

Economic activity in the manufacturing sector expanded in September for the ninth consecutive month, say the nation's supply executives in the latest ISM® Manufacturing PMI® Report.

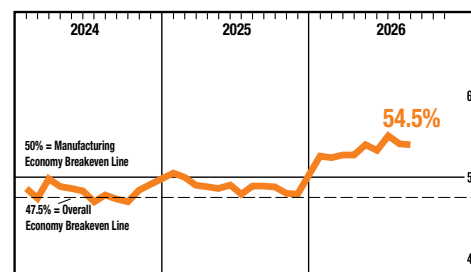
The Manufacturing PMI® registered 54.5 percent in September. The overall economy continued in expansion for the 23rd month in a row. (A Manufacturing PMI® above 47.5 percent, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index expanded for the ninth consecutive month after four straight readings in contraction, registering 55.3 percent, up 1.6 percentage points compared to August's figure of 53.7 percent. The September reading of the Production Index (56.7 percent) is 1.6 percentage points lower than the 58.3 percent recorded in August. The Prices Index remained in expansion (or "increasing" territory), registering 77.9 percent, a notable increase of 6.8 percentage points compared to August's reading of 71.1 percent. The Backlog of Orders Index registered 56.4 percent, up 4.6 percentage points compared to the 51.8 percent recorded in August. The Employment Index reading of 52.7 percent is up 1.5 percentage points from August's figure of 51.2 percent.

The 12 manufacturing industries reporting growth in September — listed in order — are: Electrical Equipment, Appliances & Components; Nonmetallic Mineral Products; Primary Metals; Plastics & Rubber Products; Computer & Electronic Products; Fabricated Metal Products; Furniture & Related Products; Food, Beverage & Tobacco Products; Transportation Equipment; Machinery; Miscellaneous Manufacturing†; and Chemical Products. **ISM**

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

MANUFACTURING PMI® at 54.5%

The U.S. manufacturing sector expanded in September for the ninth straight month following a 10-month period of contraction, registering 54.5 percent, a decrease of 0.1 percentage point compared to August. Of the five subindexes that directly factor into the Manufacturing PMI® — the New Orders, Production, Employment, Supplier Deliveries and Inventories indexes — all but Inventories were in expansion territory, one fewer than in August.



Manufacturing at a Glance

INDEX	Sep Index	Aug Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	54.5	54.6	-0.1	Growing	Slower	9
New Orders	55.3	53.7	+1.6	Growing	Faster	9
Production	56.7	58.3	-1.6	Growing	Slower	11
Employment	52.7	51.2	+1.5	Growing	Faster	3
Supplier Deliveries	59.0	59.3	-0.3	Slowing	Slower	10
Inventories	48.6	50.6	-2.0	Contracting	From Growing	1
Customers' Inventories	41.6	42.8	-1.2	Too Low	Faster	24
Prices	77.9	71.1	+6.8	Increasing	Faster	24
Backlog of Orders	56.4	51.8	+4.6	Growing	Faster	9
New Export Orders	50.9	53.2	-2.3	Growing	Slower	3
Imports	51.0	52.5	-1.5	Growing	Slower	8
Overall Economy				Growing	Slower	23
Manufacturing Sector				Growing	Slower	9

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



Commodities Reported

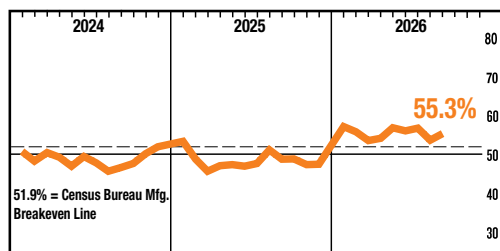
Commodities Up in Price: Aluminum (34); Brass Products; Copper (15); Copper Products (2); Corrugated Products (6); Diesel Fuel (2); Electrical Components (4); Electronic Components (9); Freight (7); Fuel (7); Memory Components (7); Nickel; Oil Based Products (6); Packaging Materials; Plastic Based Products (6); Printed Circuit Boards (3); Resins (8); Semiconductors (4); Soybean Meal; Steel (11); Steel — Hot Rolled (9); Steel — Stainless (8); Steel Products (10); and Zinc.

Commodities Down in Price: None.

Commodities in Short Supply: Aluminum Products; Copper (3); Dynamic Random Access Memory (DRAM); Electrical Components (15); Electronic Components (19); Memory (9); Printed Circuit Boards (3); Steel (3); Steel — Hot Rolled; Steel Products; and Tungsten Products (3).

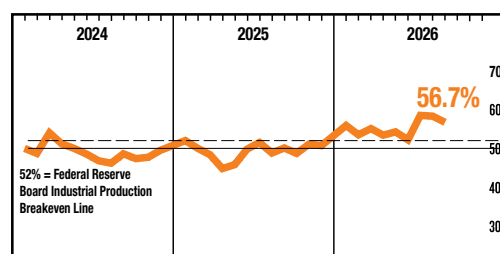
Manufacturing PMI®

Analysis by **Susan Spence, MBA**, Chair of the Institute for Supply Management® Manufacturing Business Survey Committee



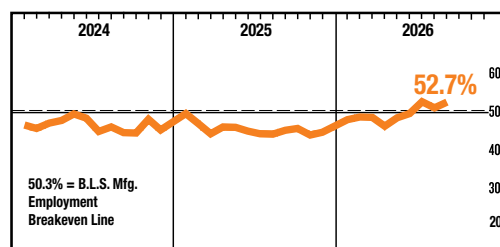
New Orders

ISM's New Orders Index expanded in September with a reading of 55.3 percent. The 10 manufacturing industries that reported growth in new orders in September, in order, are: Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Plastics & Rubber Products; Chemical Products; Primary Metals; Fabricated Metal Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Machinery.



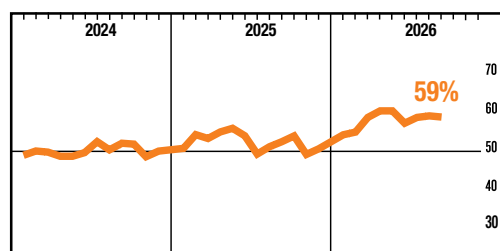
Production

The Production Index expanded in September for the 11th month in a row, registering 56.7 percent. The 10 industries reporting growth in production during the month of September — listed in order — are: Nonmetallic Mineral Products; Petroleum & Coal Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Primary Metals; Transportation Equipment; Computer & Electronic Products; Chemical Products; and Miscellaneous Manufacturing‡.



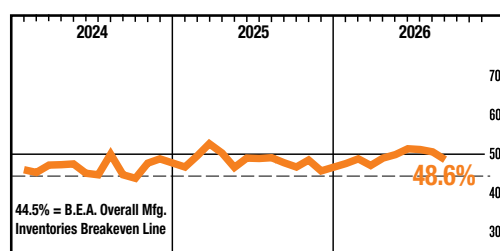
Employment

ISM's Employment Index registered 52.7 percent. Of the 18 manufacturing industries, eight reported employment growth in September, in the following order: Electrical Equipment, Appliances & Components; Primary Metals; Wood Products; Computer & Electronic Products; Miscellaneous Manufacturing‡; Plastics & Rubber Products; Transportation Equipment; and Fabricated Metal Products.



Supplier Deliveries

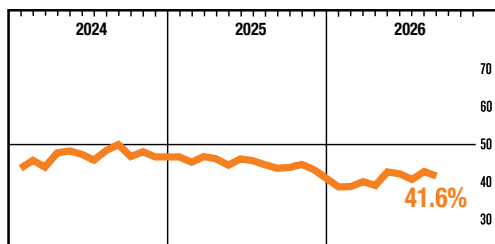
The Supplier Deliveries Index registered 59 percent. The 12 manufacturing industries reporting slower supplier deliveries in September, in order, are: Paper Products; Primary Metals; Computer & Electronic Products; Fabricated Metal Products; Machinery; Electrical Equipment, Appliances & Components; Furniture & Related Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Transportation Equipment; and Chemical Products.



Inventories

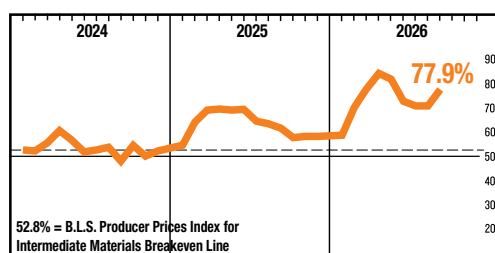
The Inventories Index registered 48.6 percent. Of 18 manufacturing industries, the nine reporting higher inventories in September — in the following order — are: Textile Mills; Furniture & Related Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Transportation Equipment; Machinery; and Miscellaneous Manufacturing‡.

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



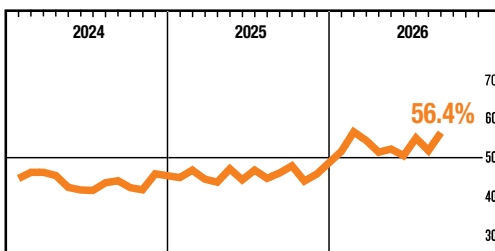
Customers' Inventories

ISM's Customers' Inventories Index registered 41.6 percent. The two industries that reported that customers' inventories were too high in September are: Nonmetallic Mineral Products; and Miscellaneous Manufacturing‡.



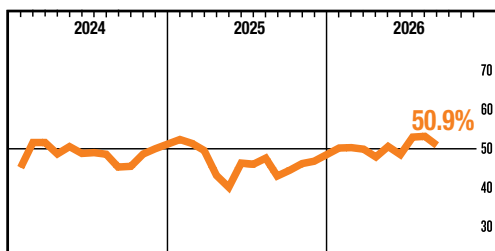
Prices

The ISM Prices Index registered 77.9 percent. In September, the 16 industries that reported paying increased prices for raw materials, in order, are: Petroleum & Coal Products; Textile Mills; Wood Products; Fabricated Metal Products; Primary Metals; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Machinery; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing‡; Computer & Electronic Products; Furniture & Related Products; Chemical Products; Transportation Equipment; and Paper Products.



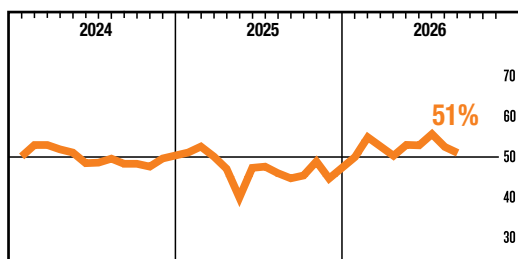
Backlog of Orders

ISM's Backlog of Orders Index registered 56.4 percent. The 10 industries reporting higher backlogs in September — listed in order — are: Computer & Electronic Products; Fabricated Metal Products; Wood Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Primary Metals; Food, Beverage & Tobacco Products; Machinery; and Plastics & Rubber Products.



New Export Orders

ISM's New Export Orders Index registered 50.9 percent. Of the 18 manufacturing industries, the four that reported growth in new export orders in September are: Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Electrical Equipment, Appliances & Components.



Imports

ISM's Imports Index registered 51 percent. The four industries reporting higher imports in September are: Electrical Equipment, Appliances & Components; Transportation Equipment; Plastics & Rubber Products; and Computer & Electronic Products.

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

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **ISM® Manufacturing PMI® Report** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; and Petroleum & Coal Products.

The **ISM® Services PMI® Report** (formerly the Non-Manufacturing ISM® *Report On Business*®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Panel (formerly Non-Manufacturing Business Survey Committee) is diversified by the North American Industry Classification System (NAICS), based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services, and Dating Services). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 47.5 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 47.5 percent, it is generally declining. The distance from 50 percent or 47.5 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 48.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.1 percent, it is generally declining. The distance from 50 percent or 48.1 percent is indicative of the strength of the expansion or decline. With some of the indicators within the ISM® Manufacturing PMI® Report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The ISM® *PMI® Report* surveys are sent out to Manufacturing and Services Business Survey Panel respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

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