

Economic activity in the manufacturing sector grew in August, with the overall economy notching a fourth consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

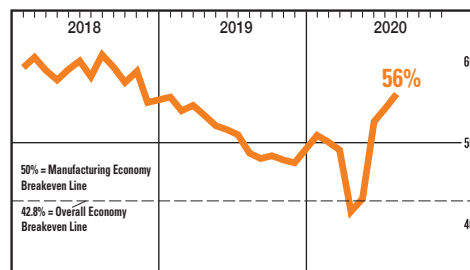
The August PMI® registered 56 percent. This figure indicates expansion in the overall economy for the fourth month in a row after a contraction in April, which ended a period of 131 consecutive months of growth. The New Orders Index registered 67.6 percent, an increase of 6.1 percentage points from the July reading of 61.5 percent. The Production Index registered 63.3 percent, up 1.2 percentage points compared to the July reading of 62.1 percent. The Backlog of Orders Index registered 54.6 percent, an increase of 2.8 percentage points compared to the July reading of 51.8 percent. The Employment Index registered 46.4 percent, an increase of 2.1 percentage points from the July reading of 44.3 percent. The Supplier Deliveries Index registered 58.2 percent, up 2.4 percentage points from the July figure of 55.8 percent. Of the 18 manufacturing industries, 15 reported growth in August, in the following order: Wood Products; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Textile Mills; Chemical Products; Computer & Electronic Products; Primary Metals; Fabricated Metal Products; Machinery; Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing*[†]; Electrical Equipment, Appliances & Components; Paper Products; and Transportation Equipment. **ISM**

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



MANUFACTURING PMI® at 56%

Manufacturing grew in August, as the PMI® registered 56 percent, 1.8 percentage points higher than the July reading of 54.2 percent. The PMI® signaled a continued rebuilding of economic activity in August and reached its highest level of expansion since November 2018, when the index registered 58.8 percent. Five of the big six industry sectors expanded. The New Orders and Production indexes



continued at strong expansion levels. The Supplier Deliveries Index now better reflects supplier's difficulty in maintaining delivery rates due to factory labor safety issues and transportation difficulties. Eight of the 10 subindexes were positive for the period. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

Manufacturing at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	56.0	54.2	+1.8	Growing	Faster	3
New Orders	67.6	61.5	+6.1	Growing	Faster	3
Production	63.3	62.1	+1.2	Growing	Faster	3
Employment	46.4	44.3	+2.1	Contracting	Slower	13
Supplier Deliveries	58.2	55.8	+2.4	Slowing	Faster	10
Inventories	44.4	47.0	-2.6	Contracting	Faster	2
Customers' Inventories	38.1	41.6	-3.5	Too Low	Faster	47
Prices	59.5	53.2	+6.3	Increasing	Faster	3
Backlog of Orders	54.6	51.8	+2.8	Growing	Faster	2
New Export Orders	53.3	50.4	+2.9	Growing	Faster	2
Imports	55.6	53.1	+2.5	Growing	Faster	2
Overall Economy				Growing	Faster	4
Manufacturing Sector				Growing	Faster	3

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



Commodities Reported

Commodities Up in Price: Aluminum (3); Copper (3); Crude Oil (4); Freight; High-Density Polyethylene (2); Lumber (2); Natural Gas; Packaging Materials; Polyethylene; Polypropylene (2); Precious Metals (2); Propylene; Steel*; Steel — Scrap; and Steel — Stainless.

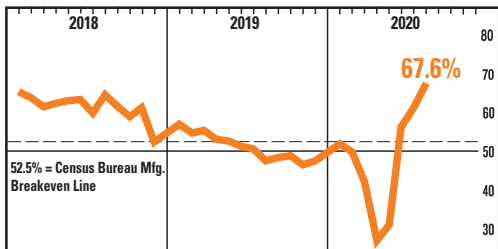
Commodities Down in Price: Steel*; and Steel — Hot Rolled (2).

Commodities in Short Supply: Aluminum Cans; Electronic Components; Freight; Lumber; and Personal Protective Equipment (PPE) — Gloves (6).

Note: The number of consecutive months the commodity is listed is indicated after each item.*Reported as both up and down in price.

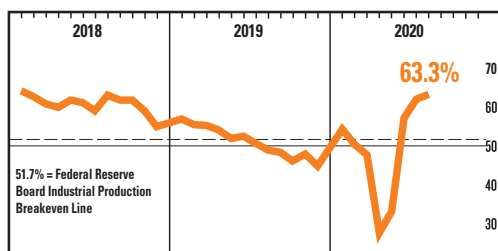
Manufacturing PMI[®]

Analysis by **Timothy R. Fiore, CPSM, C.P.M.**, Chair of the Institute for Supply Management[®] Manufacturing Business Survey Committee



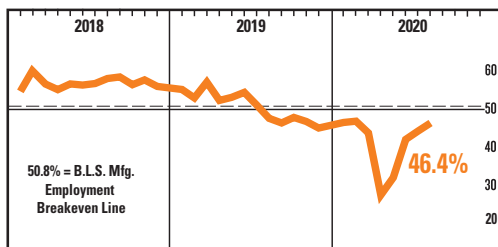
New Orders

ISM's New Orders Index registered 67.6 percent. Of the 18 manufacturing industries, the 15 that reported growth in new orders in August — in the following order — are: Primary Metals; Plastics & Rubber Products; Wood Products; Computer & Electronic Products; Chemical Products; Nonmetallic Mineral Products; Machinery; Paper Products; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Fabricated Metal Products; Furniture & Related Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; and Electrical Equipment, Appliances & Components.



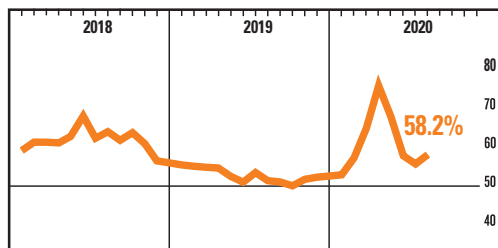
Production

The Production Index registered 63.3 percent. The 15 industries reporting growth in production during the month of August — listed in order — are: Wood Products; Primary Metals; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Transportation Equipment; Textile Mills; Machinery; Food, Beverage & Tobacco Products; Fabricated Metal Products; Petroleum & Coal Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; and Paper Products.



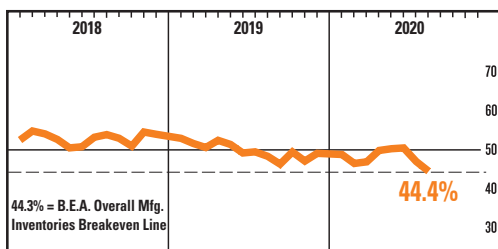
Employment

ISM's Employment Index registered 46.4 percent. Of the 18 manufacturing industries, the eight industries to report employment growth in August — in the following order — are: Textile Mills; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Computer & Electronic Products; Fabricated Metal Products; and Miscellaneous Manufacturing[‡].



Supplier Deliveries

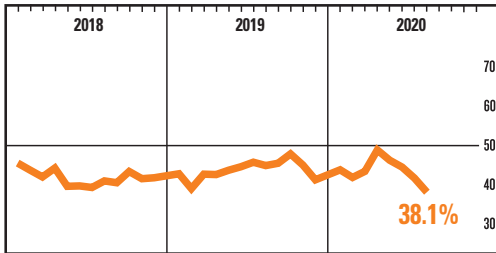
The delivery performance of suppliers to manufacturing organizations was slower in August, as the Supplier Deliveries Index registered 58.2 percent. Eleven of 18 industries reported slower supplier deliveries in August, listed in the following order: Printing & Related Support Activities; Wood Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Chemical Products; Textile Mills; Computer & Electronic Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Machinery; and Miscellaneous Manufacturing[‡].



Inventories

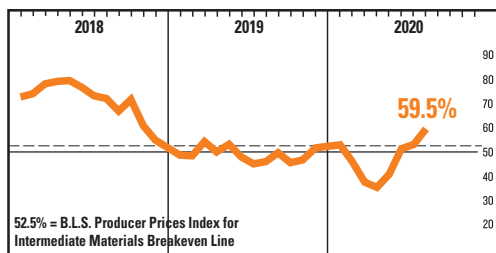
The Inventories Index registered 44.4 percent. The two industries reporting higher inventories in August are: Apparel, Leather & Allied Products; and Plastics & Rubber Products.

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



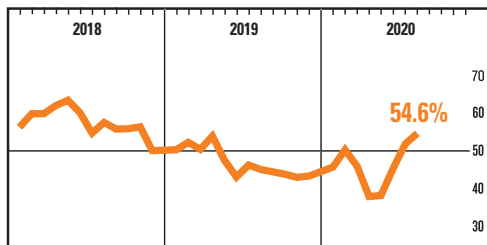
Customers' Inventories

ISM's Customers' Inventories Index registered 38.1 percent. Of the 18 industries, the two reporting higher customers' inventories in August are: Nonmetallic Mineral Products; and Miscellaneous Manufacturing[‡].



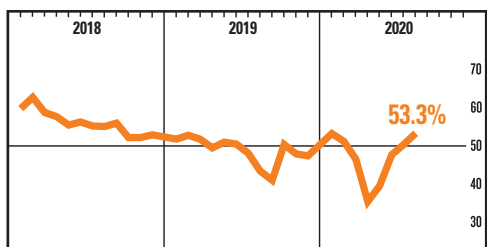
Prices

The ISM Prices Index registered 59.5 percent. The 17 industries reporting paying increased prices for raw materials in August — listed in order — are: Textile Mills; Apparel, Leather & Allied Products; Plastics & Rubber Products; Printing & Related Support Activities; Wood Products; Primary Metals; Chemical Products; Petroleum & Coal Products; Furniture & Related Products; Fabricated Metal Products; Computer & Electronic Products; Nonmetallic Mineral Products; Machinery; Miscellaneous Manufacturing[‡]; Transportation Equipment; Electrical Equipment, Appliances & Components; and Food, Beverage & Tobacco Products.



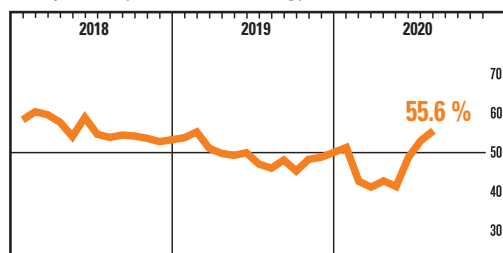
Backlog of Orders

ISM's Backlog of Orders Index registered 54.6 percent. The nine industries reporting growth in order backlogs in August, in the following order, are: Wood Products; Primary Metals; Fabricated Metal Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Chemical Products; and Machinery.



New Export Orders

ISM's New Export Orders Index registered 53.3 percent. The nine industries reporting growth in new export orders in August — in the following order — are: Furniture & Related Products; Textile Mills; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Chemical Products; Food, Beverage & Tobacco Products; Transportation Equipment; Computer & Electronic Products; and Machinery.



Imports

ISM's Imports Index registered 55.6 percent. The 14 industries reporting growth in imports in August — in the following order — are: Apparel, Leather & Allied Products; Printing & Related Support Activities; Wood Products; Textile Mills; Plastics & Rubber Products; Miscellaneous Manufacturing[‡]; Paper Products; Transportation Equipment; Machinery; Chemical Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Fabricated Metal Products; and Computer & Electronic Products.

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