

# ISM® REPORT ON BUSINESS® MANUFACTURING

NOVEMBER 2017

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Economic activity in the manufacturing sector expanded in November, and the overall economy grew for the 102nd consecutive month, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

The November PMI® registered 58.2 percent. The New Orders Index registered 64 percent, an increase of 0.6 percentage point from the October reading of 63.4 percent. The

Prices Index registered 65.5 percent in November, a 3 percentage point decrease from the October level of 68.5, indicating higher raw materials prices for the 21st consecutive month. Comments from the panel reflect expanding business conditions, with new orders and production leading gains, employment expanding at a slower rate, order backlogs stable and expanding, and export orders all continuing to grow in November. Supplier

deliveries continued to slow (improving), but at slower rates, and inventories continued to contract during the period. Price increases continued, but at a slower rate. The Customers' Inventories Index improved but remains at low levels. Of the 18

manufacturing industries, 14 reported growth in November, in the following order: Paper Products; Machinery; Transportation Equipment; Computer & Electronic Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Printing & Related Support Activities; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Chemical Products; Furniture & Related Products; Fabricated Metal Products; Miscellaneous Manufacturing<sup>‡</sup>; and Primary Metals.

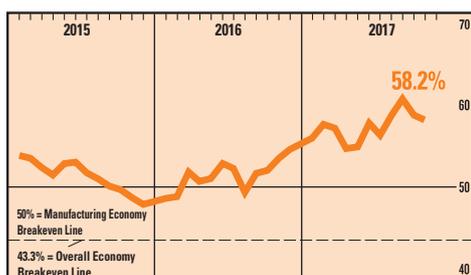
<sup>‡</sup>Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

## PMI® @ 58.2%

### MANUFACTURING AT A GLANCE

Index	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	58.2	58.7	-0.5	Growing	Slower	15
New Orders	64.0	63.4	+0.6	Growing	Faster	15
Production	63.9	61.0	+2.9	Growing	Faster	15
Employment	59.7	59.8	-0.1	Growing	Slower	14
Supplier Deliveries	56.5	61.4	-4.9	Slowing	Slower	19
Inventories	47.0	48.0	-1.0	Contracting	Faster	2
Customers' Inventories	45.5	43.5	+2.0	Too Low	Slower	5
Prices	65.5	68.5	-3.0	Increasing	Slower	21
Backlog of Orders	55.0	55.0	0.0	Growing	Same	10
New Export Orders	56.0	56.5	-0.5	Growing	Slower	21
Imports	54.5	54.0	+0.5	Growing	Faster	10
<b>OVERALL ECONOMY</b>				<b>Growing</b>	<b>Slower</b>	<b>102</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>15</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 November as the PMI® registered 58.2 percent, a decrease of 0.5 percentage point from the October reading of 58.7 percent. "This indicates growth in manufacturing for the 15th consecutive month led by expansion in new orders and production, offset by supplier delivery improvement and declines in raw material inventory," says Fiore. 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 (13); Caustic Soda (5); Copper; Corrugate (14); Nickel Based Metals; Pallets; Plastic Resins (4); Polycarbonate; Polyethylene (3); Polypropylene (3); Resin Based Products; Silicone; Soybean Oil; Steel – Hot Rolled (12); Steel Tubing; Titanium Dioxide (2); and Zinc Oxide.

**Commodities Down in Price:** None.

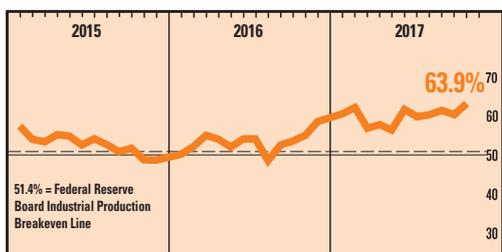
**Commodities in Short Supply:** Capacitors (5); Resistors; and Titanium Dioxide.

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



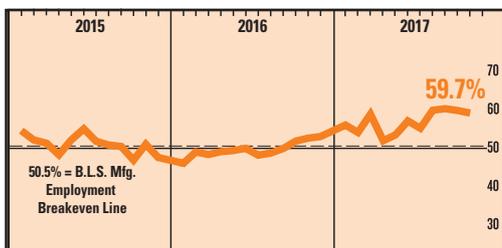
## New Orders

ISM's New Orders Index registered 64 percent. Fourteen of 18 industries reported growth in new orders in November, listed in the following order: Electrical Equipment, Appliances & Components; Paper Products; Furniture & Related Products; Plastics & Rubber Products; Machinery; Primary Metals; Printing & Related Support Activities; Computer & Electronic Products; Transportation Equipment; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Chemical Products; Miscellaneous Manufacturing<sup>‡</sup>; and Fabricated Metal Products.



## Production

ISM's Production Index registered 63.9 percent. The 14 industries reporting growth in production during the month of November — listed in order — are: Paper Products; Furniture & Related Products; Plastics & Rubber Products; Transportation Equipment; Machinery; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Printing & Related Support Activities; Computer & Electronic Products; Chemical Products; Primary Metals; Miscellaneous Manufacturing<sup>‡</sup>; and Nonmetallic Mineral Products.



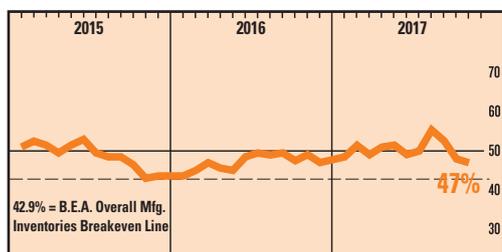
## Employment

ISM's Employment Index registered 59.7 percent. Of the 18 manufacturing industries, the 11 reporting employment growth in November — listed in order — are: Textile Mills; Machinery; Computer & Electronic Products; Transportation Equipment; Paper Products; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing<sup>‡</sup>; Chemical Products; Fabricated Metal Products; and Petroleum & Coal Products.



## Supplier Deliveries

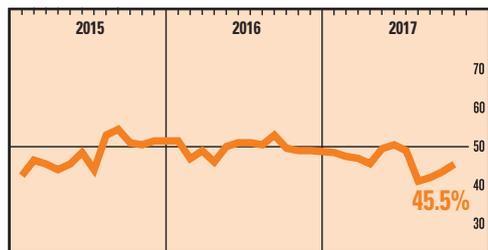
The delivery performance of suppliers to manufacturing organizations was slower in November, as the Supplier Deliveries Index registered 56.5 percent. The 10 industries reporting slower supplier deliveries in November — listed in order — are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Paper Products; Machinery; Computer & Electronic Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Chemical Products; Miscellaneous Manufacturing<sup>‡</sup>; and Fabricated Metal Products.



## Inventories

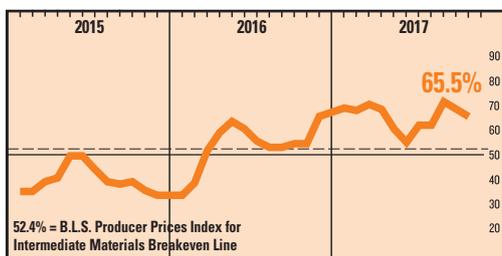
The Inventories Index registered 47 percent in November, which is a decrease of 1 percentage point when compared to the 48 percent reported for October, indicating raw materials inventories contracted in November. The five industries reporting higher inventories in November are: Printing & Related Support Activities; Transportation Equipment; Machinery; Chemical Products; and Primary Metals.

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



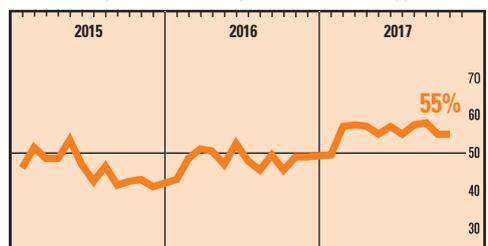
## Customers' Inventories

ISM's Customers' Inventories Index registered 45.5 percent. Three manufacturing industries — Furniture & Related Products; Miscellaneous Manufacturing<sup>‡</sup>; and Food, Beverage & Tobacco Products — reported customers' inventories as being too high during the month of November.



## Prices

The ISM Prices Index registered 65.5 percent. Fifteen industries reported paying increased prices for raw materials in November, in the following order: Nonmetallic Mineral Products; Plastics & Rubber Products; Textile Mills; Machinery; Food, Beverage & Tobacco Products; Paper Products; Miscellaneous Manufacturing<sup>‡</sup>; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Transportation Equipment; Petroleum & Coal Products; Furniture & Related Products; Chemical Products; Primary Metals; and Computer & Electronic Products.



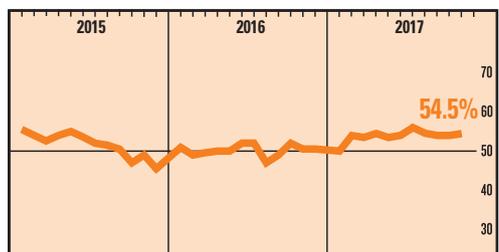
## Backlog of Orders

ISM's Backlog of Orders Index registered 55 percent. The 11 industries reporting growth in order backlogs in November — listed in order — are: Apparel, Leather & Allied Products; Paper Products; Primary Metals; Furniture & Related Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Machinery; Petroleum & Coal Products; Computer & Electronic Products; Transportation Equipment; and Food, Beverage & Tobacco Products.



## New Export Orders

ISM's New Export Orders Index registered 56 percent. The eight industries reporting growth in new export orders in November — listed in order — are: Paper Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Transportation Equipment; Miscellaneous Manufacturing<sup>‡</sup>; Computer & Electronic Products; Machinery; and Chemical Products.



## Imports

ISM's Imports Index registered 54.5 percent. The 11 industries reporting growth in imports during the month of November — listed in order — are: Textile Mills; Primary Metals; Printing & Related Support Activities; Nonmetallic Mineral Products; Transportation Equipment; Computer & Electronic Products; Machinery; Miscellaneous Manufacturing<sup>‡</sup>; Fabricated Metal Products; Chemical Products; and Paper Products.

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