Paper Products; Chemical Products; and Transportation Equipment.



Inventories

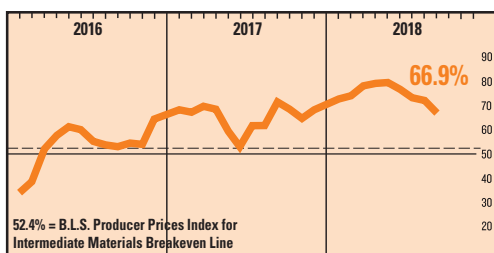
The Inventories Index registered 53.3 percent. The 11 industries reporting higher inventories in September — listed in order — are: Textile Mills; Apparel, Leather & Allied Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Computer & Electronic Products; Transportation Equipment; Primary Metals; Miscellaneous Manufacturing[‡]; and Machinery.

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



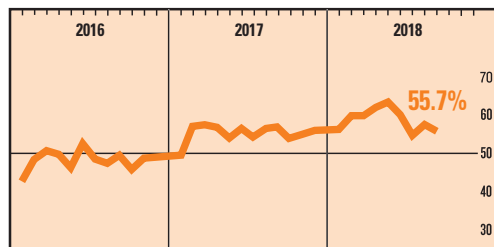
Customers' Inventories

ISM's Customers' Inventories Index registered 40.5 percent in September, which is 0.5 percentage point lower than the 41 percent reported for August, indicating that customers' inventory levels were considered too low. The only manufacturing industry that reported customers' inventories as too high during the month of September is Transportation Equipment.



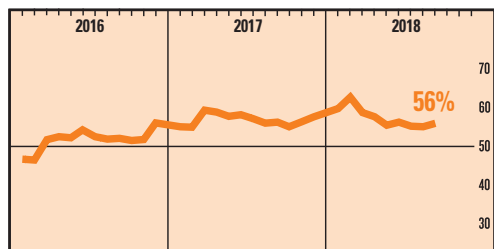
Prices

The ISM Prices Index registered 66.9 percent. Fifteen of the 18 industries reported paying increased prices for raw materials in September, in the following order: Textile Mills; Printing & Related Support Activities; Apparel, Leather & Allied Products; Paper Products; Chemical Products; Miscellaneous Manufacturing[‡]; Machinery; Furniture & Related Products; Computer & Electronic Products; Transportation Equipment; Plastics & Rubber Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; and Electrical Equipment, Appliances & Components.



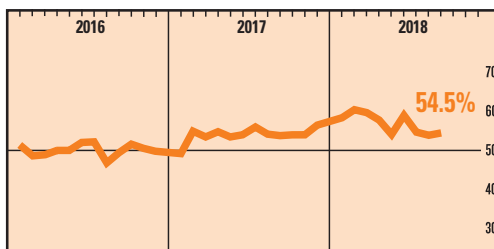
Backlog of Orders

ISM's Backlog of Orders Index registered 55.7 percent. The 11 industries reporting growth in order backlogs in September — listed in order — are: Textile Mills; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Printing & Related Support Activities; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Computer & Electronic Products; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; and Transportation Equipment.



New Export Orders

ISM's New Export Orders Index registered 56 percent. The five industries reporting growth in new export orders in September are: Petroleum & Coal Products; Miscellaneous Manufacturing[‡]; Nonmetallic Mineral Products; Chemical Products; and Computer & Electronic Products.



Imports

ISM's Imports Index registered 54.5 percent. The nine industries reporting growth in imports during the month of September — listed in order — are: Apparel, Leather & Allied Products; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Petroleum & Coal Products; Nonmetallic Mineral Products; and Chemical Products.

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