

ISM® REPORT ON BUSINESS® MANUFACTURING

APRIL 2019

Analysis by **Timothy R. Fiore, CPSM, C.P.M.**, Chair of the Institute for Supply Management® Manufacturing Business Survey Committee

Economic activity in the manufacturing sector expanded in April, and the overall economy grew for the 120th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The April PMI® registered 52.8 percent. The New Orders Index registered 51.7 percent, a decrease of 5.7 percentage points from the March reading of 57.4 percent. The

Production Index registered 52.3 percent, a 3.5-percentage point decrease compared to the March reading of 55.8 percent. The Employment Index registered 52.4 percent, a decrease of 5.1 percentage points from the March reading of 57.5 percent. The Supplier Deliveries Index registered 54.6 percent,

PMI® @ 52.8%

a 0.4-percentage point increase from the March reading of 54.2 percent. The Inventories Index registered 52.9 percent, an increase of 1.1 percentage points from the March reading of 51.8 percent. The Prices Index registered 50 percent, a

4.3-percentage point decrease from the March reading of 54.3 percent.

Of the 18 manufacturing industries, 13 reported growth in April, in the following order: Textile Mills;

Electrical Equipment, Appliances &

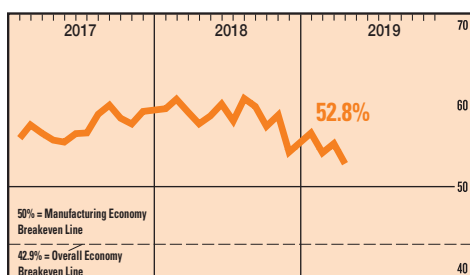
Components; Miscellaneous Manufacturing; Printing & Related Support Activities; Chemical Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Machinery; Furniture & Related Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Paper Products; and Fabricated Metal Products.

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

MANUFACTURING AT A GLANCE

Index	Apr Index	Mar Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	52.8	55.3	-2.5	Growing	Slower	32
New Orders	51.7	57.4	-5.7	Growing	Slower	40
Production	52.3	55.8	-3.5	Growing	Slower	32
Employment	52.4	57.5	-5.1	Growing	Slower	31
Supplier Deliveries	54.6	54.2	+0.4	Slowing	Faster	38
Inventories	52.9	51.8	+1.1	Growing	Faster	16
Customers' Inventories	42.6	42.7	-0.1	Too Low	Faster	31
Prices	50.0	54.3	-4.3	Unchanged	From Increasing	1
Backlog of Orders	53.9	50.4	+3.5	Growing	Faster	4
New Export Orders	49.5	51.7	-2.2	Contracting	From Growing	1
Imports	49.8	51.1	-1.3	Contracting	From Growing	1
OVERALL ECONOMY				Growing	Slower	120
Manufacturing Sector				Growing	Slower	32

*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 April, as the PMI® registered 52.8 percent, a decrease of 2.5 percentage points from the March reading of 55.3 percent. This indicates growth in manufacturing for the 32nd consecutive month. The PMI® reversed a March expansion improvement, thanks to decreases in new orders, production expansion and employment. The PMI® had its lowest level of expansion since October 2016, when the index registered 51.7 percent.

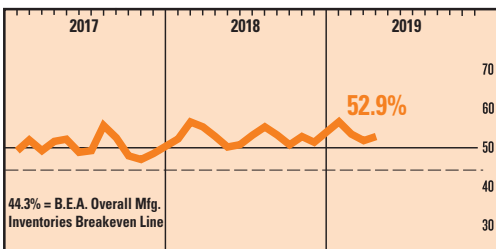
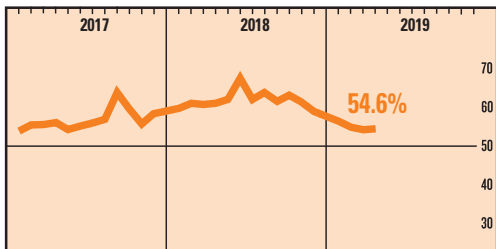
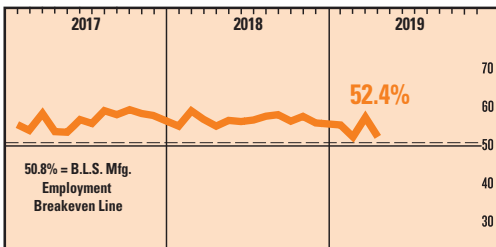
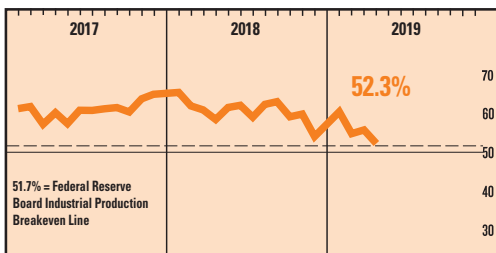
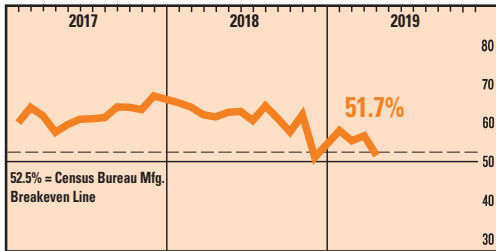
COMMODITIES REPORTED

Commodities Up in Price: Copper Products (2); Corrugate*; Electronic Components (9); Oil (2); and Steel (8).

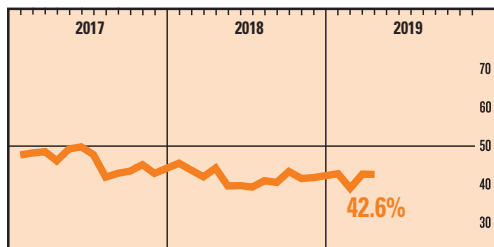
Commodities Down in Price: Aluminum; Caustic Soda; Corn; Corrugate*; Fabricated Metal Products; Memory; Polypropylene (2); Steel — Hot Rolled; and Steel Products (4).

Commodities in Short Supply: Aluminum Products (2); Capacitors; and Electronic Components (12).

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

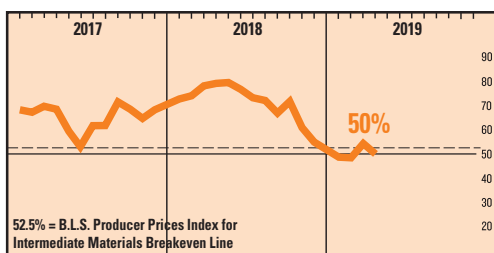


[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



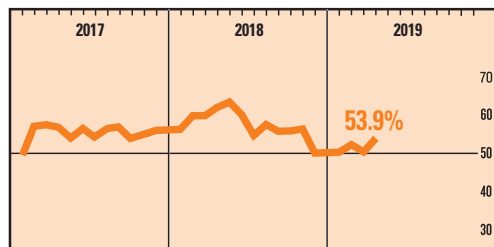
Customers' Inventories

ISM's Customers' Inventories Index registered 42.6 percent. The four industries reporting customers' inventories as too high during the month of April are: Apparel, Leather & Allied Products; Wood Products; Primary Metals; and Fabricated Metal Products.



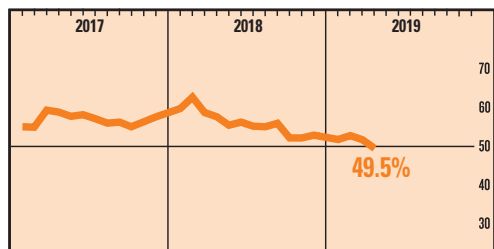
Prices

The ISM Prices Index registered 50 percent. Five of the 18 industries reported paying increased prices for raw materials in April: Petroleum & Coal Products; Chemical Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; and Machinery.



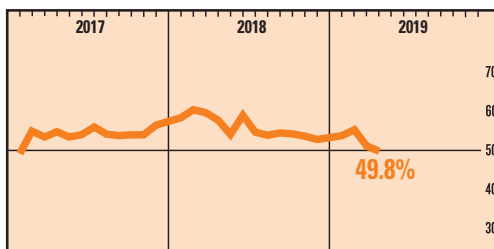
Backlog of Orders

ISM's Backlog of Orders Index registered 53.9 percent. The 13 industries reporting growth in order backlogs in April — listed in order — are: Nonmetallic Mineral Products; Textile Mills; Electrical Equipment, Appliances & Components; Printing & Related Support Activities; Plastics & Rubber Products; Paper Products; Furniture & Related Products; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; Chemical Products; and Fabricated Metal Products.



New Export Orders

ISM's New Export Orders Index registered 49.5 percent. The six industries reporting growth in new export orders in April — listed in order — are: Miscellaneous Manufacturing[‡]; Paper Products; Fabricated Metal Products; Plastics & Rubber Products; Machinery; and Chemical Products.



Imports

ISM's Imports Index registered 49.8 percent. The seven industries reporting growth in imports during the month of April — listed in order — are: Wood Products; Textile Mills; Nonmetallic Mineral Products; Miscellaneous Manufacturing[‡]; Chemical Products; Machinery; and Transportation Equipment.

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