

ISM® REPORT ON BUSINESS® MANUFACTURING

NOVEMBER 2018

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Economic activity in the manufacturing sector expanded in November, and the overall economy grew for the 115th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The November PMI® registered 59.3 percent. The New Orders Index registered 62.1 percent, an increase of 4.7 percentage points from the October reading of 57.4

percent. The Employment Index registered 58.4 percent, an increase of 1.6 percentage points from the October reading of 56.8 percent. The Supplier Deliveries Index registered 62.5 percent, a 1.3-percentage point decrease from the October reading of 63.8 percent. The Inventories Index registered 52.9

PMI® @ 59.3%

percent, an increase of 2.2 percentage points from the October reading of 50.7 percent. The Prices Index registered 60.7 percent, a 10.9-percentage point decrease from the October reading of 71.6 percent, indicating higher raw materials prices

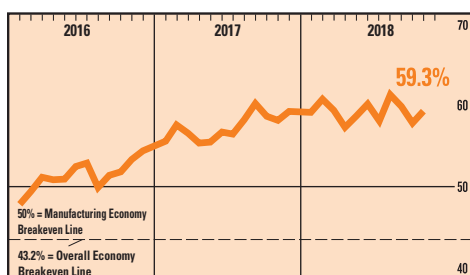
for the 33rd consecutive month. Of the 18 manufacturing industries, 13 reported growth in November, in the following order: Computer & Electronic Products; Plastics & Rubber Products; Paper Products; Textile Mills; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing‡; Machinery; Transportation Equipment; Chemical Products; Food, Beverage & Tobacco Products; Apparel, Leather & Allied Products; Furniture & Related Products; and Petroleum & Coal Products.

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

MANUFACTURING AT A GLANCE

Index	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	59.3	57.7	+1.6	Growing	Faster	27
New Orders	62.1	57.4	+4.7	Growing	Faster	35
Production	60.6	59.9	+0.7	Growing	Faster	27
Employment	58.4	56.8	+1.6	Growing	Faster	26
Supplier Deliveries	62.5	63.8	-1.3	Slowing	Slower	26
Inventories	52.9	50.7	+2.2	Growing	Faster	11
Customers' Inventories	41.5	43.3	-1.8	Too Low	Faster	26
Prices	60.7	71.6	-10.9	Increasing	Slower	33
Backlog of Orders	56.4	55.8	+0.6	Growing	Faster	22
New Export Orders	52.2	52.2	0.0	Growing	Same	33
Imports	53.6	54.3	-0.7	Growing	Slower	22
OVERALL ECONOMY				Growing	Faster	115
Manufacturing Sector				Growing	Faster	27

*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 November, as the PMI® registered 59.3 percent, an increase of 1.6 percentage points from the October reading of 57.7 percent. This indicates growth in manufacturing for the 27th consecutive month, led by strong new orders, production output and continued slowing supplier delivery performance. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

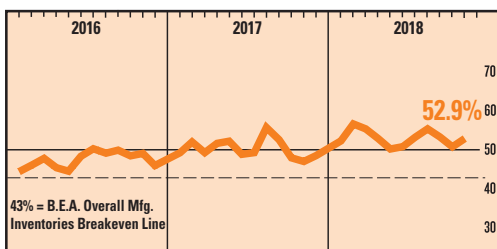
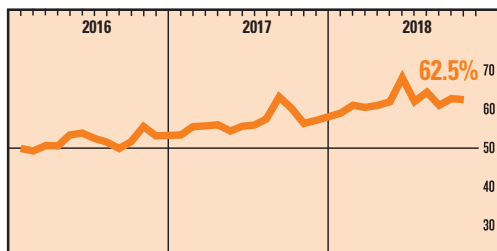
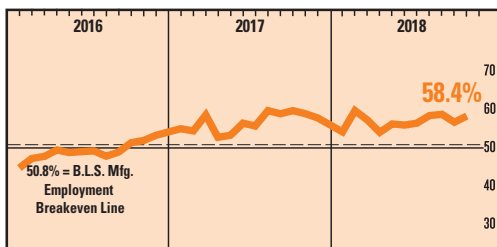
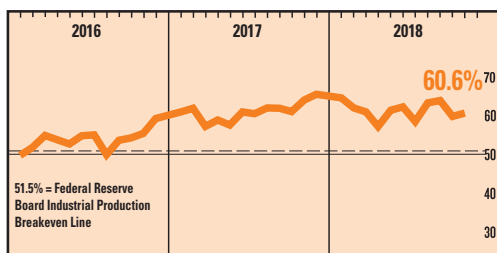
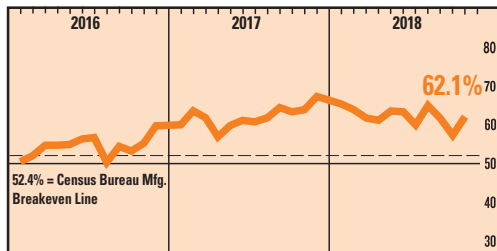
COMMODITIES REPORTED

Commodities Up in Price: Aluminum* (25); Capacitors; Electrical Components; Electronic Components (4); Hydraulic Components; Methanol (2); Nylon (6); Plastic-Based Products; Resistors (2); Scrap Metal (2); Steel* (3); Steel — Stainless (8); and Steel-Based Products (7).

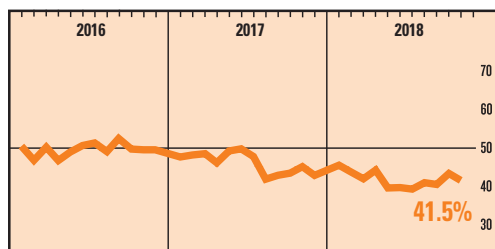
Commodities Down in Price: Aluminum* (2); Caustic Soda (2); Copper Products; Steel* (3); Steel — Cold Rolled (2); and Steel — Hot Rolled (3).

Commodities in Short Supply: Capacitors (17); Electrical Components; Electronic Components (7); Printed Circuit Board Components (2); Resistors (13); Silicone; and Steel-Based Products (2).

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

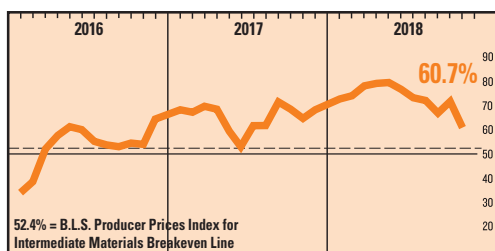


[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



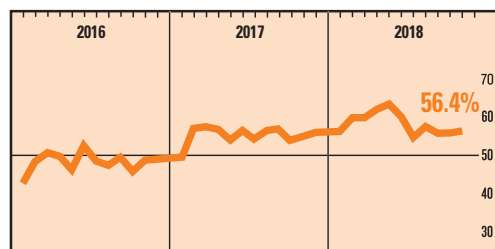
Customers' Inventories

ISM's Customers' Inventories Index registered 41.5 percent. The only industry reporting customers' inventories as too high during the month of November is Electrical Equipment, Appliances & Components. The 11 industries reporting customers' inventories as too low during November — listed in order — are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Primary Metals; Paper Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Fabricated Metal Products; Machinery; Chemical Products; Miscellaneous Manufacturing[‡]; and Plastics & Rubber Products.



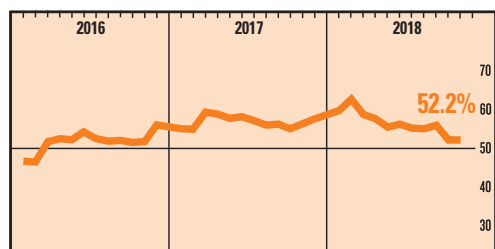
Prices

The ISM Prices Index registered 60.7 percent. Thirteen of the 18 industries reported paying increased prices for raw materials in November, in the following order: Apparel, Leather & Allied Products; Machinery; Miscellaneous Manufacturing[‡]; Chemical Products; Food, Beverage & Tobacco Products; Textile Mills; Computer & Electronic Products; Paper Products; Transportation Equipment; Primary Metals; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; and Plastics & Rubber Products.



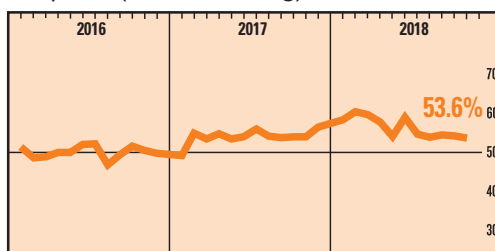
Backlog of Orders

ISM's Backlog of Orders Index registered 56.4 percent. The 10 industries reporting growth in order backlogs in November — listed in order — are: Furniture & Related Products; Apparel, Leather & Allied Products; Computer & Electronic Products; Nonmetallic Mineral Products; Paper Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Machinery; Chemical Products; and Transportation Equipment.



New Export Orders

ISM's New Export Orders Index registered 52.2 percent. The eight industries reporting growth in new export orders in November — listed in order — are: Textile Mills; Miscellaneous Manufacturing[‡]; Nonmetallic Mineral Products; Chemical Products; Computer & Electronic Products; Plastics & Rubber Products; Food, Beverage & Tobacco Products; and Machinery.



Imports

ISM's Imports Index registered 53.6 percent. The 11 industries reporting growth in imports during the month of November — listed in order — are: Furniture & Related Products; Petroleum & Coal Products; Textile Mills; Nonmetallic Mineral Products; Fabricated Metal Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Electrical Equipment, Appliances & Components; Machinery; Food, Beverage & Tobacco Products; and Chemical Products.

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