

# ISM® REPORT ON BUSINESS® MANUFACTURING

JUNE 2019

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Economic activity in the manufacturing sector expanded in June, and the overall economy grew for the 122nd consecutive month, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The June PMI® registered 51.7 percent. The New Orders Index registered 50 percent, a decrease of 2.7 percentage points from the May reading of 52.7 percent. The

Production Index registered 54.1 percent, a 2.8-percentage point increase compared to the May reading of 51.3 percent. The Employment Index registered 54.5 percent, an increase of 0.8 percentage point from the May reading of 53.7 percent.

## PMI® @ 51.7%

The Supplier Deliveries Index registered 50.7 percent, a 1.3-percentage point decrease from the May reading of 52 percent. The Inventories Index registered 49.1 percent, a decrease of 1.8 percentage points from the May reading of 50.9 percent.

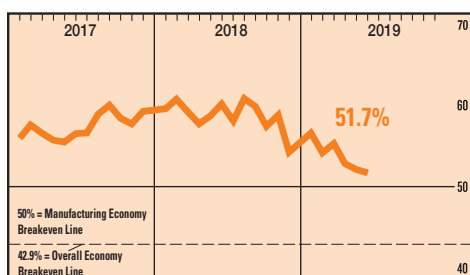
Of the 18 manufacturing industries, 12 reported growth in June, in the following order: Furniture & Related Products; Printing & Related Support Activities; Textile Mills; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Chemical Products; Computer & Electronic Products; Paper Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; and Machinery.

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

## MANUFACTURING AT A GLANCE

Index	June Index	May Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	51.7	52.1	-0.4	Growing	Slower	34
New Orders	50.0	52.7	-2.7	Unchanged	From Growing	1
Production	54.1	51.3	+2.8	Growing	Faster	34
Employment	54.5	53.7	+0.8	Growing	Faster	33
Supplier Deliveries	50.7	52.0	-1.3	Slowing	Slower	40
Inventories	49.1	50.9	-1.8	Contracting	From Growing	1
Customers' Inventories	44.6	43.7	+0.9	Too Low	Slower	33
Prices	47.9	53.2	-5.3	Decreasing	From Increasing	1
Backlog of Orders	47.4	47.2	+0.2	Contracting	Slower	2
New Export Orders	50.5	51.0	-0.5	Growing	Slower	2
Imports	50.0	49.4	+0.6	Unchanged	From Contracting	1
<b>OVERALL ECONOMY</b>				<b>Growing</b>	<b>Slower</b>	<b>122</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>34</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 June, as the PMI® registered 51.7 percent, a decrease of 0.4 percentage point from the May reading of 52.1 percent. This is the lowest reading since October 2016, when the index registered 51.7 percent. This indicates growth in manufacturing for the 34th consecutive month. The PMI® continued a period of expansion softening that began in September 2018. Softening this month was primarily due to demand and inputs — new orders, supplier deliveries and inventories.

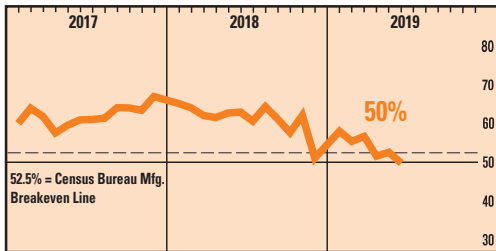
## COMMODITIES REPORTED

**Commodities Up in Price:** Corn; Printed Circuit Board Assemblies; Soybean Products; and Steel Products\* (2).

**Commodities Down in Price:** Aluminum (3); Copper; Corrugated Boxes; Lumber Products; Memory; Natural Gas (2); Scrap Metal (2); Steel — Cold Rolled; Steel — Hot Rolled (3); Steel — Stainless; and Steel Products\* (6).

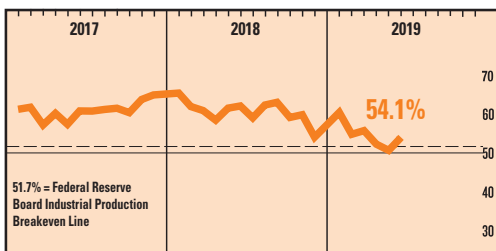
**Commodities in Short Supply:** Capacitors (3); Electrical Components; Electronic Components (14); and Integrated Circuits (2).

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



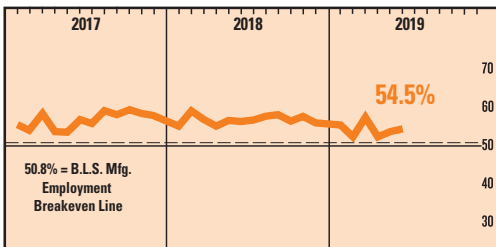
## New Orders

ISM's New Orders Index registered 50 percent. Of 18 manufacturing industries, 10 reported growth in new orders in June, in the following order: Furniture & Related Products; Nonmetallic Mineral Products; Textile Mills; Printing & Related Support Activities; Chemical Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Miscellaneous Manufacturing<sup>‡</sup>; Paper Products; and Computer & Electronic Products.



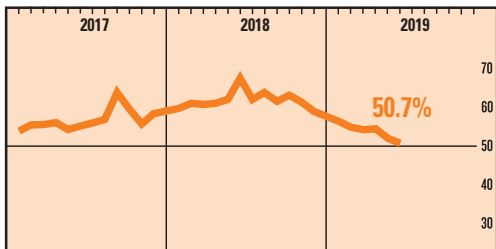
## Production

ISM's Production Index registered 54.1 percent. The 13 industries reporting growth in production during the month of June — listed in order — are: Wood Products; Furniture & Related Products; Textile Mills; Printing & Related Support Activities; Petroleum & Coal Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Chemical Products; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Paper Products; Miscellaneous Manufacturing<sup>‡</sup>; and Machinery.



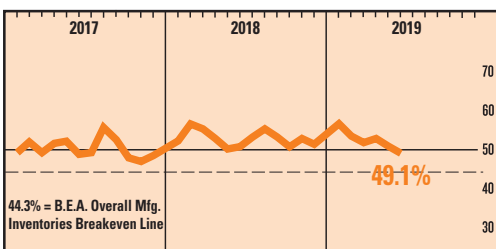
## Employment

ISM's Employment Index registered 54.5 percent. Of 18 manufacturing industries, 12 reported employment growth in June, in the following order: Furniture & Related Products; Printing & Related Support Activities; Paper Products; Petroleum & Coal Products; Textile Mills; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Miscellaneous Manufacturing<sup>‡</sup>; Machinery; Food, Beverage & Tobacco Products; Chemical Products; and Transportation Equipment.



## Supplier Deliveries

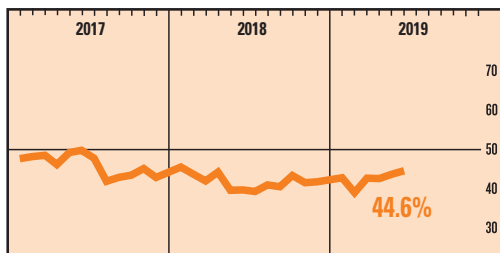
The delivery performance of suppliers to manufacturing organizations slowed in June, as the Supplier Deliveries Index registered 50.7 percent. The nine industries reporting slower supplier deliveries in June — listed in order — are: Nonmetallic Mineral Products; Furniture & Related Products; Primary Metals; Computer & Electronic Products; Chemical Products; Plastics & Rubber Products; Machinery; Miscellaneous Manufacturing<sup>‡</sup>; and Food, Beverage & Tobacco Products.



## Inventories

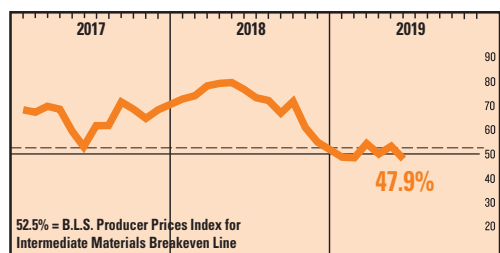
The Inventories Index registered 49.1 percent. The seven industries reporting higher inventories in June — listed in order — are: Printing & Related Support Activities; Textile Mills; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; and Machinery.

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



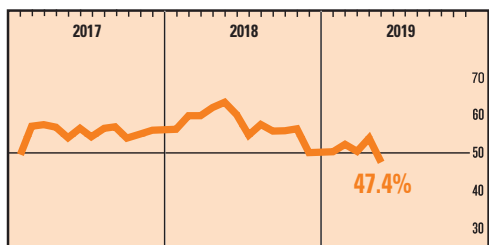
## Customers' Inventories

ISM's Customers' Inventories Index registered 44.6 percent. The five industries reporting customers' inventories as too high during the month of June are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; and Primary Metals.



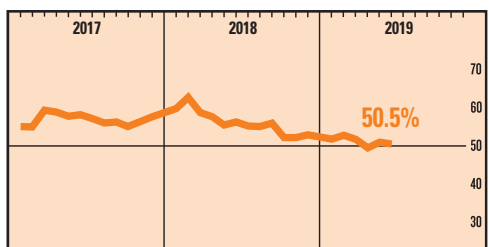
## Prices

The Prices Index registered 47.9 percent. Six of the 18 industries reported paying increased prices for raw materials in June in the following order: Furniture & Related Products; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Computer & Electronic Products; and Transportation Equipment.



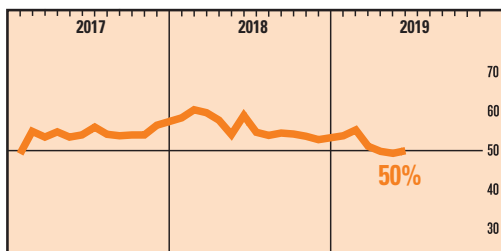
## Backlog of Orders

ISM's Backlog of Orders Index registered 47.4 percent. The six industries reporting growth in order backlogs in June — listed in order — are: Furniture & Related Products; Nonmetallic Mineral Products; Printing & Related Support Activities; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing<sup>‡</sup>; and Fabricated Metal Products.



## New Export Orders

ISM's New Export Orders Index registered 50.5 percent. The seven industries reporting growth in new export orders in June in order are: Textile Mills; Furniture & Related Products; Miscellaneous Manufacturing<sup>‡</sup>; Food, Beverage & Tobacco Products; Chemical Products; Paper Products; and Computer & Electronic Products.



## Imports

ISM's Imports Index registered 50 percent. The eight industries reporting growth in imports during the month of June — listed in order — are: Wood Products; Primary Metals; Textile Mills; Nonmetallic Mineral Products; Fabricated Metal Products; Miscellaneous Manufacturing<sup>‡</sup>; Computer & Electronic Products; and Food, Beverage & Tobacco Products.

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