

ISM® REPORT ON BUSINESS® MANUFACTURING

MAY 2019

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Economic activity in the manufacturing sector expanded in May, and the overall economy grew for the 121st consecutive month, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The May PMI® registered 52.1 percent. The New Orders Index registered 52.7 percent, an increase of 1 percentage point from the April reading of 51.7 percent. The Production Index registered 51.3 percent, a 1-percentage point decrease compared to the April reading of 52.3 percent. The Employment Index registered 53.7 percent, an increase of 1.3 percentage points from the April reading of 52.4 percent. The Supplier Deliveries Index registered 52 percent, a 2.6-percentage

PMI® @ 52.1%

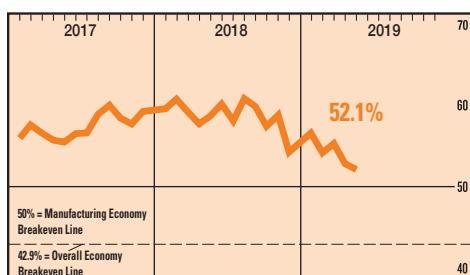
point decrease from the April reading of 54.6 percent. The Inventories Index registered 50.9 percent, a decrease of 2 percentage points from the April reading of 52.9 percent. The Prices Index registered 53.2 percent, a 3.2-percentage point increase from the April reading of 50 percent. Of the 18 manufacturing industries, 11 reported growth in May, in the following order: Printing & Related Support Activities; Furniture & Related Products; Plastics & Rubber Products; Textile Mills; Miscellaneous Manufacturing†; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Chemical Products; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; and Machinery.

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

MANUFACTURING AT A GLANCE

Index	May Index	Apr Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	52.1	52.8	-0.7	Growing	Slower	33
New Orders	52.7	51.7	+1.0	Growing	Faster	41
Production	51.3	52.3	-1.0	Growing	Slower	33
Employment	53.7	52.4	+1.3	Growing	Faster	32
Supplier Deliveries	52.0	54.6	-2.6	Slowing	Slower	39
Inventories	50.9	52.9	-2.0	Growing	Slower	17
Customers' Inventories	43.7	42.6	+1.1	Too Low	Slower	32
Prices	53.2	50.0	+3.2	Increasing	From Unchanged	1
Backlog of Orders	47.2	53.9	-6.7	Contracting	From Growing	1
New Export Orders	51.0	49.5	+1.5	Growing	From Contracting	1
Imports	49.4	49.8	-0.4	Contracting	Faster	2
OVERALL ECONOMY				Growing	Slower	121
Manufacturing Sector				Growing	Slower	33

*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 May, as the PMI® registered 52.1 percent, a decrease of 0.7 percentage point from the April reading of 52.8 percent. This is the lowest reading since October 2016, when the index registered 51.7 percent. This indicates growth in manufacturing for the 33rd consecutive month. The PMI® continued a period of expansion softening that began in August 2018. Softening this month was primarily due to inputs — supplier deliveries and inventories. Three of the big six industries expanded.

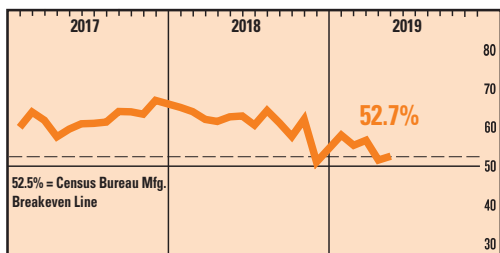
COMMODITIES REPORTED

Commodities Up in Price: Aluminum*; Dairy Products; Electronic Components (10); Integrated Circuits; Nylons; Printed Circuit Board Assemblies; Solvents; Steel* (9); and Steel Products*.

Commodities Down in Price: Aluminum* (2); Caustic Soda (2); Memory (2); Natural Gas; Polypropylene (3); Scrap Metal; Soybean Products; Steel*; Steel — Hot Rolled (2); and Steel Products* (5).

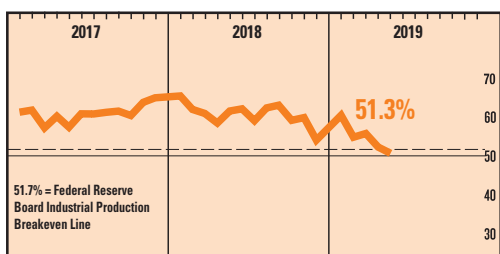
Commodities in Short Supply: Aluminum Products (3); Capacitors (2); Electronic Components (13); and Integrated Circuits.

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



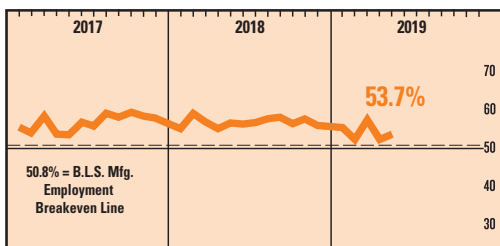
New Orders

ISM's New Orders Index registered 52.7 percent. Of 18 manufacturing industries, 12 reported growth in new orders in May, in the following order: Furniture & Related Products; Printing & Related Support Activities; Plastics & Rubber Products; Computer & Electronic Products; Textile Mills; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Nonmetallic Mineral Products; Machinery; Chemical Products; Transportation Equipment; and Fabricated Metal Products.



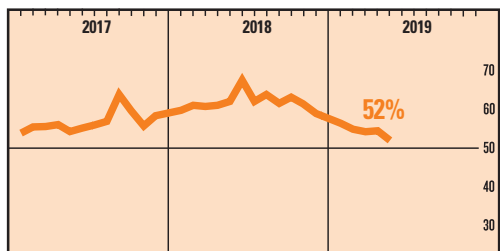
Production

ISM's Production Index registered 51.3 percent. The 11 industries reporting growth in production during the month of May — listed in order — are: Furniture & Related Products; Printing & Related Support Activities; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Chemical Products; Electrical Equipment, Appliances & Components; Nonmetallic Mineral Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; and Transportation Equipment.



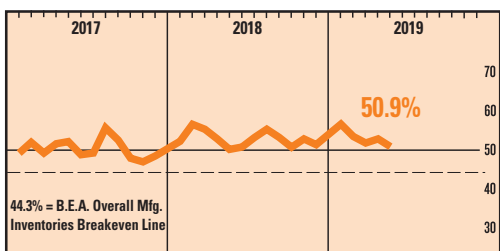
Employment

ISM's Employment Index registered 53.7 percent. Eleven of 18 manufacturing industries reported employment growth in May, in the following order: Textile Mills; Printing & Related Support Activities; Furniture & Related Products; Plastics & Rubber Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Paper Products; Chemical Products; Miscellaneous Manufacturing[‡]; Electrical Equipment, Appliances & Components; and Machinery.



Supplier Deliveries

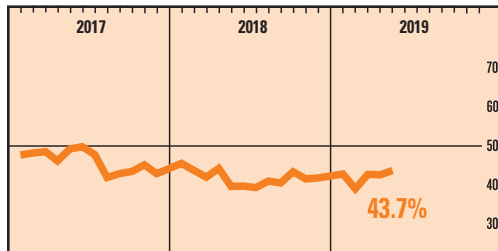
The delivery performance of suppliers to manufacturing organizations slowed in May, as the Supplier Deliveries Index registered 52 percent. The seven industries reporting slower supplier deliveries in May — listed in order — are: Plastics & Rubber Products; Chemical Products; Miscellaneous Manufacturing[‡]; Primary Metals; Computer & Electronic Products; Machinery; and Food, Beverage & Tobacco Products.



Inventories

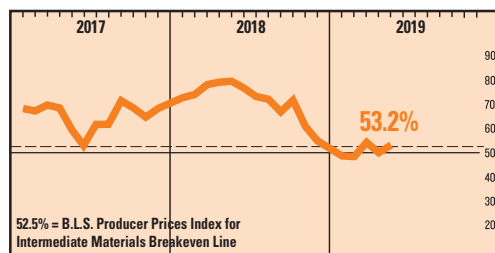
The Inventories Index registered 50.9 percent. The six industries reporting higher inventories in May — listed in order — are: Printing & Related Support Activities; Textile Mills; Electrical Equipment, Appliances & Components; Paper Products; Plastics & Rubber Products; and Food, Beverage & Tobacco Products.

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



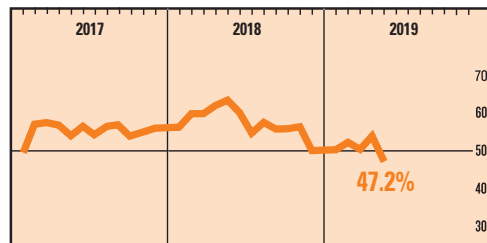
Customers' Inventories

ISM's Customers' Inventories Index registered 43.7 percent. The four industries reporting customers' inventories as too high during the month of May are: Apparel, Leather & Allied Products; Wood Products; Primary Metals; and Electrical Equipment, Appliances & Components.



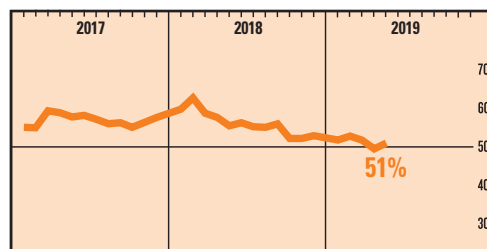
Prices

The ISM Prices Index registered 53.2 percent. Six of the 18 industries reported paying increased prices for raw materials in May, in the following order: Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Miscellaneous Manufacturing[‡]; Machinery; and Transportation Equipment.



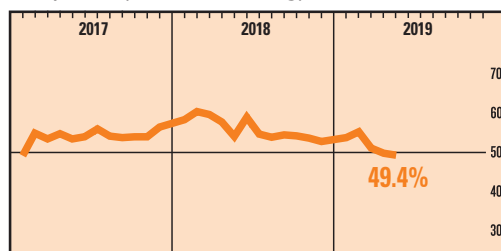
Backlog of Orders

ISM's Backlog of Orders Index registered 47.2 percent. The 10 industries reporting growth in order backlogs in May — listed in order — are: Textile Mills; Printing & Related Support Activities; Furniture & Related Products; Nonmetallic Mineral Products; Computer & Electronic Products; Machinery; Paper Products; Plastics & Rubber Products; Fabricated Metal Products; and Chemical Products.



New Export Orders

ISM's New Export Orders Index registered 51 percent. The five industries reporting growth in new export orders in May are: Wood Products; Chemical Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing[‡].



Imports

ISM's Imports Index registered 49.4 percent. The four industries reporting growth in imports during the month of May are: Wood Products; Miscellaneous Manufacturing[‡]; Fabricated Metal Products; and Chemical Products.

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