

Economic activity in the **manufacturing sector** expanded in June for the fourth consecutive month, while the overall economy grew for the 85th consecutive month, say the nation's supply executives in the latest **Manufacturing ISM® Report On Business®**.

The June PMI® registered 53.2 percent. The New Orders Index registered 57 percent, an increase of 1.3 percentage points from the May reading of 55.7 percent. The Production Index registered 54.7 percent, 2.1 percentage points higher than the May reading of 52.6 percent. The Employment Index registered 50.4 percent, an increase of 1.2 percentage points from the May reading of 49.2 percent. Inventories of raw materials registered 48.5 percent. The Prices Index registered 60.5 percent, a decrease of 3 percentage points from the May reading of 63.5 percent, indicating higher raw materials prices for the fourth consecutive month. Manufacturing registered growth in June for the fourth consecutive month, as 12 of the 18 industries reported an increase in new orders in June (down from 14 in May), and 12 of the 18 industries reported an increase in production in June (same as in May).

Of the 18 manufacturing industries, 13 are reporting growth in June in the following order: Printing & Related Support Activities; Textile Mills; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Apparel, Leather & Allied Products; Paper Products; Miscellaneous Manufacturing‡; Computer & Electronic Products; Chemical Products; Primary Metals; Machinery; and Nonmetallic Mineral Products. **ISM**

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

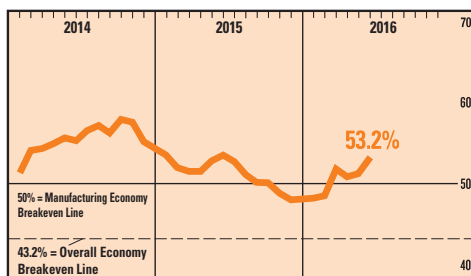
PMI® at 53.2%

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

Manufacturing at a Glance

INDEX	Jun Index	May Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	53.2	51.3	+1.9	Growing	Faster	4
New Orders	57.0	55.7	+1.3	Growing	Faster	6
Production	54.7	52.6	+2.1	Growing	Faster	6
Employment	50.4	49.2	+1.2	Growing	From Contracting	1
Supplier Deliveries	55.4	54.1	+1.3	Slowing	Faster	2
Inventories	48.5	45.0	+3.5	Contracting	Slower	12
Customers' Inventories	51.0	50.0	+1.0	Too High	From Unchanged	1
Prices	60.5	63.5	-3.0	Increasing	Slower	4
Backlog of Orders	52.5	47.0	+5.5	Growing	From Contracting	1
New Export Orders	53.5	52.5	+1.0	Growing	Faster	4
Imports	52.0	50.0	+2.0	Growing	From Unchanged	1
Overall Economy				Growing	Faster	85
Manufacturing Sector				Growing	Faster	4

*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 June as the PMI® registered 53.2 percent, an increase of 1.9 percentage points from the May reading of 51.3 percent, indicating growth in manufacturing for the fourth consecutive month. It is the highest reading since February 2015 when the PMI registered 53.3 percent. A reading

above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.



Commodities Reported

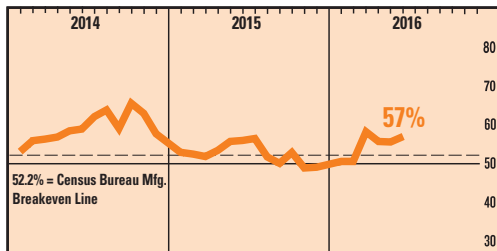
Commodities Up in Price: Aluminum* (5); Corn (2); Corrugate; Diesel (3); Fuel Oil; Gasoline (2); Natural Gas; Oil (3); Stainless Steel (3); Steel (6); Steel – Carbon; Steel — Cold Rolled (3); and Steel — Hot Rolled* (5).

Commodities Down in Price: Aluminum*; and Steel — Hot Rolled*.

Commodities in Short Supply: None (2).

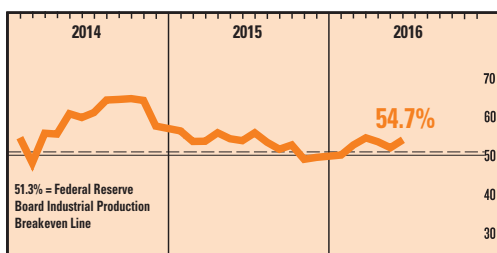
Note: The number of consecutive months the commodity is listed is indicated after each item.

*Reported as both up and down in price.



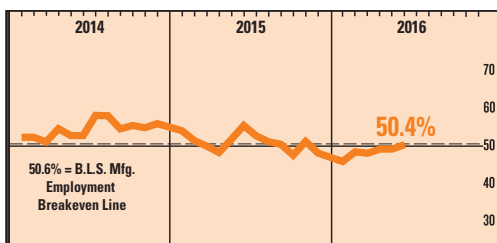
New Orders

ISM's New Orders Index registered 57 percent. The 12 industries reporting growth in new orders in June — listed in order — are: Textile Mills; Printing & Related Support Activities; Petroleum & Coal Products; Apparel, Leather & Allied Products; Fabricated Metal Products; Nonmetallic Mineral Products; Chemical Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; and Paper Products.



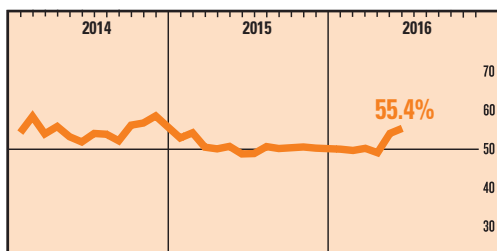
Production

ISM's Production Index registered 54.7 percent. The 12 industries reporting growth in production during the month of June — listed in order — are: Printing & Related Support Activities; Wood Products; Miscellaneous Manufacturing[‡]; Petroleum & Coal Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Primary Metals; Paper Products; Chemical Products; Nonmetallic Mineral Products; and Electrical Equipment, Appliances & Components.



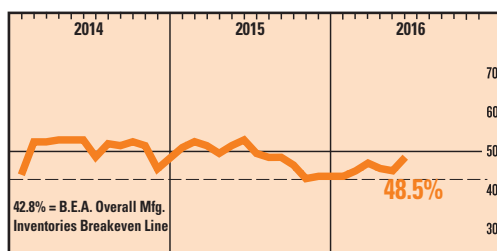
Employment

ISM's Employment Index registered 50.4 percent. Of the 18 manufacturing industries, in June, the seven industries reporting employment growth — listed in order — are: Textile Mills; Printing & Related Support Activities; Furniture & Related Products; Primary Metals; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; and Chemical Products.



Supplier Deliveries

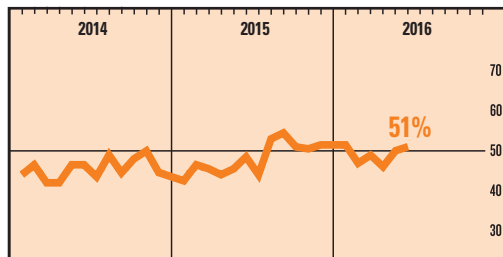
The delivery performance of suppliers to manufacturing organizations was slower in June, as the Supplier Deliveries Index registered 55.4 percent. The eight industries reporting slower supplier deliveries in June — listed in order — are: Fabricated Metal Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Chemical Products; Machinery; Plastics & Rubber Products; Transportation Equipment; and Computer & Electronic Products.



Inventories

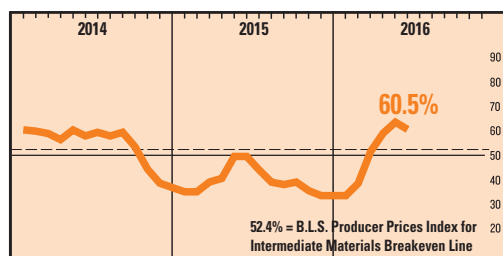
The Inventories Index registered 48.5 percent. The eight industries reporting higher inventories in June — listed in order — are: Wood Products; Printing & Related Support Activities; Plastics & Rubber Products; Machinery; Paper Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Primary Metals.

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



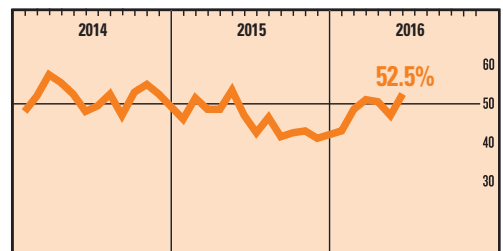
Customers' Inventories

ISM's Customers' Inventories Index registered 51 percent. The five manufacturing industries reporting customers' inventories as being too high during the month of June are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Fabricated Metal Products; Furniture & Related Products; and Transportation Equipment.



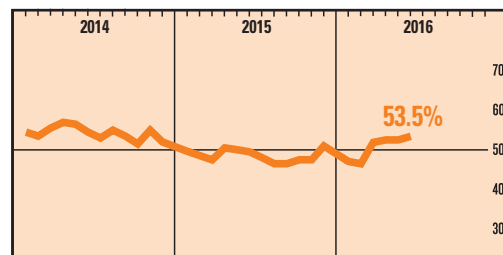
Prices

The ISM Prices Index registered 60.5 percent. Of the 18 manufacturing industries, the 12 industries that reported paying increased prices for its raw materials in June — listed in order — are: Fabricated Metal Products; Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Chemical Products; Nonmetallic Mineral Products; Primary Metals; Machinery; Transportation Equipment; Plastics & Rubber Products; Miscellaneous Manufacturing[‡]; and Computer & Electronic Products.



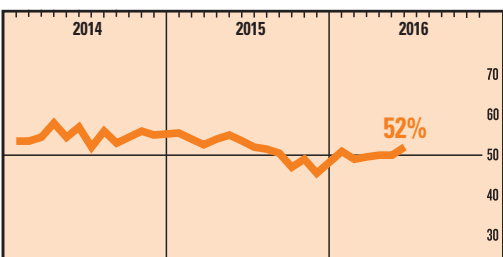
Backlog of Orders

ISM's Backlog of Orders Index registered 52.5 percent. The seven industries reporting growth in order backlogs in June — listed in order — are: Textile Mills; Fabricated Metal Products; Printing & Related Support Activities; Petroleum & Coal Products; Electrical Equipment, Appliances & Components; Computer & Electronic Products; and Chemical Products.



New Export Orders

ISM's New Export Orders Index registered 53.5 percent. The 10 industries reporting growth in new export orders in June — listed in order — are: Petroleum & Coal Products; Food, Beverage & Tobacco Products; Chemical Products; Fabricated Metal Products; Plastics & Rubber Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; Machinery; Computer & Electronic Products; and Paper Products.



Imports

ISM's Imports Index registered 52 percent. The seven industries reporting growth in imports during the month of June — listed in order — are: Nonmetallic Mineral Products; Machinery; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; and Fabricated Metal Products.

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