

Economic activity in the **manufacturing sector** expanded in March for the first time in the last six months, while the overall economy grew for the 82nd consecutive month, say the nation's supply executives in the latest **Manufacturing ISM® Report On Business®**.

The March PMI® registered 51.8 percent. The New Orders Index registered 58.3 percent, an increase of 6.8 percentage points from the February reading of 51.5 percent. The Production Index registered 55.3 percent, 2.5 percentage points higher than the February reading of 52.8 percent. The Employment Index registered 48.1 percent, 0.4 percentage point below the February reading of 48.5 percent. Inventories of raw materials registered 47 percent, 2 percentage points above the February reading of 45 percent. The Prices Index registered 51.5 percent, 13 percentage points above the February reading of 38.5 percent, indicating higher raw materials prices for the first time since October 2014. Of the 18 manufacturing industries, 12 are reporting growth in March in the following order: Printing & Related Support Activities; Furniture & Related Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing‡; Machinery; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Chemical Products; Paper Products; Primary Metals; and Computer & Electronic Products. The five industries reporting contraction in March are: Apparel, Leather & Allied Products; Textile Mills; Electrical Equipment, Appliances & Components; Transportation Equipment; and Petroleum & Coal Products. **ISM**

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

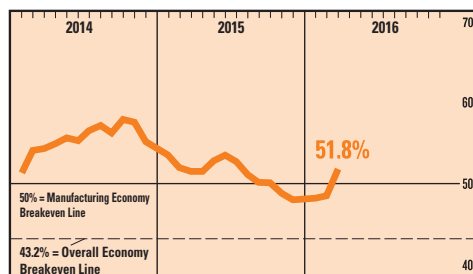
PMI® at 51.8%

New Orders and Production Growing; Employment and Inventories Contracting; Supplier Deliveries Slower

Manufacturing at a Glance

INDEX	Mar Index	Feb Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	51.8	49.5	+2.3	Growing	From Contracting	1
New Orders	58.3	51.5	+6.8	Growing	Faster	3
Production	55.3	52.8	+2.5	Growing	Faster	3
Employment	48.1	48.5	-0.4	Contracting	Faster	4
Supplier Deliveries	50.2	49.7	+0.5	Slower	From Faster	1
Inventories	47.0	45.0	+2.0	Contracting	Slower	9
Customers' Inventories	49.0	47.0	+2.0	Too Low	Slower	2
Prices	51.5	38.5	+13.0	Increasing	From Decreasing	1
Backlog of Orders	51.0	48.5	+2.5	Growing	From Contracting	1
Exports	52.0	46.5	+5.5	Growing	From Contracting	1
Imports	49.5	49.0	+0.5	Contracting	Slower	2
Overall Economy				Growing	Faster	82
Manufacturing Sector				Growing	From Contracting	1

*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 March as the PMI® registered 51.8 percent, an increase of 2.3 percentage points from the February reading of 49.5 percent, indicating growth in manufacturing for the first time since August 2015 when the PMI® registered 51.0 percent. A reading above 50 percent indicates that the

manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. A PMI® above 43.2 percent, over a period of time, generally indicates an expansion of the overall economy.



Commodities Reported

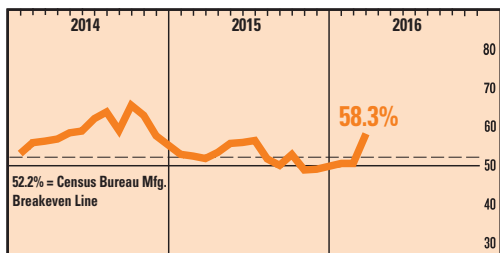
Commodities Up in Price: Aluminum (2); #1 Busheling Scrap; Copper; Crude Oil; Iron; Polypropylene (2); Steel* (3); and Steel – Hot Rolled (2).

Commodities Down in Price: Corrugate; Diesel (4); Plastic Resin; Polyethylene Resin; and Steel* (9).

Commodities in Short Supply: Carbon Dioxide.

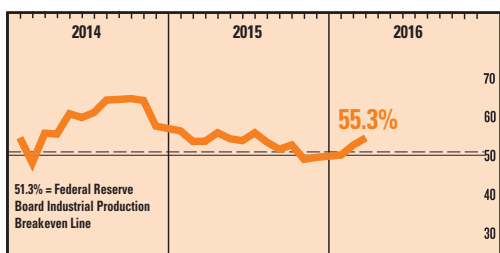
Note: The number of consecutive months the commodity is listed is indicated after each item.

*Reported as both up and down in price.



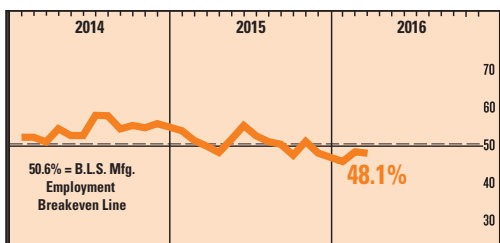
New Orders

ISM's New Orders Index registered 58.3 percent. The 13 industries reporting growth in new orders in March — listed in order — are: Furniture & Related Products; Textile Mills; Miscellaneous Manufacturing[‡]; Nonmetallic Mineral Products; Chemical Products; Printing & Related Support Activities; Machinery; Petroleum & Coal Products; Primary Metals; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Paper Products; and Fabricated Metal Products.



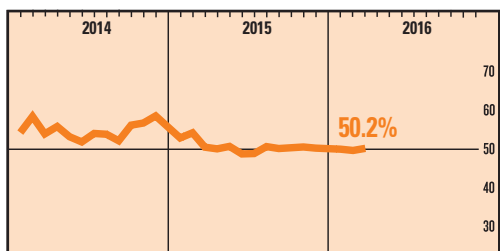
Production

ISM's Production Index registered 55.3 percent. The 12 industries reporting growth in production during the month of March — listed in order — are: Furniture & Related Products; Primary Metals; Nonmetallic Mineral Products; Machinery; Printing & Related Support Activities; Miscellaneous Manufacturing[‡]; Petroleum & Coal Products; Plastics & Rubber Products; Chemical Products; Food, Beverage & Tobacco Products; Paper Products; and Fabricated Metal Products.



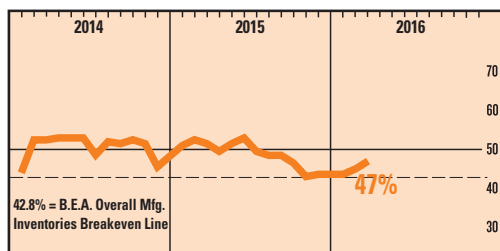
Employment

ISM's Employment Index registered 48.1 percent. Of the 18 manufacturing industries, the six reporting employment growth in March — listed in order — are: Printing & Related Support Activities; Nonmetallic Mineral Products; Furniture & Related Products; Machinery; Fabricated Metal Products; and Food, Beverage & Tobacco Products.



Supplier Deliveries

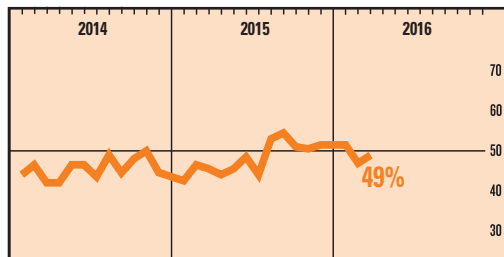
The delivery performance of suppliers to manufacturing organizations was slower in March. The Supplier Deliveries Index registered 50.2 percent, which is 0.5 percentage point higher than the 49.7 percent reported for February. The six industries reporting slower supplier deliveries in March — listed in order — are: Paper Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Fabricated Metal Products; Computer & Electronic Products; and Transportation Equipment.



Inventories

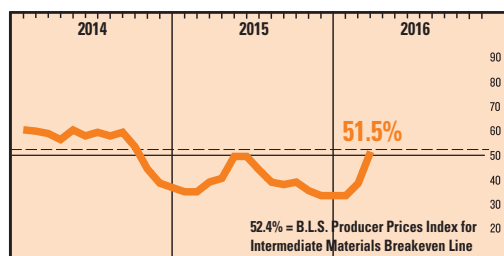
The Inventories Index registered 47 percent in March, which is an increase of 2 percentage points when compared to the 45 percent reported for February, indicating raw materials inventories contracted in March for the ninth consecutive month and at a slower rate than in February. The four industries reporting higher inventories in March are: Printing & Related Support Activities; Paper Products; Plastics & Rubber Products; and Computer & Electronic Products.

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



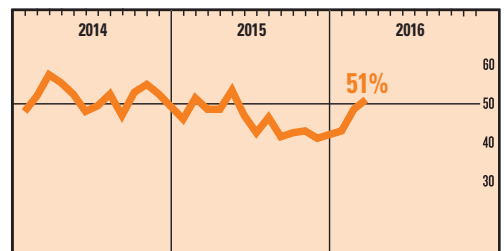
Customers' Inventories

ISM's Customers' Inventories Index registered 49 percent. The five manufacturing industries reporting customers' inventories as being too high during the month of March are: Fabricated Metal Products; Furniture & Related Products; Paper Products; Computer & Electronic Products; and Transportation Equipment.



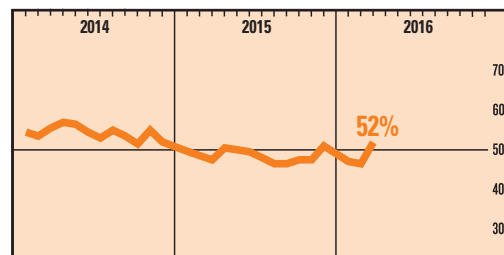
Prices

The ISM Prices Index registered 51.5 percent. Of the 18 manufacturing industries, the 10 industries that reported paying increased prices for its raw materials in March — listed in order — are: Electrical Equipment, Appliances & Components; Printing & Related Support Activities; Fabricated Metal Products; Paper Products; Petroleum & Coal Products; Nonmetallic Mineral Products; Primary Metals; Transportation Equipment; Machinery; and Computer & Electronic Products.



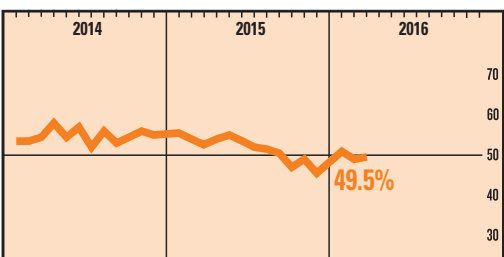
Backlog of Orders

ISM's Backlog of Orders Index registered 51 percent in March, an increase of 2.5 percentage points as compared to the February reading of 48.5 percent, indicating growth in order backlogs for the first time since May 2015. The seven industries reporting an increase in order backlogs in March — listed in order — are: Furniture & Related Products; Miscellaneous Manufacturing[‡]; Printing & Related Support Activities; Food, Beverage & Tobacco Products; Chemical Products; Primary Metals; and Fabricated Metal Products.



New Export Orders

ISM's New Export Orders Index registered 52 percent in March, which is an increase of 5.5 percentage points when compared to the February reading of 46.5 percent. The seven industries reporting growth in new export orders in March — listed in order — are: Wood Products; Miscellaneous Manufacturing[‡]; Printing & Related Support Activities; Chemical Products; Fabricated Metal Products; Primary Metals; and Machinery.



Imports

ISM's Imports Index registered 49.5 percent in March, which is 0.5 percentage point higher than the 49 percent reported in February, and indicates contraction in imports in March for the second consecutive month. The five industries reporting growth in imports during the month of March are: Electrical Equipment, Appliances & Components; Computer & Electronic Products; Chemical Products; Machinery; and Miscellaneous Manufacturing[‡].

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