

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

The Manufacturing PMI® registered 54 percent. The New Orders Index expanded for the fifth consecutive month after four straight readings in contraction, registering 56.8 percent, up 2.7 percentage points compared to April's figure of 54.1 percent. The May reading of the Production Index (54.3 percent) is 0.9 percentage point higher than April's reading of 53.4 percent. The Prices Index remained in expansion (or "increasing" territory), registering 82.1 percent, a 2.5-percentage point decrease from April's reading of 84.6 percent. The Backlog of Orders Index registered 52.2 percent, up 0.8 percentage point compared to the 51.4 percent recorded in April. In May, U.S. manufacturing activity remained in expansion territory, growing at a faster pace compared to the month before.

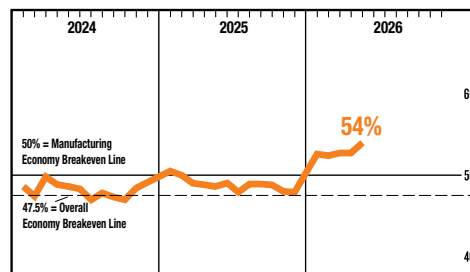
The 16 manufacturing industries reporting growth in May — listed in order — are: Printing & Related Support Activities; Textile Mills; Nonmetallic Mineral Products; Paper Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Primary Metals; Miscellaneous Manufacturing†; Computer & Electronic Products; Furniture & Related Products; Machinery; Transportation Equipment; Petroleum & Coal Products; Chemical Products; Fabricated Metal Products; and Food, Beverage & Tobacco Products. **ISM**

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



MANUFACTURING PMI® at 54%

The U.S. manufacturing sector expanded in May for the fifth straight month following a 10-month period of contraction, registering 54 percent, an increase of 1.3 percentage points as compared to April. This is the highest PMI® reading since it registered 55.9 percent in May 2022. A Manufacturing PMI® above 47.5 percent, over a period of time, generally indicates an expansion of the overall economy. Therefore, the May Manufacturing PMI® indicates the overall economy grew for the 19th straight month.



Manufacturing at a Glance

INDEX	May Index	Apr Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	54.0	52.7	+1.3	Growing	Faster	5
New Orders	56.8	54.1	+2.7	Growing	Faster	5
Production	54.3	53.4	+0.9	Growing	Faster	7
Employment	48.6	46.4	+2.2	Contracting	Slower	32
Supplier Deliveries	60.6	60.6	0.0	Slowing	Same	6
Inventories	49.9	49.0	+0.9	Contracting	Slower	13
Customers' Inventories	42.7	39.1	+3.6	Too Low	Slower	20
Prices	82.1	84.6	-2.5	Increasing	Slower	20
Backlog of Orders	52.2	51.4	+0.8	Growing	Faster	5
New Export Orders	50.6	47.9	+2.7	Growing	From Contracting	1
Imports	53.0	50.3	+2.7	Growing	Faster	4
Overall Economy				Growing	Faster	19
Manufacturing Sector				Growing	Faster	5

*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: Acrylic Products (2); Aluminum (30); Aluminum Products (2); Brass; Carbides; Chemical Products (3); Cooking Fats and Oils (3); Copper (11); Copper Based Products (6); Corn (3); Corrugated Products (2); Diesel Fuel (3); Electronic Components (5); Ethylene; Freight (3); Fuel (3); Gasoline; Maintenance, Repair, and Operating (MRO) Supplies; Memory Components (3); Metal Products (2); Methanol (3); Ocean Freight; Oil (2); Oil Based Products (2); Packaging Materials (2); Paper Products (2); Petroleum Based Products (2); Plastic Based Products (2); Plastics (3); Polyethylene Resins (2); Polypropylene; Resins (4); Soybean Products (3); Steel (7); Steel — Carbon (2); Steel — Hot Rolled (5); Steel — Stainless (4); Steel Products (6); Sulfur Products (2); Transportation Costs (2); Trucking Services; Tungsten Products (4); and Wire and Cable (2).

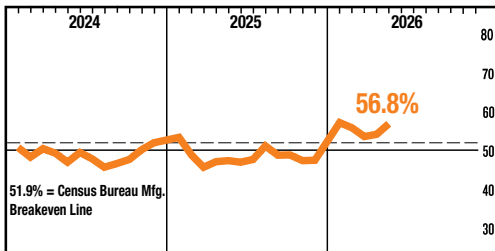
Commodities Down in Price: None.

Commodities in Short Supply: Aluminum (2); Electrical Components (11); Electronic Components (15); Memory (5); Propylene Glycol (2); Resins; Semiconductors (3); Steel Products; and Tungsten Products

Note: To view the full report, visit the ISM® PMI® Reports website at ismrob.org.
 The number of consecutive months the commodity is listed is indicated after each item.

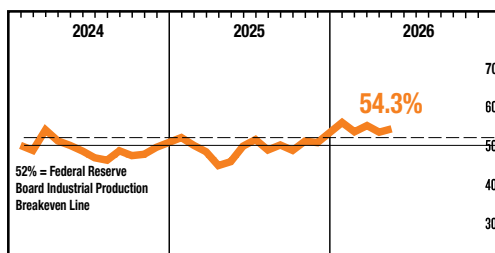
Manufacturing PMI[®]

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



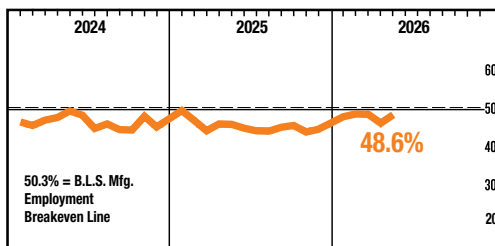
New Orders

ISM's New Orders Index expanded in May with a reading of 56.8 percent. The 14 manufacturing industries that reported growth in new orders in May, in order, are: Nonmetallic Mineral Products; Printing & Related Support Activities; Paper Products; Electrical Equipment, Appliances & Components; Textile Mills; Primary Metals; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; Furniture & Related Products; Chemical Products; Transportation Equipment; Plastics & Rubber Products; Machinery; and Fabricated Metal Products.



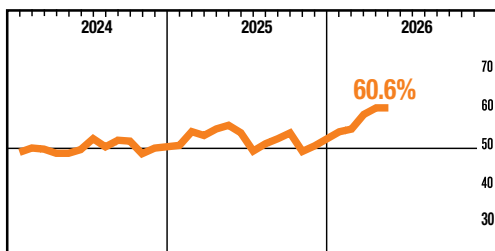
Production

The Production Index registered 54.3 percent. The 14 industries reporting growth in production during the month of May — listed in order — are: Printing & Related Support Activities; Textile Mills; Nonmetallic Mineral Products; Primary Metals; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Paper Products; Fabricated Metal Products; Transportation Equipment; Machinery; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Chemical Products.



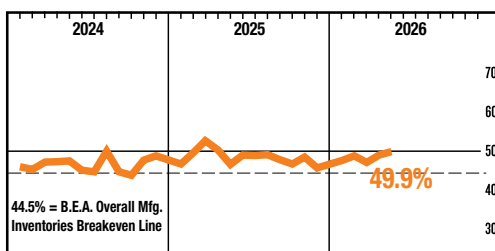
Employment

ISM's Employment Index registered 48.6 percent. Of the 18 manufacturing industries, nine reported employment growth in May, in the following order: Printing & Related Support Activities; Wood Products; Computer & Electronic Products; Furniture & Related Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Machinery.



Supplier Deliveries

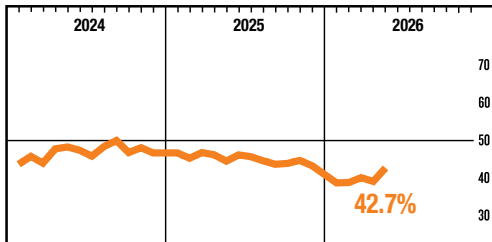
The Supplier Deliveries Index registered 60.6 percent. The 14 manufacturing industries reporting slower supplier deliveries in May, in order, are: Computer & Electronic Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Textile Mills; Food, Beverage & Tobacco Products; Chemical Products; Paper Products; Fabricated Metal Products; Machinery; Miscellaneous Manufacturing[‡]; Furniture & Related Products; Electrical Equipment, Appliances & Components; Primary Metals; and Transportation Equipment.



Inventories

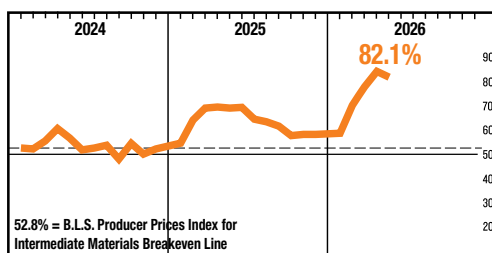
The Inventories Index registered 49.9 percent. Of 18 manufacturing industries, the nine reporting higher inventories in May — in the following order — are: Textile Mills; Petroleum & Coal Products; Paper Products; Electrical Equipment, Appliances & Components; Machinery; Transportation Equipment; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; and Chemical Products.

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



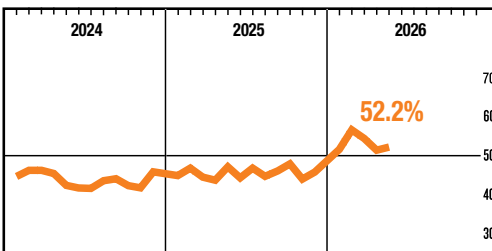
Customers' Inventories

ISM's Customers' Inventories Index remained in "too low" territory in May, with reading of 42.7 percent. The two industries that reported that customers' inventories were too high in May are: Textile Mills; and Miscellaneous Manufacturing[‡].



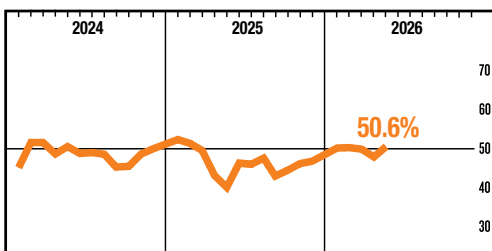
Prices

The ISM Prices Index registered 82.1 percent. In May, the 16 industries that reported paying increased prices for raw materials, in order, are: Furniture & Related Products; Nonmetallic Mineral Products; Paper Products; Plastics & Rubber Products; Printing & Related Support Activities; Textile Mills; Fabricated Metal Products; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; Computer & Electronic Products; Primary Metals; Transportation Equipment; and Wood Products.



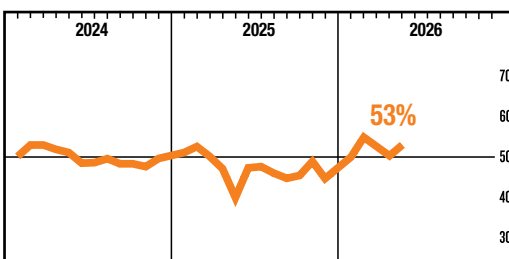
Backlog of Orders

ISM's Backlog of Orders Index registered 52.2 percent. The nine industries reporting higher backlogs in May — listed in order — are: Furniture & Related Products; Nonmetallic Mineral Products; Textile Mills; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Plastics & Rubber Products; Machinery; Fabricated Metal Products; and Transportation Equipment.



New Export Orders

ISM's New Export Orders Index registered 50.6 percent. Of the 18 manufacturing industries, the five that reported growth in new export orders in May are: Primary Metals; Chemical Products; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; and Transportation Equipment.



Imports

ISM's Imports Index registered 53 percent. The eight industries reporting higher imports in May — in the following order — are: Printing & Related Support Activities; Wood Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Transportation Equipment; Machinery; Food, Beverage & Tobacco Products; and Fabricated Metal 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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