INSTITUTE FOR SUPPLY MANAGEMENT®

ISM® Manufacturing PMI® Report

OCTOBER 2026

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

Economic activity in the manufacturing sector expanded in October for the 10th consecutive month, say the nation's supply executives in the latest ISM® *Manufacturing PMI® Report*.

The Manufacturing PMI® registered 55.5 percent. The New Orders Index expanded for the 10th consecutive month after four straight readings in contraction, registering 55.5 percent, up 0.2 percentage point compared to September's figure of 55.3 percent. The October reading of the Production Index (59 percent) is 2.3 percentage points higher than the 56.7 percent recorded in September and the highest since November 2021 (60.5 percent). The Prices Index remained in expansion (or "increasing" territory), registering 75.2 percent, a 2.7-percentage point decrease compared to September's reading of 77.9 percent. The Backlog of Orders Index registered 54.6 percent, down 1.8 percentage points compared to the 56.4 percent recorded in September. The Employment Index reading of 52.4 percent is down 0.3 percentage point from September's figure of 52.7 percent. Of the five subindexes that make up the PMI®, four (New Orders, Production, Supplier Deliveries and Inventories) grew faster than the previous month, while Employment growth slowed down by 0.3 percentage point.

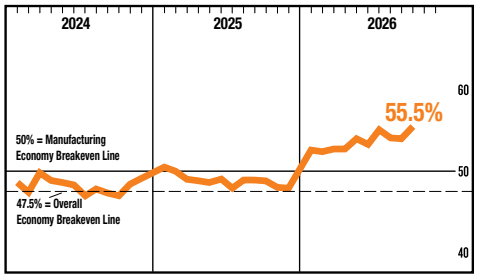
The 12 manufacturing industries reporting growth in October are: Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Machinery; Computer & Electronic Products; Textile Mills; Primary Metals; Transportation Equipment; Fabricated Metal Products; Furniture & Related Products; Chemical Products; Miscellaneous Manufacturing‡; and Food, Beverage & Tobacco Products. ISM

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

ISM®
THE COMMUNITY FOR SUPPLY CHAIN

MANUFACTURING PMI® at 55.5%

The U.S. manufacturing sector expanded in October for the 10th straight month following a 10-month period of contraction, registering 55.5 percent, an increase of 1 percentage point compared to September. All five subindexes that directly factor into the Manufacturing PMI® — New Orders, Production, Employment, Supplier Deliveries and Inventories — were in expansion territory, one more than in September.



Manufacturing at a Glance

INDEX	Oct Index	Sep Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	55.5	54.5	+1.0	Growing	Faster	10
New Orders	55.5	55.3	+0.2	Growing	Faster	10
Production	59.0	56.7	+2.3	Growing	Faster	12
Employment	52.4	52.7	-0.3	Growing	Slower	4
Supplier Deliveries	59.1	59.0	+0.1	Slowing	Faster	11
Inventories	51.4	48.6	+2.8	Growing	From Contracting	1
Customers' Inventories	41.6	41.6	0.0	Too Low	Same	25
Prices	75.2	77.9	-2.7	Increasing	Slower	25
Backlog of Orders	54.6	56.4	-1.8	Growing	Slower	10
New Export Orders	51.2	50.9	+0.3	Growing	Faster	4
Imports	52.9	51.0	+1.9	Growing	Faster	9
Overall Economy				**Growing**	**Faster**	**24**
Manufacturing Sector				**Growing**	**Faster**	**10**

*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* (35); Copper (16); Corrugated Products (7); Diesel Fuel (3); Electronic Components (10); Energy; Freight (8); Fuel (8); Memory Components (8); Methanol; Oil Based Products (7); Paper Products; Printed Circuit Boards (4); Resins (9); Semiconductors (5); Steel (12); Steel — Hot Rolled (10); Steel — Stainless (9); Steel Products (11); and Tungsten.

Commodities Down in Price: Aluminum*; and Polypropylene Resin.

Commodities in Short Supply: Aluminum Products (2); Copper (4); Electrical Components (16); Electronic Components (20); Integrated Circuits; Memory (10); Printed Circuit Boards (4); and Steel (4).

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.*

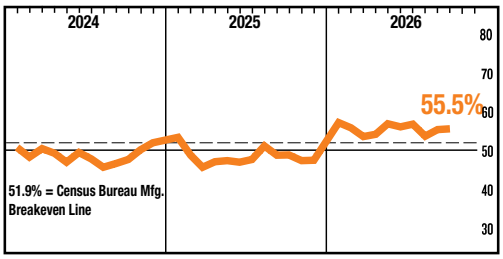
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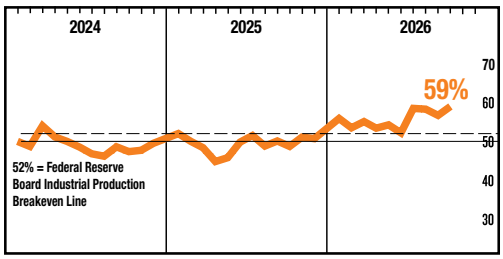
Manufacturing PMI®

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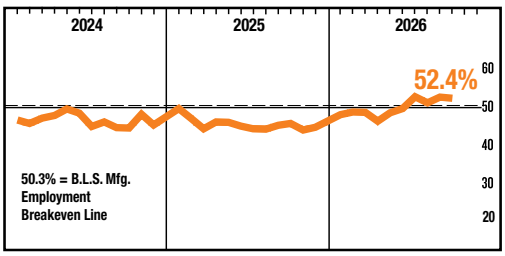
New Orders

ISM's New Orders Index registered 55.5 percent. The 11 manufacturing industries that reported growth in new orders in October, in order, are: Textile Mills; Electrical Equipment, Appliances & Components; Machinery; Primary Metals; Computer & Electronic Products; Miscellaneous Manufacturing‡; Plastics & Rubber Products; Transportation Equipment; Chemical Products; Fabricated Metal Products; and Paper Products.



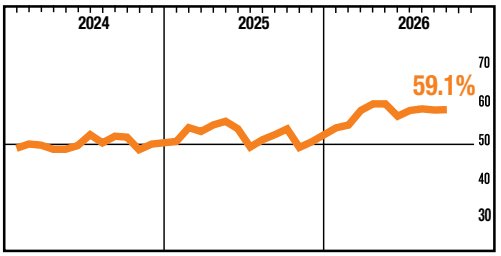
Production

The Production Index registered 59 percent. The 11 industries reporting growth in production during the month of October — listed in order — are: Primary Metals; Computer & Electronic Products; Plastics & Rubber Products; Textile Mills; Transportation Equipment; Machinery; Miscellaneous Manufacturing‡; Chemical Products; Paper Products; Fabricated Metal Products; and Nonmetallic Mineral Products.



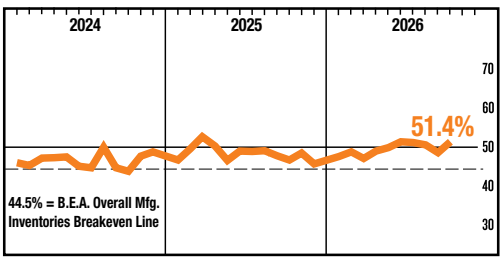
Employment

ISM's Employment Index registered 52.4 percent. Of the 18 manufacturing industries, eight reported employment growth in October, in the following order: Plastics & Rubber Products; Wood Products; Machinery; Electrical Equipment, Appliances & Components; Primary Metals; Transportation Equipment; Computer & Electronic Products; and Food, Beverage & Tobacco Products.



Supplier Deliveries

The Supplier Deliveries Index registered 59.1 percent. The 12 manufacturing industries reporting slower supplier deliveries in October, in order, are: Electrical Equipment, Appliances & Components; Fabricated Metal Products; Computer & Electronic Products; Machinery; Nonmetallic Mineral Products; Furniture & Related Products; Primary Metals; Plastics & Rubber Products; Transportation Equipment; Chemical Products; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing‡.



Inventories

The Inventories Index registered 51.4 percent. Of 18 manufacturing industries, the seven reporting higher inventories in October — in the following order — are: Printing & Related Support Activities; Plastics & Rubber Products; Textile Mills; Food, Beverage & Tobacco Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Machinery.

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

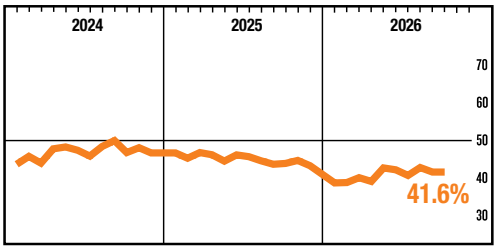
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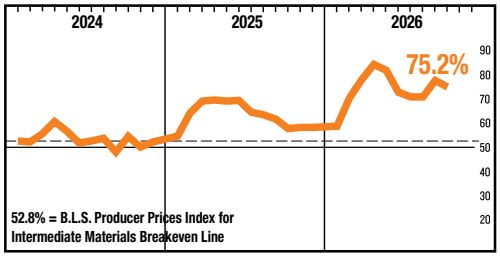
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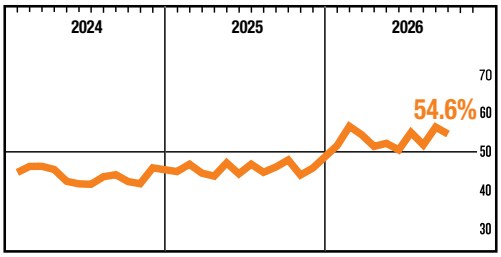
Customers' Inventories

ISM's Customers' Inventories Index registered 41.6 percent. No industry reported that customers' inventories were too high in October. The 11 industries reporting customers' inventories as too low, in order, are: Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Primary Metals; Paper Products; Fabricated Metal Products; Chemical Products; Food, Beverage & Tobacco Products; Transportation Equipment; Machinery; Miscellaneous Manufacturing‡; and Computer & Electronic Products.



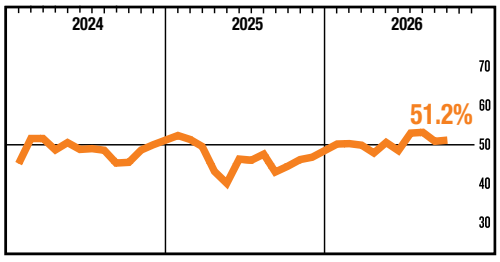
Prices

The ISM Prices Index registered 75.2 percent. In October, the 16 industries that reported paying increased prices for raw materials, in order, are: Furniture & Related Products; Printing & Related Support Activities; Fabricated Metal Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Machinery; Paper Products; Textile Mills; Wood Products; Miscellaneous Manufacturing‡; Computer & Electronic Products; Primary Metals; Chemical Products; Plastics & Rubber Products; Transportation Equipment; and Food, Beverage & Tobacco Products.



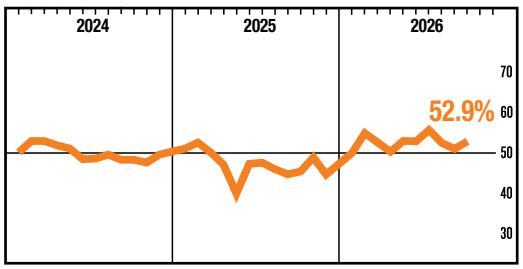
Backlog of Orders

ISM's Backlog of Orders Index registered 54.6 percent. The 11 industries reporting higher backlogs in October — listed in order — are: Textile Mills; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Fabricated Metal Products; Paper Products; Primary Metals; Machinery; Miscellaneous Manufacturing‡; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Transportation Equipment.



New Export Orders

ISM's New Export Orders Index registered 51.2 percent. Of the 18 manufacturing industries, the two that reported growth in new export orders in October are: Chemical Products; and Transportation Equipment.



Imports

ISM's Imports Index registered 52.9 percent. The seven industries reporting higher imports in October — listed in order — are: Plastics & Rubber Products; Miscellaneous Manufacturing‡; Primary Metals; Computer & Electronic Products; Transportation Equipment; Food, Beverage & Tobacco Products; 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.

ISM PMI® Content

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ISM is the world's first professional association for supply chain — founded in 1915, before the term 'supply chain' was widely used. We didn't enter this profession. We helped shape it. Today, we're a community of 200,000-plus professionals in more than 100 countries — early-career practitioners building credentials, experienced leaders seeking strategic insight, and organizations developing their procurement teams that drive their business forward. What connects us is a shared belief that supply chain is strategic work that deserves world-class support. For more information, please visit: www.ismworld.org.