

# ISM® REPORT ON BUSINESS® MANUFACTURING

JULY 2019

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Economic activity in the manufacturing sector expanded in July, and the overall economy grew for the 123rd consecutive month, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The July PMI® registered 51.2 percent. The New Orders Index registered 50.8 percent, an increase of 0.8 percentage point from the June reading of 50 percent. The Production Index registered 50.8 percent, a 3.3-percentage point decrease compared to the June reading of 54.1 percent. The Employment Index registered 51.7 percent, a decrease of 2.8 percentage

## PMI® @ 51.2%

points from the June reading of 54.5 percent. The Supplier Deliveries Index registered 53.3 percent, a 2.6-percentage point increase from the June reading of 50.7 percent. The Inventories Index registered 49.5 percent, an increase of 0.4 percentage

point from the June reading of 49.1 percent. Of the 18 manufacturing industries, nine reported growth in July, in the following order: Wood Products; Printing & Related Support Activities; Furniture & Related

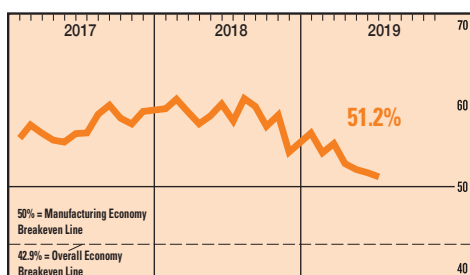
Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Computer & Electronic Products; Textile Mills; Petroleum & Coal Products; and Chemical Products.

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

## MANUFACTURING AT A GLANCE

Index	July Index	June Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	51.2	51.7	-0.5	Growing	Slower	35
New Orders	50.8	50.0	+0.8	Growing	From Unchanged	1
Production	50.8	54.1	-3.3	Growing	Slower	35
Employment	51.7	54.5	-2.8	Growing	Slower	34
Supplier Deliveries	53.3	50.7	+2.6	Slowing	Faster	41
Inventories	49.5	49.1	+0.4	Contracting	Slower	2
Customers' Inventories	45.7	44.6	+1.1	Too Low	Slower	34
Prices	45.1	47.9	-2.8	Decreasing	Faster	2
Backlog of Orders	43.1	47.4	-4.3	Contracting	Faster	3
New Export Orders	48.1	50.5	-2.4	Contracting	From Growing	1
Imports	47.0	50.0	-3.0	Contracting	From Unchanged	1
<b>OVERALL ECONOMY</b>				<b>Growing</b>	<b>Slower</b>	<b>123</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>35</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 July, as the PMI® registered 51.2 percent, a decrease of 0.5 percentage point from the June reading of 51.7 percent. This is the lowest reading since August 2016, when the index registered 49.6 percent. This indicates growth in manufacturing for the 35th consecutive month. The PMI® continued a period of expansion softening, with four straight months of expansion decline. Softening this month was primarily due to slower growth in demand and consumption, indicated by the New Orders, Production and Employment indexes.

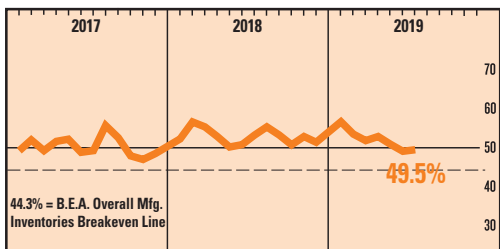
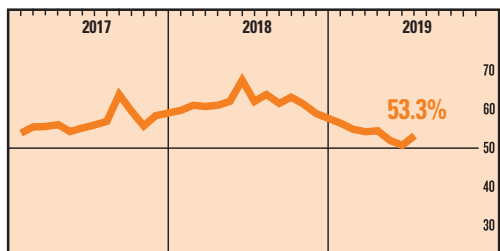
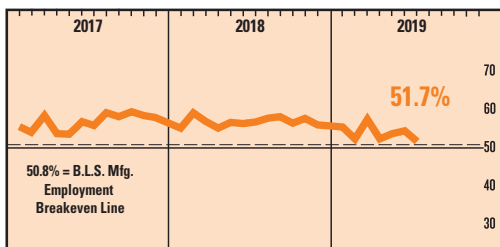
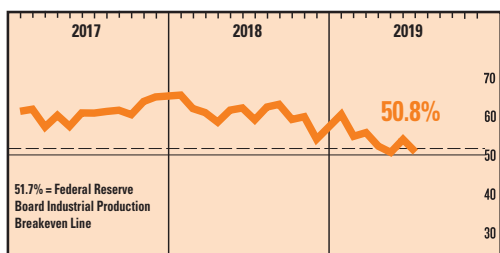
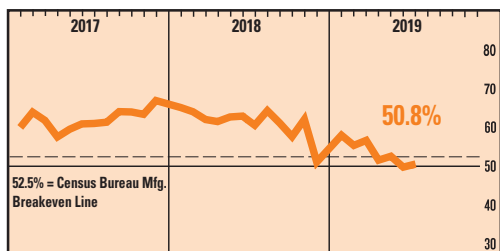
## COMMODITIES REPORTED

**Commodities Up in Price:** Corn (2); and Steel Products\* (3).

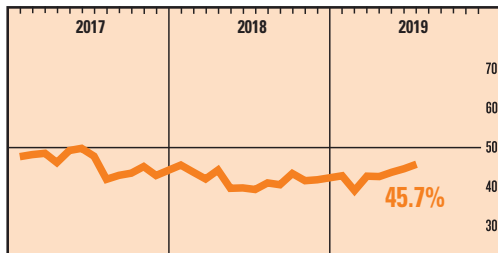
**Commodities Down in Price:** Aluminum (4); Aluminum Products; Copper (2); Corrugated Boxes (2); Electrical Components; Polypropylene; Steel; Steel — Hot Rolled (4); Steel — Scrap; Steel — Stainless (2); and Steel Products\* (7).

**Commodities in Short Supply:** Electrical Components (2); and Helium.

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

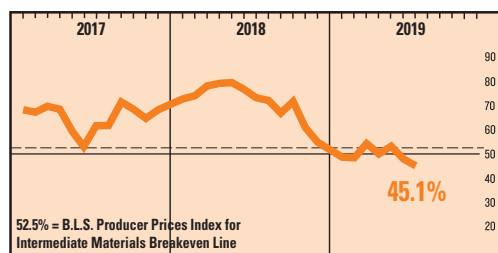


<sup>‡</sup>Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



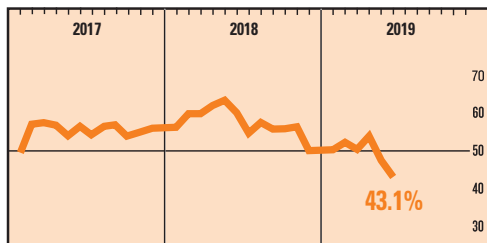
## Customers' Inventories

ISM's Customers' Inventories Index registered 45.7 percent. The five industries reporting customers' inventories as too high during the month of July are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing<sup>‡</sup>; Electrical Equipment, Appliances & Components; and Paper Products.



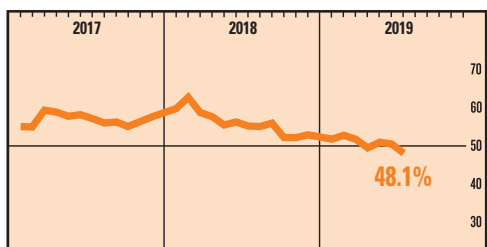
## Prices

The ISM Prices Index registered 45.1 percent. Four of the 18 industries reported paying increased prices for raw materials in July: Printing & Related Support Activities; Food, Beverage & Tobacco Products; Petroleum & Coal Products; and Miscellaneous Manufacturing<sup>‡</sup>.



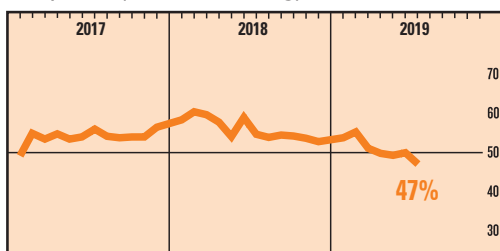
## Backlog of Orders

ISM's Backlog of Orders Index registered 43.1 percent. The two industries reporting growth in order backlogs in July are: Printing & Related Support Activities; and Furniture & Related Products.



## New Export Orders

ISM's New Export Orders Index registered 48.1 percent. The three industries reporting growth in new export orders in July are: Miscellaneous Manufacturing<sup>‡</sup>; Food, Beverage & Tobacco Products; and Chemical Products.



## Imports

ISM's Imports Index registered 47 percent. The only industry reporting growth in imports during the month of July is Wood Products. The 11 industries reporting a decrease in imports in July — in the following order — are: Apparel, Leather & Allied Products; Paper Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Primary Metals; Nonmetallic Mineral Products; Fabricated Metal Products; Machinery; Computer & Electronic Products; Plastics & Rubber Products; and Transportation Equipment.

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