

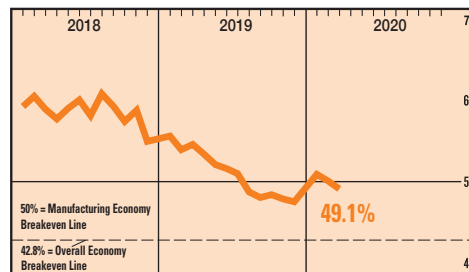
Economic activity in the manufacturing sector contracted in March, and the overall economy grew for the 131st consecutive month, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

The March PMI® registered 49.1 percent. The New Orders Index registered 42.2 percent, a decrease of 7.6 percentage points from the February reading of 49.8 percent. The Production Index registered 47.7 percent, down 2.6 percentage points compared to the February reading of 50.3 percent. The Backlog of Orders Index registered 45.9 percent, a decrease of 4.4 percentage points compared to the February reading of 50.3 percent. The Employment Index registered 43.8 percent, a decrease of 3.1 percentage points from the February reading of 46.9 percent. The Supplier Deliveries Index registered 65 percent, up 7.7 percentage points from the February reading of 57.3 percent.

Comments from the panel were negative regarding the near-term outlook, with sentiment clearly impacted by the coronavirus (COVID-19) pandemic and energy market volatility. Of the 18 manufacturing industries, the 10 that reported growth in March — listed in order — are: Printing & Related Support Activities; Food, Beverage & Tobacco Products; Apparel, Leather & Allied Products; Wood Products; Paper Products; Chemical Products; Computer & Electronic Products; Primary Metals; Miscellaneous Manufacturing; and Plastics & Rubber Products.

PMI® at 49.1%

Manufacturing contracted in March, as the PMI® registered 49.1 percent, a 1-percentage point decrease from the February reading of 50.1 percent. The PMI® contracted in March after expanding marginally in January and February. Three of the big six industries expanded, with Food, Beverage & Tobacco Products expanding strongly. Only one (Supplier Deliveries) of the PMI®'s 10 subindexes recorded expansion, down from four the previous month. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.



Manufacturing at a Glance

INDEX	Mar Index	Feb Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	49.1	50.1	-1.0	Contracting	From Growing	1
New Orders	42.2	49.8	-7.6	Contracting	Faster	2
Production	47.7	50.3	-2.6	Contracting	From Growing	1
Employment	43.8	46.9	-3.1	Contracting	Faster	8
Supplier Deliveries	65.0	57.3	+7.7	Slowing	Faster	5
Inventories	46.9	46.5	+0.4	Contracting	Slower	10
Customers' Inventories	43.4	41.8	+1.6	Too Low	Slower	42
Prices	37.4	45.9	-8.5	Decreasing	Faster	2
Backlog of Orders	45.9	50.3	-4.4	Contracting	From Growing	1
New Export Orders	46.6	51.2	-4.6	Contracting	From Growing	1
Imports	42.1	42.6	-0.5	Contracting	Faster	2
Overall Economy				Growing	Slower	131
Manufacturing Sector				Contracting	From Growing	1

*Number of months moving in current direction. Manufacturing ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.



Commodities Reported

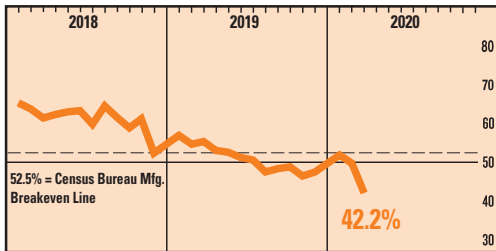
Commodities Up in Price: Capacitors (2); Circuit Card Assemblies; Isopropyl Alcohol; Personal Protective Equipment (PPE) — Gloves; Resistors (2); Steel — Hot Rolled* (5); and Steel Products (2).

Commodities Down in Price: Aluminum (2); Aluminum Products (3); Base Oils; Copper (2); Corrugate (2); Crude Oil (2); Diesel Fuel; Fuel; Heating Oil; Natural Gas (4); Oil Products; Plastic; Scrap (2); and Steel — Hot Rolled* (2).

Commodities in Short Supply: Cleaning Wipes; Hand Sanitizer; Isopropyl Alcohol; Paper Towels; Personal Protective Equipment (PPE) — Gloves; PPE — Masks; and Toilet Paper.

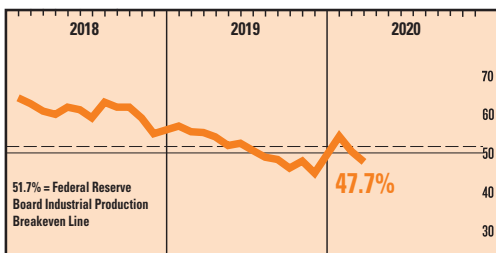
Note: The number of consecutive months the commodity is listed is indicated after each item.*Reported as both up and down in price.

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



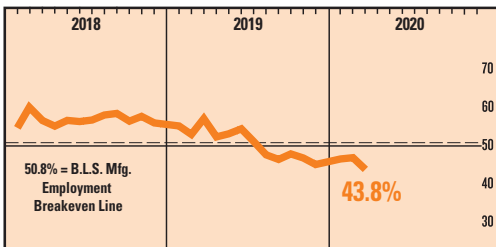
New Orders

ISM's New Orders Index registered 42.2 percent. Of the 18 manufacturing industries, nine reported growth in new orders in March, in the following order: Wood Products; Printing & Related Support Activities; Apparel, Leather & Allied Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Paper Products; Chemical Products; and Computer & Electronic Products.



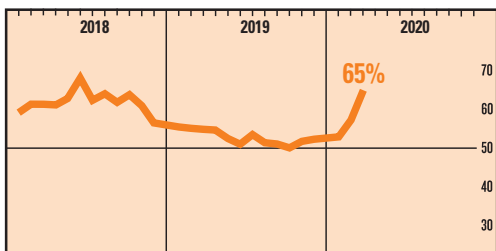
Production

ISM's Production Index registered 47.7 percent. The seven industries reporting growth in production during the month of March — listed in order — are: Wood Products; Printing & Related Support Activities; Apparel, Leather & Allied Products; Primary Metals; Food, Beverage & Tobacco Products; Chemical Products; and Electrical Equipment, Appliances & Components.



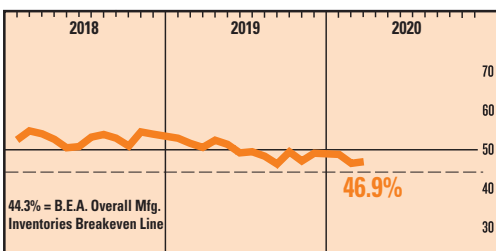
Employment

ISM's Employment Index registered 43.8 percent in March, a decrease of 3.1 percentage points compared to the February reading of 46.9 percent. Of the 18 manufacturing industries, three reported employment growth in March: Printing & Related Support Activities; Food, Beverage & Tobacco Products; and Computer & Electronic Products.



Supplier Deliveries

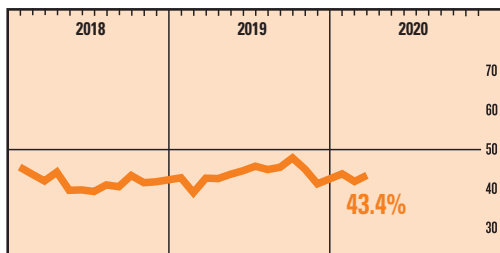
The delivery performance of suppliers to manufacturing organizations was slower in March, as the Supplier Deliveries Index registered 65 percent. The 16 industries reporting slower supplier deliveries in March — listed in order — are: Apparel, Leather & Allied Products; Textile Mills; Transportation Equipment; Primary Metals; Computer & Electronic Products; Paper Products; Petroleum & Coal Products; Machinery; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Fabricated Metal Products; Chemical Products; Nonmetallic Mineral Products; Furniture & Related Products; Miscellaneous Manufacturing[†]; and Electrical Equipment, Appliances & Components.



Inventories

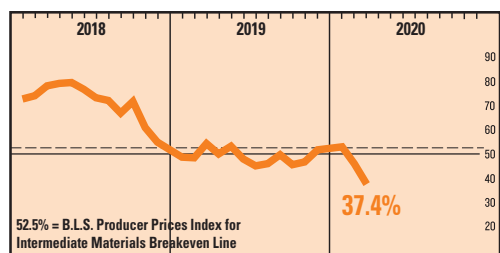
The Inventories Index registered 46.9 percent. The five industries reporting higher inventories in March are: Printing & Related Support Activities; Miscellaneous Manufacturing[†]; Food, Beverage & Tobacco Products; Primary Metals; and Chemical Products.

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



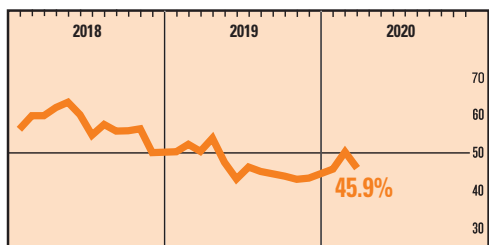
Customers' Inventories

ISM's Customers' Inventories Index registered 43.4 percent in March, which is 1.6 percentage points higher than the 41.8 percent reported for February, indicating that customers' inventory levels were considered too low. Of 18 industries, the only industry reporting higher customer inventories in March is Transportation Equipment.



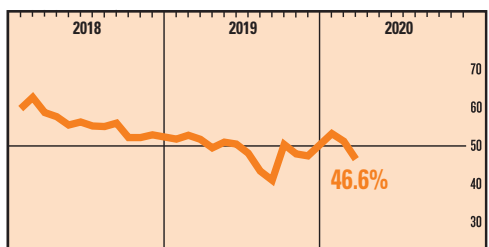
Prices

The ISM Prices Index registered 37.4 percent in March, a decrease of 8.5 percentage points from the February reading of 45.9 percent, indicating raw materials prices decreased for the second consecutive month, at a much faster rate. The two industries reporting paying increased prices for raw materials in March are: Wood Products; and Computer & Electronic Products.



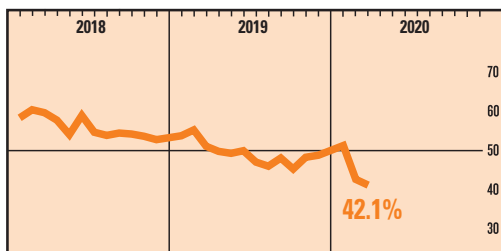
Backlog of Orders

ISM's Backlog of Orders Index registered 45.9 percent. Six of the 18 industries reported growth in order backlogs in March, in the following order: Apparel, Leather & Allied Products; Wood Products; Paper Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; and Chemical Products.



New Export Orders

ISM's New Export Orders Index registered 46.6 percent. The four industries reporting growth in new export orders in March are: Apparel, Leather & Allied Products; Paper Products; Chemical Products; and Miscellaneous Manufacturing[‡].



Imports

ISM's Imports Index registered 42.1 percent in March, a decrease of 0.5 percentage point compared to the 42.6 percent reported for February. The four industries reporting growth in imports in March are: Wood Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; and Chemical Products.

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