

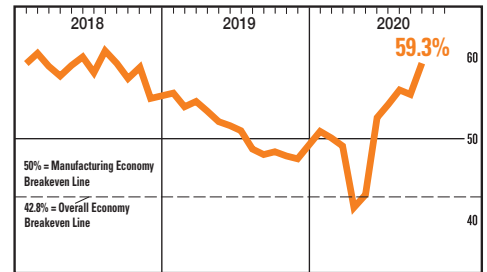
Economic activity in the manufacturing sector grew in October, with the overall economy notching a sixth consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The October Manufacturing PMI® registered 59.3 percent. The New Orders Index registered 67.9 percent, an increase of 7.7 percentage points from the September reading of 60.2 percent. The Production Index registered 63 percent, an increase of 2 percentage points compared to the September reading of 61 percent. The Backlog of Orders Index registered 55.7 percent, 0.5 percentage point higher compared to the September reading of 55.2 percent. The Employment Index registered 53.2 percent, an increase of 3.6 percentage points from the September reading of 49.6 percent. The Supplier Deliveries Index registered 60.5 percent, up 1.5 percentage points from the September figure of 59 percent.

Of the 18 manufacturing industries, 15 reported growth in October, in the following order: Apparel, Leather & Allied Products; Fabricated Metal Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Machinery; Furniture & Related Products; Paper Products; Wood Products; Chemical Products; Primary Metals; Computer & Electronic Products; Transportation Equipment; Electrical Equipment, Appliances & Components; and Miscellaneous Manufacturing†. **ISM**

MANUFACTURING PMI® at 59.3%

Manufacturing grew in October, as the Manufacturing PMI® registered 59.3 percent, 3.9 percentage points higher than the September reading of 55.4 percent. The month-over-month gain of 3.9 percentage points is the second-biggest positive change in the Manufacturing PMI® since May 2009, when it increased by 4.2 percentage points. (There was a 9.5-percentage point increase in June



2020, as activity picked up significantly after coronavirus-induced shutdowns.) The Manufacturing PMI® signaled a continued rebuilding of economic activity in October, with all five contributing subindexes in moderate to strong growth territory. Five (Fabricated Metal Products; Food, Beverage & Tobacco Products; Chemical Products; Computer & Electronic Products; and Transportation Equipment) of the big six industry sectors continue to expand.

Manufacturing at a Glance

INDEX	Oct Index	Sep Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	59.3	55.4	+3.9	Growing	Faster	5
New Orders	67.9	60.2	+7.7	Growing	Faster	5
Production	63.0	61.0	+2.0	Growing	Faster	5
Employment	53.2	49.6	+3.6	Growing	From Contracting	1
Supplier Deliveries	60.5	59.0	+1.5	Slowing	Faster	12
Inventories	51.9	47.1	+4.8	Growing	From Contracting	1
Customers' Inventories	36.7	37.9	-1.2	Too Low	Faster	49
Prices	65.5	62.8	+2.7	Increasing	Faster	5
Backlog of Orders	55.7	55.2	+0.5	Growing	Faster	4
New Export Orders	55.7	54.3	+1.4	Growing	Faster	4
Imports	58.1	54.0	+4.1	Growing	Faster	4
Overall Economy				Growing	Faster	6
Manufacturing Sector				Growing	Faster	5

*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 (5); Aluminum Products; Base Oils; Copper (5); Corn; Corrugate; Ethylene; Freight; High-Density Polyethylene (HDPE) Products (4); Lumber (4); Plastic Products; Plastic Resins (2); Polyethylene Film; Polyethylene Resins; Polyethylene Terephthalate (PET) Bottles; Polypropylene (4); Polyvinyl Chloride; Precious Metals (4); Propylene; Soybean Products; Steel (3); Steel — Cold Rolled; Steel — Galvanized; Steel — Hot Rolled (2); Steel Products (2); and Wood Pallets.

Commodities Down in Price: Caustic Soda.

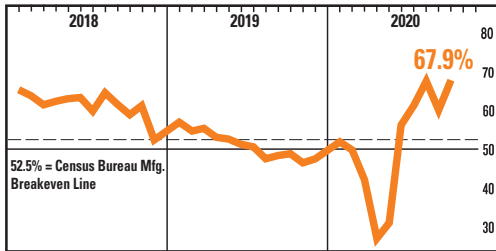
Commodities in Short Supply: Aluminum Products; Capacitors (2); Electrical Components; Labor — Temporary; Lumber; Personal Protective Equipment (PPE) — Gloves (8); Freight; Polyvinyl Chloride; Resistors; and Steel Products.

Note: The number of consecutive months the commodity is listed is indicated after each item.

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

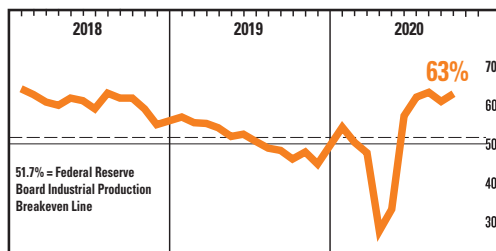
Manufacturing PMI®

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



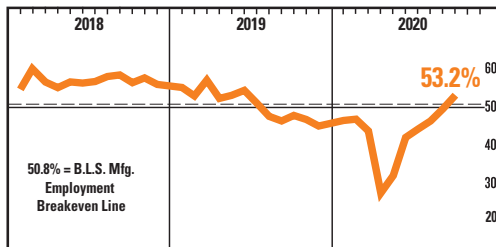
New Orders

The New Orders Index registered 67.9 percent. Of the 18 manufacturing industries, the 16 that reported growth in new orders in October — in the following order — are: Apparel, Leather & Allied Products; Wood Products; Plastics & Rubber Products; Primary Metals; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Computer & Electronic Products; Paper Products; Food, Beverage & Tobacco Products; Machinery; Chemical Products; Petroleum & Coal Products; Transportation Equipment; Nonmetallic Mineral Products; and Miscellaneous Manufacturing[‡].



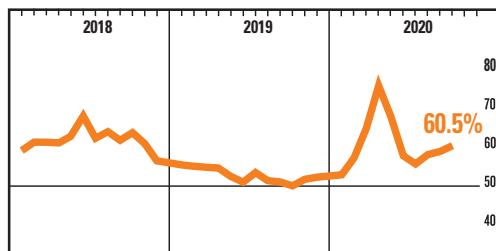
Production

The Production Index registered 63 percent. The 11 industries reporting growth in production during the month of October — listed in order — are: Nonmetallic Mineral Products; Fabricated Metal Products; Plastics & Rubber Products; Primary Metals; Food, Beverage & Tobacco Products; Machinery; Paper Products; Transportation Equipment; Chemical Products; Electrical Equipment, Appliances & Components; and Computer & Electronic Products. The only industry reporting decreased production in October is Textile Mills.



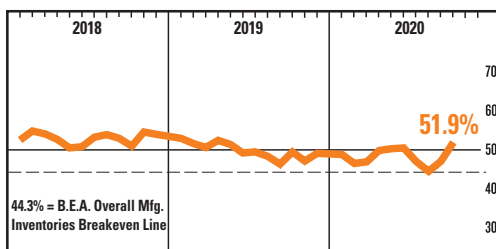
Employment

ISM's Employment Index registered 53.2 percent. Of the 18 manufacturing industries, the 11 industries to report employment growth in October — in the following order — are: Apparel, Leather & Allied Products; Wood Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Plastics & Rubber Products; Primary Metals; Nonmetallic Mineral Products; Computer & Electronic Products; Machinery; Transportation Equipment; and Chemical Products.



Supplier Deliveries

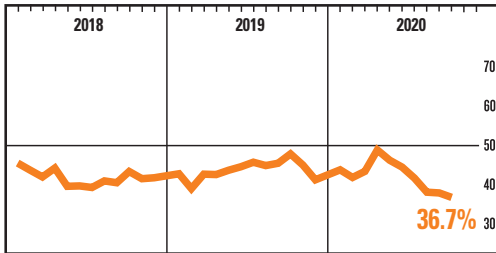
The delivery performance of suppliers to manufacturing organizations was slower in October, as the Supplier Deliveries Index registered 60.5 percent. Fifteen industries reported slower supplier deliveries in October, listed in the following order: Textile Mills; Fabricated Metal Products; Furniture & Related Products; Wood Products; Paper Products; Plastics & Rubber Products; Machinery; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Nonmetallic Mineral Products; Chemical Products; Computer & Electronic Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; and Electrical Equipment, Appliances & Components.



Inventories

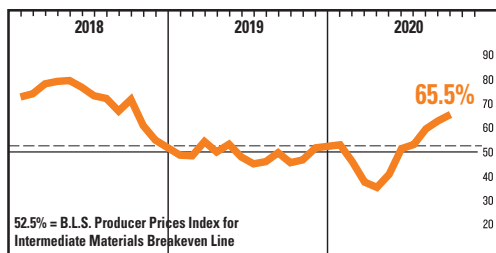
The Inventories Index registered 51.9 percent. The six industries reporting higher inventories in October — in the following order — are: Nonmetallic Mineral Products; Miscellaneous Manufacturing[‡]; Furniture & Related Products; Paper Products; Food, Beverage & Tobacco Products; and Chemical Products.

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



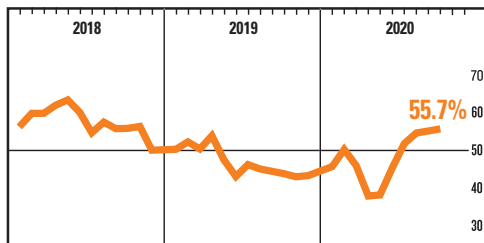
Customers' Inventories

ISM's Customers' Inventories Index registered 36.7 percent. Of the 18 industries, the only one reporting higher customers' inventories in October is Printing & Related Support Activities. The 15 industries reporting customers' inventories as too low during October — listed in order — are: Textile Mills; Paper Products; Wood Products; Plastics & Rubber Products; Machinery; Fabricated Metal Products; Furniture & Related Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Primary Metals; Transportation Equipment; Chemical Products; Nonmetallic Mineral Products; Computer & Electronic Products; and Miscellaneous Manufacturing[‡].



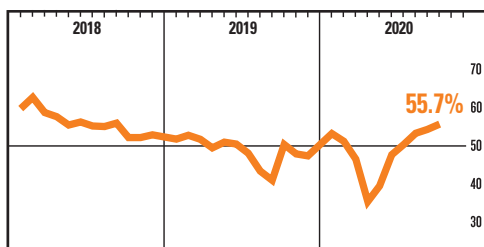
Prices

The ISM Prices Index registered 65.5 percent. The 15 industries reporting paying increased prices for raw materials in October — listed in order — are: Apparel, Leather & Allied Products; Wood Products; Paper Products; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Machinery; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Primary Metals; Chemical Products; Textile Mills; Computer & Electronic Products; Transportation Equipment; and Miscellaneous Manufacturing[‡].



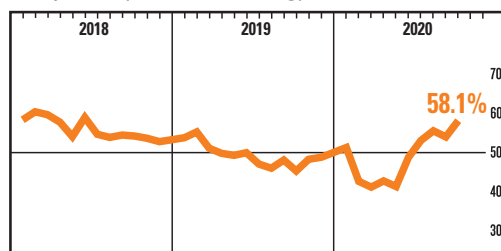
Backlog of Orders

ISM's Backlog of Orders Index registered 55.7 percent. The 10 industries reporting growth in order backlogs in October, in the following order, are: Wood Products; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Paper Products; Machinery; Computer & Electronic Products; and Chemical Products.



New Export Orders

ISM's New Export Orders Index registered 55.7 percent. The 11 industries reporting growth in new export orders in October — in the following order — are: Wood Products; Primary Metals; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Machinery; Miscellaneous Manufacturing[‡]; Transportation Equipment; Fabricated Metal Products; and Chemical Products.



Imports

ISM's Imports Index registered 58.1 percent. The 12 industries reporting growth in imports in October — in the following order — are: Petroleum & Coal Products; Nonmetallic Mineral Products; Fabricated Metal Products; Paper Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Chemical Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; Plastics & Rubber Products; and Miscellaneous Manufacturing[‡].

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