

ISM® REPORT ON BUSINESS® MANUFACTURING

APRIL 2018

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Economic activity in the manufacturing sector expanded in April, and the overall economy grew for the 108th consecutive month, say the nation's supply executives in the latest ISM® *Report On Business*®.

The April PMI® registered 57.3 percent. The New Orders Index registered 61.2 percent, a decrease of 0.7 percentage point from the March reading of 61.9 percent. The Production Index registered 57.2 percent, a 3.8 percentage point decrease compared to the March reading of 61 percent. The Employment Index registered 54.2 percent, a decrease of 3.1 percentage points from the March reading of 57.3 percent. The Supplier Deliveries Index registered 61.1 percent, a 0.5 percentage point increase from the March reading of 60.6 percent. The Inventories Index registered 52.9 percent, a decrease of 2.6 percentage points from the March

PMI® @ 57.3%

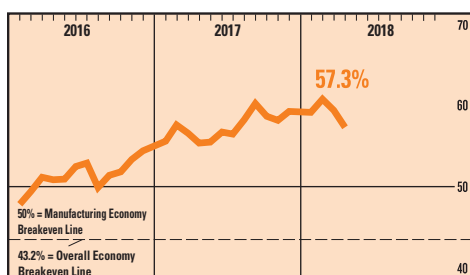
reading of 55.5 percent. The Prices Index registered 79.3 percent in April, a 1.2 percentage point increase from the March reading of 78.1 percent, indicating higher raw materials prices for the 26th consecutive month. Of the 18 manufacturing industries, 17 reported growth in April, in the following order: Wood Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Transportation Equipment; Furniture & Related Products; Paper Products; Machinery; Primary Metals; Nonmetallic Mineral Products; Chemical Products; Computer & Electronic Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Printing & Related Support Activities; Miscellaneous Manufacturing‡; and Apparel, Leather & Allied Products.

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

MANUFACTURING AT A GLANCE

Index	Apr Index	Mar Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	57.3	59.3	-2.0	Growing	Slower	20
New Orders	61.2	61.9	-0.7	Growing	Slower	28
Production	57.2	61.0	-3.8	Growing	Slower	20
Employment	54.2	57.3	-3.1	Growing	Slower	19
Supplier Deliveries	61.1	60.6	+0.5	Slowing	Faster	19
Inventories	52.9	55.5	-2.6	Growing	Slower	4
Customers' Inventories	44.3	42.0	+2.3	Too Low	Slower	19
Prices	79.3	78.1	+1.2	Increasing	Faster	26
Backlog of Orders	62.0	59.8	+2.2	Growing	Faster	15
New Export Orders	57.7	58.7	-1.0	Growing	Slower	26
Imports	57.8	59.7	-1.9	Growing	Slower	15
OVERALL ECONOMY				Growing	Slower	108
Manufacturing Sector				Growing	Slower	20

*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 April as the PMI® registered 57.3 percent, a decrease of 2 percentage points from the March reading of 59.3 percent. This indicates strong growth in manufacturing for the 20th consecutive month, led by continued expansion in new orders, production activity, employment and inventories, with suppliers continuing to struggle delivering to demand. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

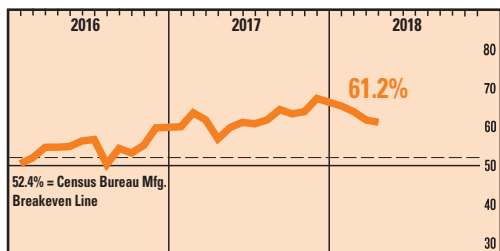
COMMODITIES REPORTED

Commodities Up in Price: Aluminum (18); Caustic Soda (10); Copper (6); Corrugate (19); Diesel; Electrical Components; Freight (3); Pallets; Polypropylene; Steel — Hot Rolled (17); Steel — Scrap (5); Steel — Stainless; and Wood.

Commodities Down in Price: Soybean Oil.

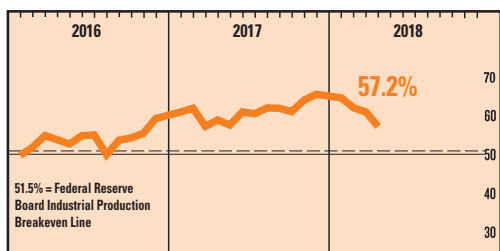
Commodities in Short Supply: Capacitors (10); Electrical Components; Resistors (6); and Steel — Hot Rolled.

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



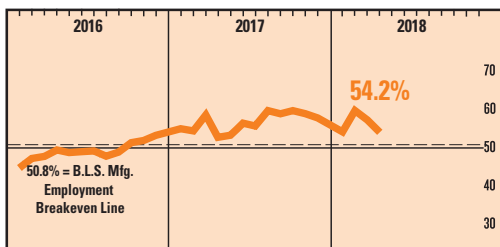
New Orders

ISM's New Orders Index registered 61.2 percent. Sixteen of 18 industries reported growth in new orders in April, listed in the following order: Wood Products; Furniture & Related Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Transportation Equipment; Primary Metals; Paper Products; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Fabricated Metal Products; Petroleum & Coal Products; Textile Mills; Chemical Products; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; and Machinery.



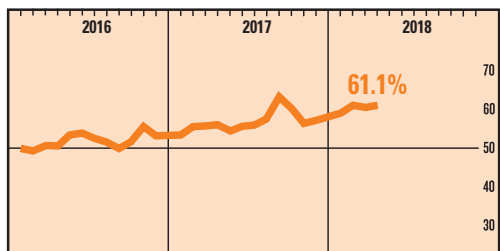
Production

ISM's Production Index registered 57.2 percent. The 15 industries reporting growth in production during the month of April — listed in order — are: Furniture & Related Products; Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Printing & Related Support Activities; Nonmetallic Mineral Products; Fabricated Metal Products; Chemical Products; Primary Metals; Miscellaneous Manufacturing[‡]; Machinery; Computer & Electronic Products; Food, Beverage & Tobacco Products; Petroleum & Coal Products; and Plastics & Rubber Products.



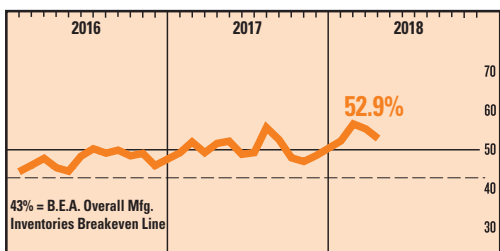
Employment

ISM's Employment Index registered 54.2 percent. Of the 18 manufacturing industries, the 12 reporting employment growth in April — listed in order — are: Paper Products; Miscellaneous Manufacturing[‡]; Fabricated Metal Products; Machinery; Nonmetallic Mineral Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Transportation Equipment; Chemical Products; Primary Metals; and Electrical Equipment, Appliances & Components.



Supplier Deliveries

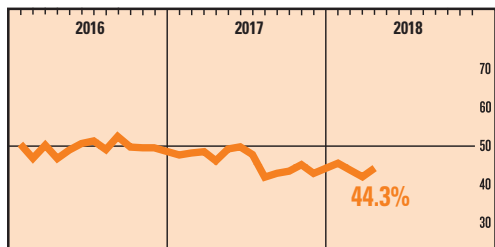
The Supplier Deliveries Index registered 61.1 percent. The 16 industries reporting slower supplier deliveries in April — listed in order — are: Apparel, Leather & Allied Products; Machinery; Fabricated Metal Products; Textile Mills; Printing & Related Support Activities; Primary Metals; Furniture & Related Products; Paper Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Chemical Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Nonmetallic Mineral Products; Plastics & Rubber Products; and Miscellaneous Manufacturing[‡].



Inventories

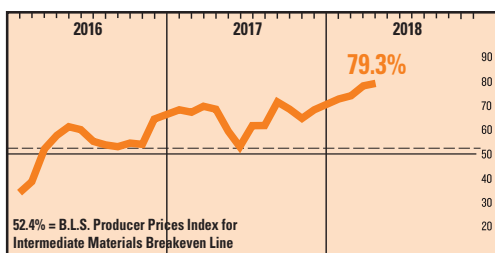
The Inventories Index registered 52.9 percent. The eight industries reporting higher inventories in April — listed in order — are: Wood Products; Electrical Equipment, Appliances & Components; Printing & Related Support Activities; Paper Products; Petroleum & Coal Products; Transportation Equipment; Chemical Products; and Food, Beverage & Tobacco Products.

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



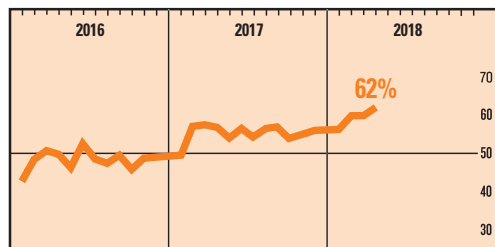
Customers' Inventories

ISM's Customers' Inventories Index registered 44.3 percent. The only manufacturing industry reporting customers' inventories as too high during the month of April is Nonmetallic Mineral Products. The 12 industries reporting customers' inventories as too low during April — listed in order — are: Textile Mills; Apparel, Leather & Allied Products; Paper Products; Primary Metals; Machinery; Transportation Equipment; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Computer & Electronic Products; Chemical Products; and Miscellaneous Manufacturing[‡].



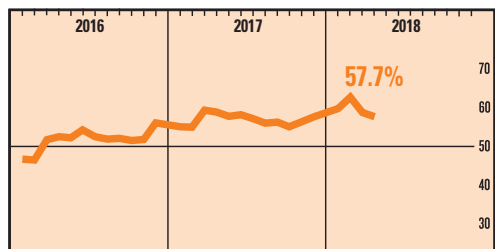
Prices

The ISM Prices Index registered 79.3 percent. Seventeen industries reported paying increased prices for raw materials in April, in the following order: Apparel, Leather & Allied Products; Textile Mills; Furniture & Related Products; Fabricated Metal Products; Paper Products; Electrical Equipment, Appliances & Components; Primary Metals; Machinery; Printing & Related Support Activities; Petroleum & Coal Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Chemical Products; and Transportation Equipment.



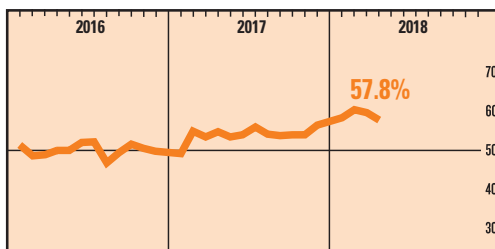
Backlog of Orders

ISM's Backlog of Orders Index registered 62 percent. The 16 industries reporting growth in order backlogs in April — listed in order — are: Wood Products; Paper Products; Plastics & Rubber Products; Textile Mills; Petroleum & Coal Products; Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Printing & Related Support Activities; Transportation Equipment; Machinery; Computer & Electronic Products; Chemical Products; Fabricated Metal Products; Primary Metals; and Food, Beverage & Tobacco Products.



New Export Orders

ISM's New Export Orders Index registered 57.7 percent. The 14 industries reporting growth in new export orders in April — listed in order — are: Wood Products; Petroleum & Coal Products; Nonmetallic Mineral Products; Furniture & Related Products; Computer & Electronic Products; Machinery; Paper Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Chemical Products; Miscellaneous Manufacturing[‡]; and Fabricated Metal Products.



Imports

ISM's Imports Index registered 57.8 percent. The 12 industries reporting growth in imports during the month of April — listed in order — are: Apparel, Leather & Allied Products; Furniture & Related Products; Textile Mills; Petroleum & Coal Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; Transportation Equipment; Chemical Products; Machinery; Primary Metals; and Computer & Electronic Products.

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