

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

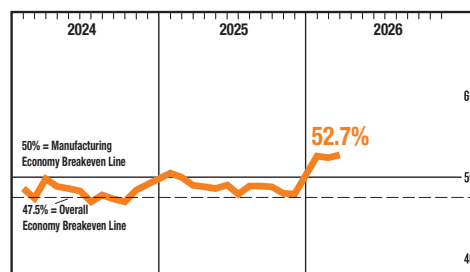
The Manufacturing PMI® registered 52.7 percent. The overall economy continued in expansion for the 17th month in a row. (A Manufacturing PMI® above 47.5 percent, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index expanded for the third straight month after four straight readings in contraction, registering 53.5 percent, down 2.3 percentage points compared to February's figure of 55.8 percent. The March reading of the Production Index (55.1 percent) is 1.6 percentage points higher than February's reading of 53.5 percent. The Prices Index remained in expansion (or "increasing" territory), registering 78.3 percent, a 7.8-percentage point jump from February's reading of 70.5 percent. In the last two months, the Prices Index has increased 19.3 percentage points to reach its highest level since a reading of 78.5 percent in June 2022.

The 13 manufacturing industries reporting growth in March — listed in order — are: Printing & Related Support Activities; Primary Metals; Transportation Equipment; Miscellaneous Manufacturing†; Electrical Equipment, Appliances & Components; Textile Mills; Computer & Electronic Products; Fabricated Metal Products; Machinery; Paper Products; Nonmetallic Mineral Products; Wood Products; and Chemical Products. **ISM**

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

MANUFACTURING PMI® at 52.7%

The U.S. manufacturing sector expanded in March for the third straight month following a 10-month period of contraction, registering 52.7 percent, a 0.3-percentage point increase compared to February's reading of 52.4 percent. Of the five subindexes that directly factor into the Manufacturing PMI®, three (New Orders, Production and Supplier Deliveries) were in expansion territory, the same as in February.



Manufacturing at a Glance

INDEX	Mar Index	Feb Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	52.7	52.4	+0.3	Growing	Faster	3
New Orders	53.5	55.8	-2.3	Growing	Slower	3
Production	55.1	53.5	+1.6	Growing	Faster	5
Employment	48.7	48.8	-0.1	Contracting	Faster	30
Supplier Deliveries	58.9	55.1	+3.8	Slowing	Faster	4
Inventories	47.1	48.8	-1.7	Contracting	Faster	11
Customers' Inventories	40.1	38.8	+1.3	Too Low	Slower	18
Prices	78.3	70.5	+7.8	Increasing	Faster	18
Backlog of Orders	54.4	56.6	-2.2	Growing	Slower	3
New Export Orders	49.9	50.3	-0.4	Contracting	From Growing	1
Imports	52.6	54.9	-2.3	Growing	Slower	2
Overall Economy				Growing	Faster	17
Manufacturing Sector				Growing	Faster	3

*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

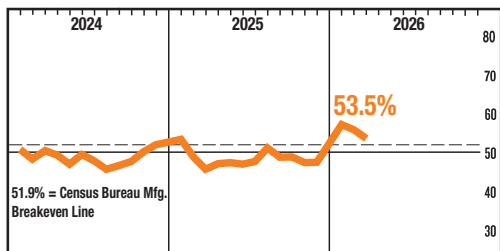
Commodities Up in Price: Aluminum (28); Chemical Products; Cooking Fats; Copper (9); Copper Based Products (4); Corn; Diesel Fuel; Electronic Components (3); Freight; Fuel; Memory Components; Methanol; Natural Gas (2); Plastics; Polypropylene (2); Precious Metals (3); Resins (2); Soybean Products; Steel (5); Steel — Hot Rolled (3); Steel — Stainless (2); Steel Products (4); Titanium Dioxide; and Tungsten Products (2).

Commodities Down in Price: None.

Commodities in Short Supply: Bearing Components; Electrical Components (9); Electronic Components (13); Memory (3); Rare Earth Components (5); and Semiconductors.

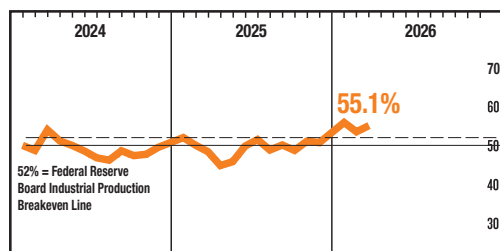
Manufacturing PMI[®]

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



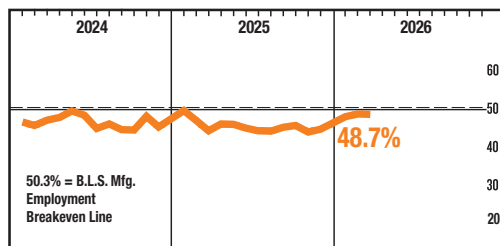
New Orders

ISM's New Orders Index registered 53.5 percent. The 11 manufacturing industries that reported growth in new orders in March, in order, are: Printing & Related Support Activities; Primary Metals; Nonmetallic Mineral Products; Transportation Equipment; Wood Products; Fabricated Metal Products; Computer & Electronic Products; Machinery; Chemical Products; Electrical Equipment, Appliances & Components; and Miscellaneous Manufacturing[‡].



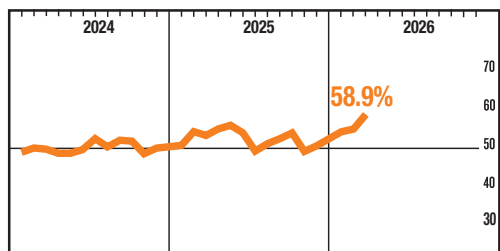
Production

The Production Index registered 55.1 percent. The 10 industries reporting growth in production during the month of March — listed in order — are: Printing & Related Support Activities; Primary Metals; Transportation Equipment; Miscellaneous Manufacturing[‡]; Fabricated Metal Products; Computer & Electronic Products; Machinery; Electrical Equipment, Appliances & Components; Chemical Products; and Nonmetallic Mineral Products.



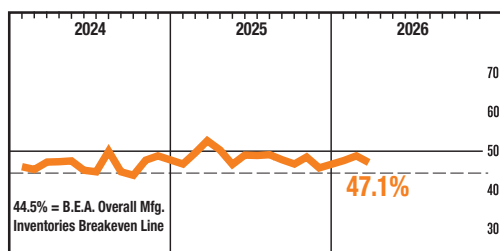
Employment

ISM's Employment Index registered 48.7 percent. Of the 18 manufacturing industries, seven reported employment growth in March in the following order: Nonmetallic Mineral Products; Paper Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Primary Metals; Machinery; and Miscellaneous Manufacturing[‡].



Supplier Deliveries

The Supplier Deliveries Index registered 58.9 percent. The 13 manufacturing industries reporting slower supplier deliveries in March, in order, are: Textile Mills; Paper Products; Apparel, Leather & Allied Products; Computer & Electronic Products; Primary Metals; Furniture & Related Products; Transportation Equipment; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Chemical Products; Food, Beverage & Tobacco Products; Machinery; and Miscellaneous Manufacturing[‡].



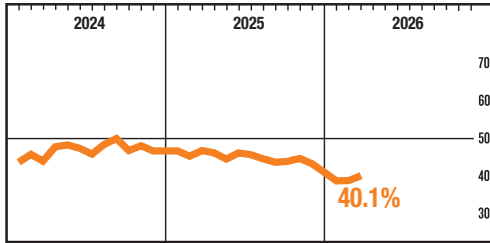
Inventories

The Inventories Index registered 47.1 percent. Of 18 manufacturing industries, the four reporting higher inventories in March are: Miscellaneous Manufacturing[‡]; Wood Products; Electrical Equipment, Appliances & Components; and Furniture & Related Products.

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

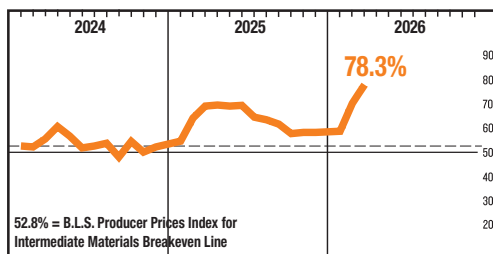
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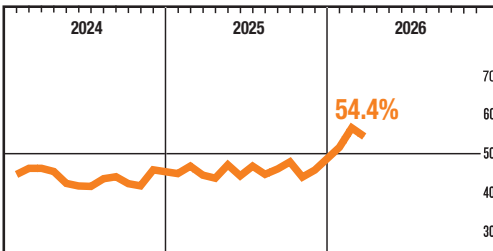
Customers' Inventories

ISM's Customers' Inventories Index registered 40.1 percent. The two industries that reported customers' inventories as too high in March are: Miscellaneous Manufacturing[‡]; and Plastics & Rubber Products.



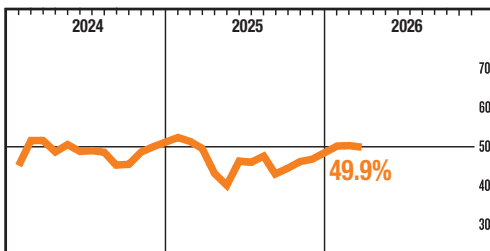
Prices

The ISM Prices Index registered 78.3 percent. In March, the 17 industries that reported paying increased prices for raw materials, in order, are: Petroleum & Coal Products; Textile Mills; Primary Metals; Nonmetallic Mineral Products; Plastics & Rubber Products; Machinery; Chemical Products; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Paper Products; Computer & Electronic Products; Apparel, Leather & Allied Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; and Wood Products.



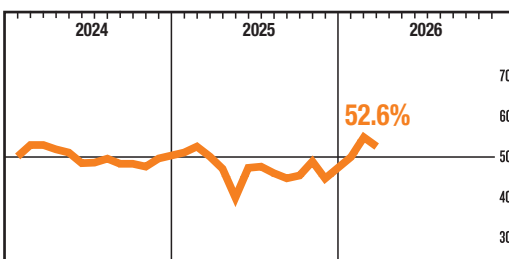
Backlog of Orders

ISM's Backlog of Orders Index registered 54.4 percent. The 10 industries reporting higher backlogs in March — listed in order — are: Apparel, Leather & Allied Products; Primary Metals; Food, Beverage & Tobacco Products; Paper Products; Fabricated Metal Products; Miscellaneous Manufacturing[‡]; Nonmetallic Mineral Products; Plastics & Rubber Products; Computer & Electronic Products; and Electrical Equipment, Appliances & Components.



New Export Orders

ISM's New Export Orders Index registered 49.9 percent. Of the 18 manufacturing industries, the four that reported growth in new export orders in March are: Primary Metals; Transportation Equipment; Chemical Products; and Machinery.



Imports

ISM's Imports Index decreased in March to 52.6 percent. The nine industries reporting higher imports in March — in the following order — are: Apparel, Leather & Allied Products; Wood Products; Transportation Equipment; Food, Beverage & Tobacco Products; Chemical Products; Fabricated Metal Products; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; and Electrical Equipment, Appliances & Components.

[‡]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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