

**E**conomic activity in the **manufacturing sector** expanded in September following one month of contraction in August, and the overall economy grew for the 88th consecutive month, say the nation's supply executives in the latest **Manufacturing ISM® Report On Business®**.

The September PMI® registered 51.5 percent. The New Orders Index registered 55.1 percent, an increase of 6 percentage points from the August reading of 49.1 percent. The Production Index registered 52.8 percent, 3.2 percentage points higher than the August reading of 49.6 percent. The Employment Index registered 49.7 percent, an increase of 1.4 percentage points from the August reading of 48.3 percent. Inventories of raw materials registered 49.5 percent, an increase of 0.5 percentage point from the August reading of 49 percent. The Prices Index registered 53 percent in September, the same reading as in August, indicating higher raw materials prices for the seventh consecutive month. Manufacturing expanded in September following one month of contraction in August, with nine of the 18 industries reporting an increase in new orders in September (up from six in August), and 10 of the 18 industries reporting an increase in production in September (up from eight in August). Of the 18 manufacturing industries, seven are reporting growth in September in the following order: Nonmetallic Mineral Products; Furniture & Related Products; Textile Mills; Food, Beverage & Tobacco Products; Computer & Electronic Products; Miscellaneous Manufacturing<sup>#</sup>; and Paper Products. **ISM**

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

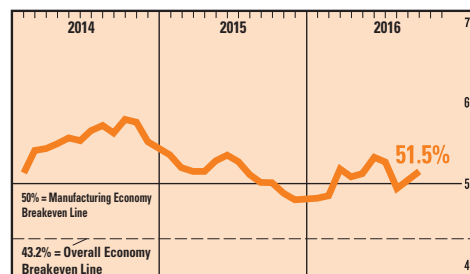
## PMI® at 51.5%

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

### Manufacturing at a Glance

INDEX	Sep Index	Aug Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	51.5	49.4	+2.1	Growing	From Contracting	1
New Orders	55.1	49.1	+6.0	Growing	From Contracting	1
Production	52.8	49.6	+3.2	Growing	From Contracting	1
Employment	49.7	48.3	+1.4	Contracting	Slower	3
Supplier Deliveries	50.3	50.9	-0.6	Slowing	Slower	5
Inventories	49.5	49.0	+0.5	Contracting	Slower	15
Customers' Inventories	53.0	49.5	+3.5	Too High	From Too Low	1
Prices	53.0	53.0	0.0	Increasing	Same	7
Backlog of Orders	49.5	45.5	+4.0	Contracting	Slower	3
New Export Orders	52.0	52.5	-0.5	Growing	Slower	7
Imports	49.0	47.0	+2.0	Contracting	Slower	2
<b>Overall Economy</b>				<b>Growing</b>	<b>Faster</b>	<b>88</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>From Contracting</b>	<b>1</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 September as the PMI® registered 51.5 percent, an increase of 2.1 percentage points from the August reading of 49.4 percent, indicating growth in manufacturing following one month of contraction. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.



### Commodities Reported

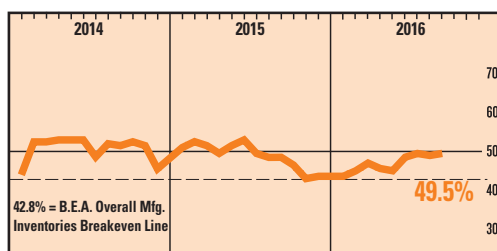
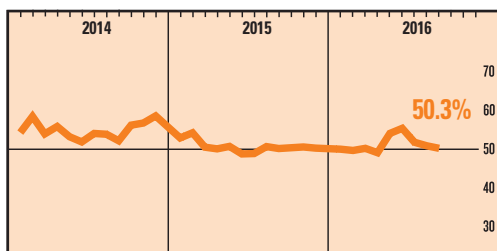
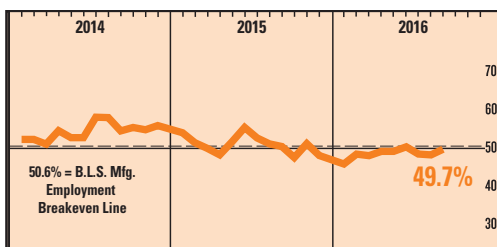
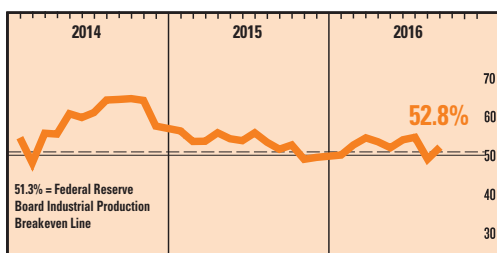
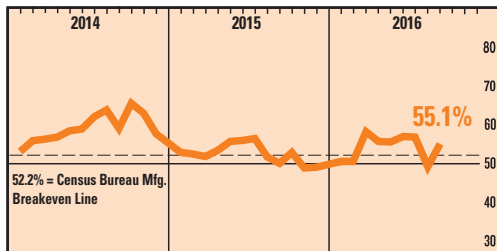
**Commodities Up in Price:** Caustic Soda (2); Garlic – Dehydrated; HDPE; Petroleum; Plastic Resins (2); Polyethylene; Polypropylene; Propylene (2); Stainless Steel (6); Steel\* (9); and Titanium Dioxide (2).

**Commodities Down in Price:** Copper; Corn (3); Electric Components; Scrap Steel (2); Steel\* (3); Steel – Cold Rolled (2); and Steel – Hot Rolled (2).

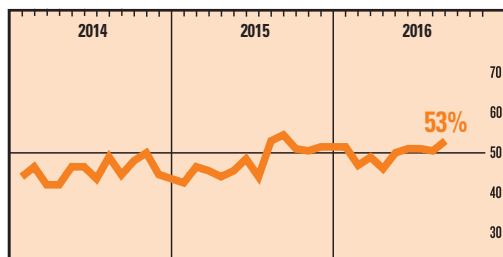
**Commodities in Short Supply:** Electronic Components.

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

\*Reported as both up and down in price.

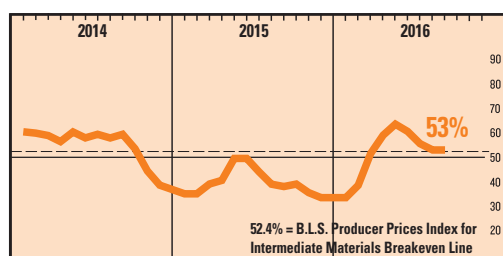


<sup>‡</sup>Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



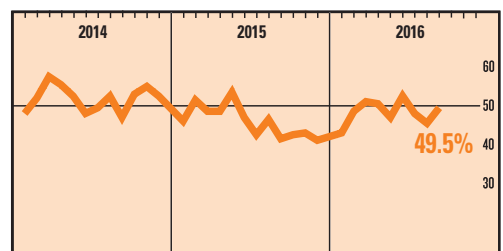
## Customers' Inventories

ISM's Customers' Inventories Index registered 53 percent. The eight manufacturing industries reporting customers' inventories as being too high during the month of September — listed in order — are: Apparel, Leather & Allied Products; Plastics & Rubber Products; Furniture & Related Products; Transportation Equipment; Food, Beverage & Tobacco Products; Chemical Products; Computer & Electronic Products; and Fabricated Metal Products.



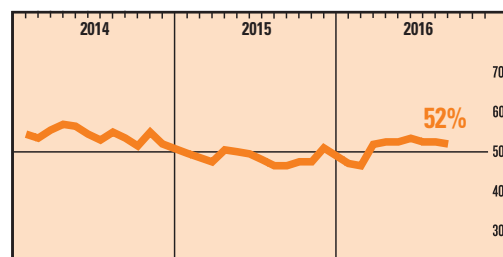
## Prices

The ISM Prices Index registered 53 percent. Of the 18 manufacturing industries, the 10 industries that reported paying increased prices for raw materials in September — listed in order — are: Textile Mills; Apparel, Leather & Allied Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Paper Products; Chemical Products; Petroleum & Coal Products; Furniture & Related Products; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing<sup>‡</sup>.



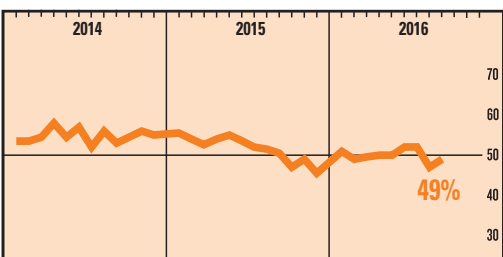
## Backlog of Orders

ISM's Backlog of Orders Index registered 49.5 percent. The seven industries reporting growth in order backlogs in September — listed in order — are: Nonmetallic Mineral Products; Furniture & Related Products; Petroleum & Coal Products; Plastics & Rubber Products; Computer & Electronic Products; Machinery; and Chemical Products.



## New Export Orders

ISM's New Export Orders Index registered 52 percent. The seven industries reporting growth in new export orders in September — listed in order — are: Wood Products; Miscellaneous Manufacturing<sup>‡</sup>; Food, Beverage & Tobacco Products; Transportation Equipment; Chemical Products; Fabricated Metal Products; and Computer & Electronic Products.



## Imports

ISM's Imports Index registered 49 percent. The four industries reporting growth in imports during the month of September are: Computer & Electronic Products; Furniture & Related Products; Transportation Equipment; and Fabricated Metal Products.

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