INSTITUTE FOR SUPPLY MANAGEMENT®

ISM® Manufacturing PMI® Report

JULY 2026

Analysis by

Susan Spence, MBA

Chair of the Institute for Supply Management®
Manufacturing Business Survey Committee

MANUFACTURING PMI® at 55.6%

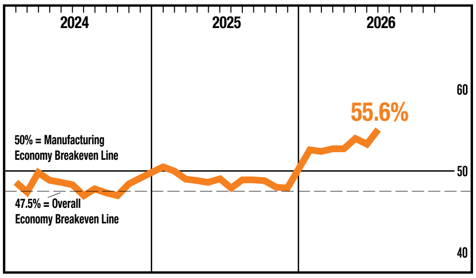
Economic activity in the manufacturing sector expanded in July for the seventh consecutive month, say the nation's supply executives in the latest ISM® *Manufacturing PMI® Report.*

The Manufacturing PMI® registered 55.6 percent. The New Orders Index expanded for the seventh consecutive month after four straight readings in contraction, registering 56.7 percent, up 0.7 percentage point compared to June's figure of 56 percent. The July reading of the Production Index (58.5 percent) is 6.3 percentage points higher than the 52.2 percent recorded in June and the highest figure since November 2021 (60.5 percent). The Prices Index remained in expansion (or "increasing" territory), registering 71.1 percent, a 1.9-percentage point decrease from June's reading of 73 percent. The Backlog of Orders Index registered 55 percent, up 4.5 percentage points compared to the 50.5 percent recorded in June. The Employment Index reading of 52.8 percent is up 3.1 percentage points from June's figure of 49.7 percent, putting the index in expansion territory for the first time in 33 months. The Inventories Index registered 51.2 percent, down 0.2 percentage point compared to June's reading of 51.4 percent.

The 15 manufacturing industries reporting growth in July — listed in order — are: Printing & Related Support Activities; Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Primary Metals; Nonmetallic Mineral Products; Transportation Equipment; Miscellaneous Manufacturing‡; Textile Mills; Machinery; Computer & Electronic Products; Food, Beverage & Tobacco Products; Wood Products; Plastics & Rubber Products; Furniture & Related Products; and Fabricated Metal Products. ISM

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

The U.S. manufacturing sector expanded in July for the seventh straight month following a 10-month period of contraction, registering 55.6 percent, an increase of 2.3 percentage points compared to June. This is the index's highest reading since May 2022, when it registered 55.9 percent. All of the five subindexes that directly factor into the Manufacturing PMI® — the New Orders, Production, Employment, Supplier Deliveries and Inventories indexes — were in expansion territory, one more than in June.



Manufacturing at a Glance

INDEX	Jul Index	Jun Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	55.6	53.3	+2.3	Growing	Faster	7
New Orders	56.7	56.0	+0.7	Growing	Faster	7
Production	58.5	52.2	+6.3	Growing	Faster	9
Employment	52.8	49.7	+3.1	Growing	From Contracting	1
Supplier Deliveries	58.9	57.4	+1.5	Slowing	Faster	8
Inventories	51.2	51.4	-0.2	Growing	Slower	2
Customers' Inventories	40.7	42.3	-1.6	Too Low	Faster	22
Prices	71.1	73.0	-1.9	Increasing	Slower	22
Backlog of Orders	55.0	50.5	+4.5	Growing	Faster	7
New Export Orders	53.0	48.5	+4.5	Growing	From Contracting	1
Imports	55.7	52.9	+2.8	Growing	Faster	6
Overall Economy				**Growing**	**Faster**	**21**
Manufacturing Sector				**Growing**	**Faster**	**7**

*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: Acrylonitrile Butadiene Styrene (ABS); Aluminum* (32); Copper (13); Corn; Corrugated Products (4); Electrical Components (2); Electronic Components (7); Freight (5); Fuel* (5); Integrated Circuits; Memory Components (5); Metal Products (4); Ocean Freight (3); Oil Based Products (4); Paper Products (4); Plastic Based Products (4); Plastics (5); Printed Circuit Boards; Resin Based Products; Resins (6); Semiconductors (2); Soybean Meal; Steel (9); Steel — Cold Rolled; Steel — Hot Rolled (7); Steel — Stainless (6); Steel Products (8); and Sulfur Products (4).

Commodities Down in Price: Aluminum*(2); Fuel* (2); and Polypropylene Resin (2).

Commodities in Short Supply: Aluminum; Copper; Electrical Components (13); Electronic Components (17); Integrated Circuits; Memory (7); Oil Based Products; Printed Circuit Boards; Rare Earth Components; Semiconductors (5); Steel; Steel — Hot Rolled (2); and Tungsten Products.

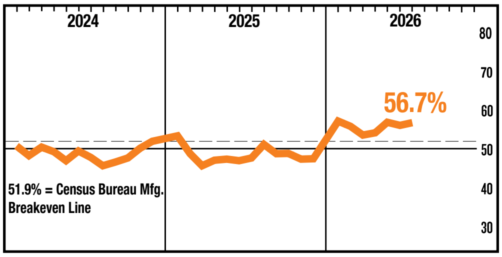
Note: To view the full report, visit the ISM® PMI® Reports website at ismrob.org.
*The number of consecutive months the commodity is listed is indicated after each item. *Indicates both up and down in price.*

ISM® PMI® Reports

July 2026

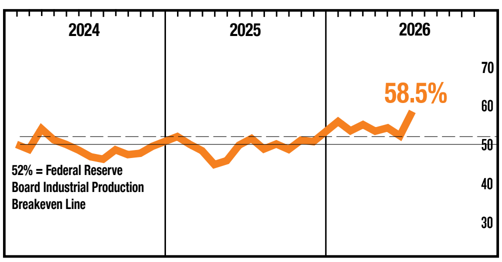
Manufacturing PMI®

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



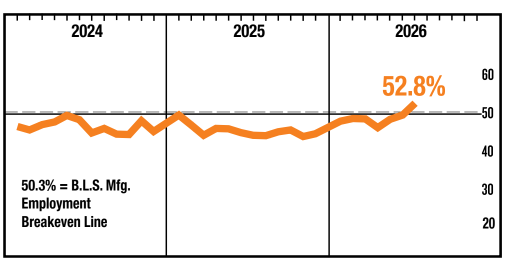
New Orders

ISM's New Orders Index expanded in July with a reading of 56.7 percent. The 12 manufacturing industries that reported growth in new orders in July, in order, are: Electrical Equipment, Appliances & Components; Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Printing & Related Support Activities; Plastics & Rubber Products; Primary Metals; Machinery; Furniture & Related Products; Transportation Equipment; Computer & Electronic Products; Miscellaneous Manufacturing‡; and Fabricated Metal Products.



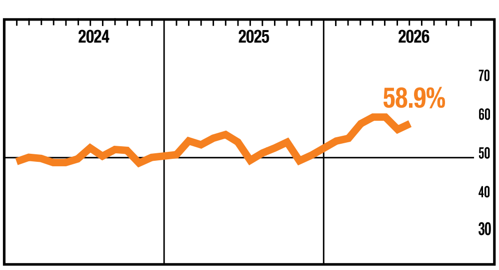
Production

The Production Index registered 58.5 percent. The 12 industries reporting growth in production during the month of July — listed in order — are: Textile Mills; Primary Metals; Printing & Related Support Activities; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Computer & Electronic Products; Miscellaneous Manufacturing‡; Machinery; Chemical Products; Fabricated Metal Products; and Plastics & Rubber Products.



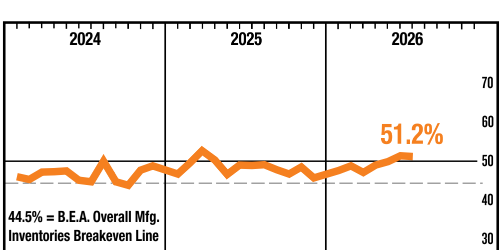
Employment

ISM's Employment Index registered 52.8 percent. Of the 18 manufacturing industries, six reported employment growth in July, in the following order: Printing & Related Support Activities; Miscellaneous Manufacturing‡; Electrical Equipment, Appliances & Components; Transportation Equipment; Food, Beverage & Tobacco Products; and Computer & Electronic Products.



Supplier Deliveries

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



Inventories

The Inventories Index registered 51.2 percent. Of 18 manufacturing industries, the eight reporting higher inventories in July — in the following order — are: Textile Mills; Apparel, Leather & Allied Products; Printing & Related Support Activities; Wood Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Transportation Equipment; and Fabricated Metal Products.

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

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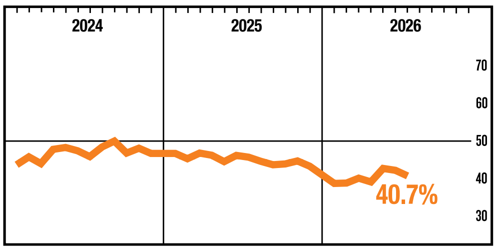
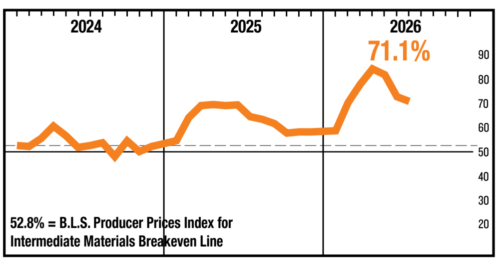


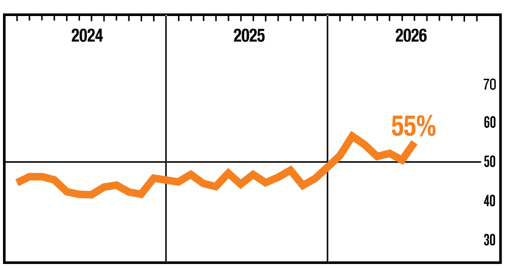
Customers' Inventories

ISM's Customers' Inventories Index registered 40.7 percent. The two industries that reported that customers' inventories were too high in July are: Nonmetallic Mineral Products; and Miscellaneous Manufacturing‡.



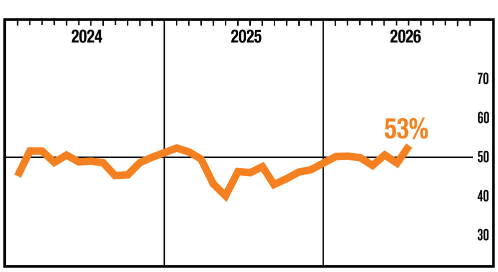
Prices

The ISM Prices Index registered 71.1 percent. In July, the 14 industries that reported paying increased prices for raw materials, in order, are: Textile Mills; Wood Products; Paper Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Nonmetallic Mineral Products; Primary Metals; Computer & Electronic Products; Miscellaneous Manufacturing‡; Machinery; Fabricated Metal Products; Transportation Equipment; Chemical Products; and Food, Beverage & Tobacco Products.



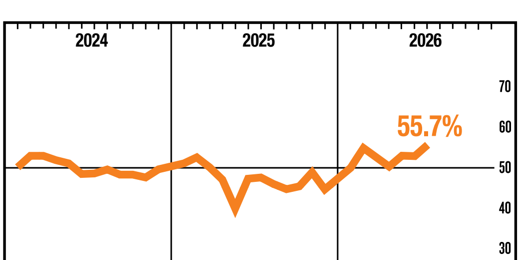
Backlog of Orders

ISM's Backlog of Orders Index registered 55 percent. The 11 industries reporting higher backlogs in July — listed in order — are: Plastics & Rubber Products; Textile Mills; Furniture & Related Products; Electrical Equipment, Appliances & Components; Paper Products; Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing‡; Primary Metals; and Fabricated Metal Products.



New Export Orders

ISM's New Export Orders Index registered 53 percent. Of the 18 manufacturing industries, the four that reported growth in new export orders in July are: Furniture & Related Products; Computer & Electronic Products; Chemical Products; and Transportation Equipment.



Imports

ISM's Imports Index registered 55.7 percent. The nine industries reporting higher imports in July — in the following order — are: Paper Products; Transportation Equipment; Chemical Products; Miscellaneous Manufacturing‡; Plastics & Rubber Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; and Machinery.

‡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.

About Institute for Supply Management® (ISM®)

Institute for Supply Management® (ISM®) is the first and leading not-for-profit professional supply management organization worldwide. Its community of more than 50,000 in more than 100 countries around the world manage about US$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 by practitioners, ISM is committed to advancing the strategy and practice of integrated, end-to-end supply chain management through leading edge data-driven resources, community, and education to empower individuals, create organizational value and to drive competitive advantage. ISM's vision is to foster a prosperous, sustainable world. ISM empowers and leads the profession through the ISM® *PMI® Reports* (formerly *Report On Business®*), its highly-regarded certification and training programs, corporate services, events and assessments. The ISM® *PMI® Reports* — Manufacturing and Services — are two of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. For more information, please visit: www.ismworld.org.