

Economic activity in the manufacturing sector grew in February, and the overall economy grew for the 130th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

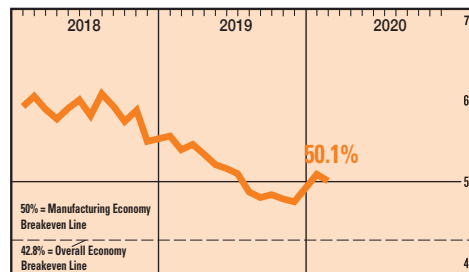
The February PMI® registered 50.1 percent. The New Orders Index registered 49.8 percent, a decrease of 2.2 percentage points from the January reading of 52 percent. The Production Index registered 50.3 percent, down 4 percentage points compared to the January reading of 54.3 percent. The Backlog of Orders Index registered 50.3 percent, an increase of 4.6 percentage points compared to the January reading of 45.7 percent. The Employment Index registered 46.9 percent, an increase of 0.3-percentage point from the January reading of 46.6 percent. The Prices Index registered 45.9 percent, down 7.4 percentage points as compared to the January reading of 53.3 percent. The New Export Orders Index registered 51.2 percent, a decrease of 2.1 percentage points as compared to the January reading of 53.3 percent.

Of the 18 manufacturing industries, 14 reported growth in February — listed in order — are: Wood Products; Furniture & Related Products; Plastics & Rubber Products; Printing & Related Support Activities; Paper Products; Textile Mills; Primary Metals; Food, Beverage & Tobacco Products; Computer & Electronic Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Machinery; and Chemical Products. **ISM**

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

# PMI® at 50.1%

Manufacturing expanded in February, as the PMI® registered 50.1 percent, a 0.8-percentage point decrease from the January reading of 50.9 percent. The PMI® expanded in February, but at a slower rate. Four of the big six industries expanded, at similar rates as January. Four of the PMI®'s 10 subindexes recorded expansion, down from six the previous month. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.



## Manufacturing at a Glance

INDEX	Feb Index	Jan Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	50.1	50.9	-0.8	Growing	Slower	2
New Orders	49.8	52.0	-2.2	Contracting	From Growing	1
Production	50.3	54.3	-4.0	Growing	Slower	2
Employment	46.9	46.6	+0.3	Contracting	Slower	7
Supplier Deliveries	57.3	52.9	+4.4	Slowing	Faster	4
Inventories	46.5	48.8	-2.3	Contracting	Faster	9
Customers' Inventories	41.8	43.8	-2.0	Too Low	Faster	41
Prices	45.9	53.3	-7.4	Decreasing	From Increasing	1
Backlog of Orders	50.3	45.7	+4.6	Growing	From Contracting	1
New Export Orders	51.2	53.3	-2.1	Growing	Slower	2
Imports	42.6	51.3	-8.7	Contracting	From Growing	1
<b>Overall Economy</b>				<b>Growing</b>	<b>Slower</b>	<b>130</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>2</b>

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



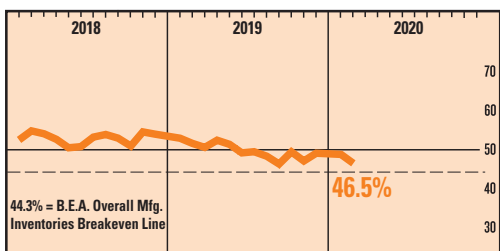
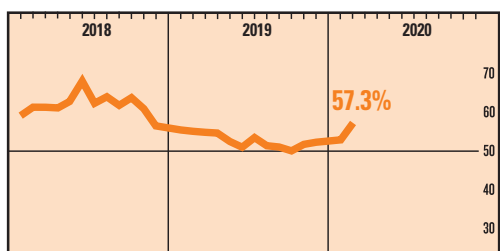
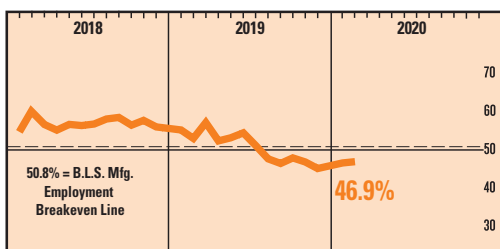
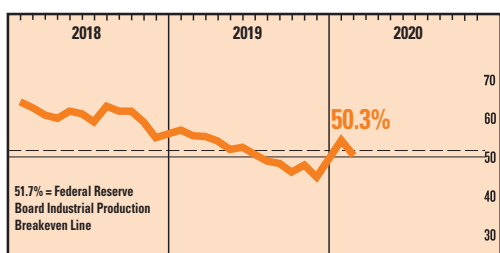
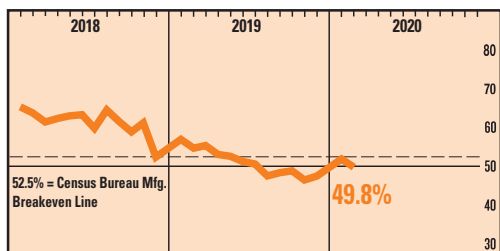
## Commodities Reported

**Commodities Up in Price:** Capacitors; Crude Oil\* (2); Resistors; Steel — Hot Rolled\* (4); and Steel Products.

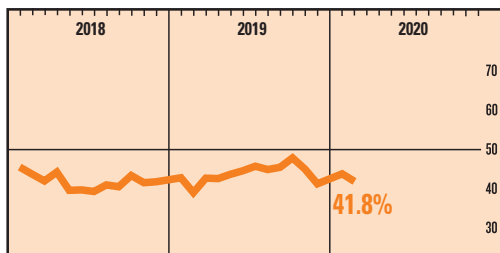
**Commodities Down in Price:** Aluminum; Aluminum Products (2); Copper; Corrugate; Crude Oil\*; Natural Gas (3); Polypropylene (4); Scrap; Steel — Hot Rolled\*; and Steel — Stainless.

**Commodities in Short Supply:** None.

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

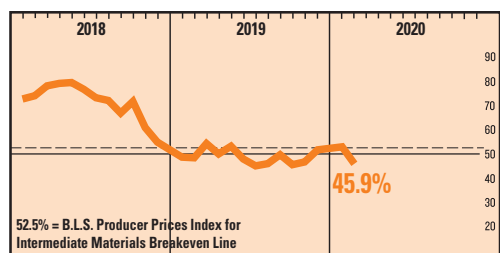


<sup>‡</sup>Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



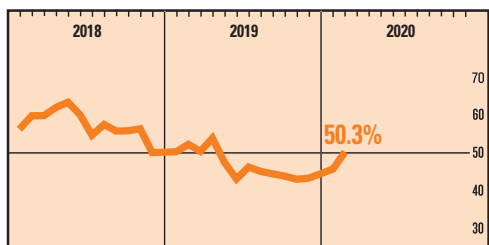
## Customers' Inventories

ISM's Customers' Inventories Index registered 41.8 percent. Of 18 industries, the only industry reporting higher customer inventories in February is Transportation Equipment. The 11 industries reporting customers' inventories as too low during February — listed in order — are: Plastics & Rubber Products; Wood Products; Textile Mills; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Fabricated Metal Products; Paper Products; Chemical Products; Machinery; Primary Metals; and Food, Beverage & Tobacco Products.



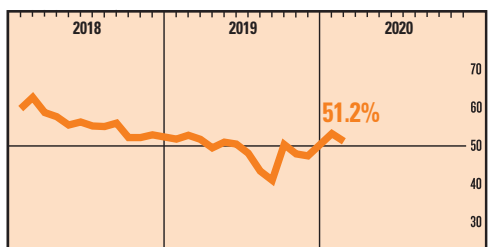
## Prices

The ISM Prices Index registered 45.9 percent. The five industries reporting paying increased prices for raw materials in February are: Wood Products; Textile Mills; Computer & Electronic Products; Miscellaneous Manufacturing<sup>‡</sup>; and Fabricated Metal Products.



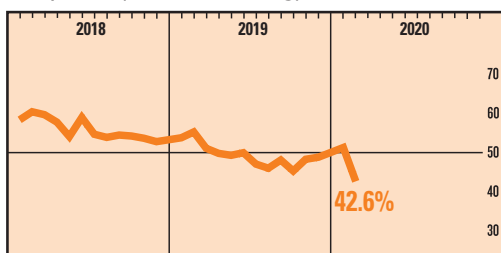
## Backlog of Orders

ISM's Backlog of Orders Index registered 50.3 percent. Eleven of the 18 industries reported growth in order backlogs in February, in the following order: Apparel, Leather & Allied Products; Textile Mills; Wood Products; Primary Metals; Paper Products; Furniture & Related Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Nonmetallic Mineral Products; Machinery; and Fabricated Metal Products.



## New Export Orders

ISM's New Export Orders Index registered 51.2 percent. The eight industries reporting growth in new export orders in February, in the following order, are: Wood Products; Paper Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Fabricated Metal Products; Transportation Equipment; and Machinery.



## Imports

ISM's Imports Index registered 42.6 percent. The five industries reporting growth in imports in February are: Wood Products; Printing & Related Support Activities; Nonmetallic Mineral Products; Furniture & Related Products; and Plastics & Rubber Products.

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