

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

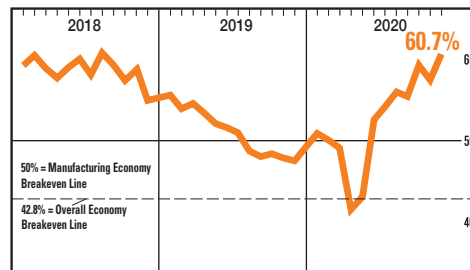
The December Manufacturing PMI® registered 60.7 percent. The New Orders Index registered 67.9 percent, up 2.8 percentage points from the November reading of 65.1 percent. The Production Index registered 64.8 percent, an increase of 4 percentage points compared to the November reading of 60.8 percent. The Backlog of Orders Index registered 59.1 percent, 2.2 percentage points higher compared to the November reading of 56.9 percent. The Employment Index returned to expansion territory at 51.5 percent, 3.1 percentage points higher from the November reading of 48.4 percent. The Supplier Deliveries Index registered 67.6 percent, up 5.9 percentage points from the November figure of 61.7 percent. The Prices Index registered 77.6 percent, up 12.2 percentage points compared to the November reading of 65.4 percent. Of the 18 manufacturing industries, 16 reported growth in December, in the following order: Apparel, Leather & Allied Products; Furniture & Related Products; Wood Products; Fabricated Metal Products; Machinery; Computer & Electronic Products; Transportation Equipment; Plastics & Rubber Products; Paper Products; Chemical Products; Petroleum & Coal Products; Primary Metals; Textile Mills; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing†. **ISM**

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



# MANUFACTURING PMI® at 60.7%

Manufacturing grew in December, as the Manufacturing PMI® registered 60.7 percent, 3.2 percentage points higher than the November reading of 57.5 percent. The Manufacturing PMI® signaled a continued rebuilding of economic activity in December, with four of five contributing subindexes in strong growth territory. All six of the biggest manufacturing industries — Fabricated Metal Products; Computer & Electronic Products; Transportation Equipment; Chemical Products; Petroleum & Coal Products; and Food, Beverage & Tobacco Products — expanded. 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	Dec Index	Nov Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	60.7	57.5	+3.2	Growing	Faster	7
New Orders	67.9	65.1	+2.8	Growing	Faster	7
Production	64.8	60.8	+4.0	Growing	Faster	7
Employment	51.5	48.4	+3.1	Growing	From Contracting	1
Supplier Deliveries	67.6	61.7	+5.9	Slowing	Faster	14
Inventories	51.6	51.2	+0.4	Growing	Faster	3
Customers' Inventories	37.9	36.3	+1.6	Too Low	Slower	51
Prices	77.6	65.4	+12.2	Increasing	Faster	7
Backlog of Orders	59.1	56.9	+2.2	Growing	Faster	6
New Export Orders	57.5	57.8	-0.3	Growing	Slower	6
Imports	54.6	55.1	-0.5	Growing	Slower	6
<b>Overall Economy</b>				<b>Growing</b>	<b>Faster</b>	<b>8</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>7</b>

\*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.

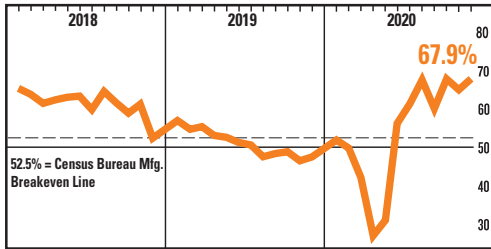


## Commodities Reported

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

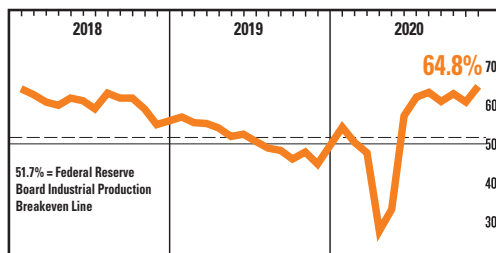
**Commodities Up in Price:** Aluminum (7); Aluminum Products (3); Brass Products (2); Copper (7); Corrugate (3); Corrugate Boxes (2); Crude Oil; Electrical Components; Electronic Components; Freight (2); Isocyanates; Labor — Temporary; Linerboard; Lumber (6); Ocean Freight; Oil-Base Lubricants; Packaging Supplies; Paper Products; Personal Protective Equipment (PPE) — Gloves; Phosphates; Plastic Resins (4); Polyethylene Resins (3); Polyurethane; Polypropylene (6); Polyvinyl Chloride (3); Solvents; Soybean Products (3); Steel (5); Steel — High Carbon; Steel — Cold Rolled (4); Steel — Hot Rolled (4); Steel Products (4); Steel — Scrap; Steel — Stainless (2); and Wood — Pallets. **Commodities Down in Price:** None.

**Commodities in Short Supply:** Aluminum; Aluminum Cans; Corrugate Boxes (2); Electrical Components (3); Electronic Components; Personal Protective Equipment (PPE) — Gloves (10); PPE — Masks (2); Semiconductors; Steel; Steel — Galvanized; and Steel — Hot Rolled (2).



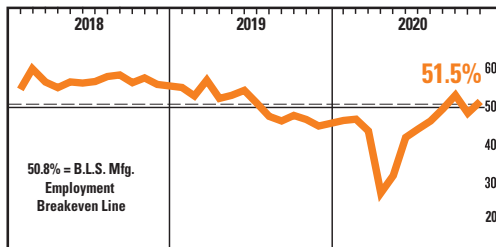
## New Orders

ISM's New Orders Index registered 67.9 percent. Of the 18 manufacturing industries, the 13 that reported growth in new orders in December — in the following order — are: Apparel, Leather & Allied Products; Wood Products; Furniture & Related Products; Petroleum & Coal Products; Machinery; Computer & Electronic Products; Fabricated Metal Products; Transportation Equipment; Plastics & Rubber Products; Primary Metals; Chemical Products; Electrical Equipment, Appliances & Components; and Food, Beverage & Tobacco Products.



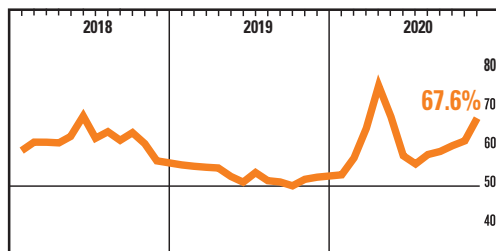
## Production

The Production Index registered 64.8 percent. The 13 industries reporting growth in production during the month of December — listed in order — are: Apparel, Leather & Allied Products; Printing & Related Support Activities; Wood Products; Furniture & Related Products; Fabricated Metal Products; Primary Metals; Computer & Electronic Products; Plastics & Rubber Products; Petroleum & Coal Products; Machinery; Transportation Equipment; Electrical Equipment, Appliances & Components; and Chemical Products.



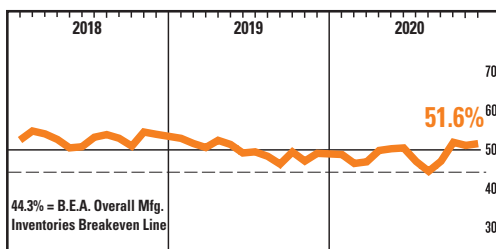
## Employment

ISM's Employment Index registered 51.5 percent. Of the 18 manufacturing industries, the eight industries to report employment growth in December — in the following order — are: Apparel, Leather & Allied Products; Furniture & Related Products; Primary Metals; Miscellaneous Manufacturing<sup>†</sup>; Fabricated Metal Products; Computer & Electronic Products; Chemical Products; and Machinery.



## Supplier Deliveries

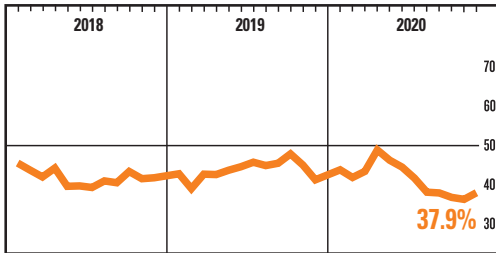
The delivery performance of suppliers to manufacturing organizations was slower in December, as the Supplier Deliveries Index registered 67.6 percent. Sixteen industries reported slower supplier deliveries in December, listed in the following order: Fabricated Metal Products; Paper Products; Plastics & Rubber Products; Printing & Related Support Activities; Furniture & Related Products; Textile Mills; Electrical Equipment, Appliances & Components; Machinery; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing<sup>†</sup>; Chemical Products; Transportation Equipment; Wood Products; Computer & Electronic Products; Nonmetallic Mineral Products; and Primary Metals.



## Inventories

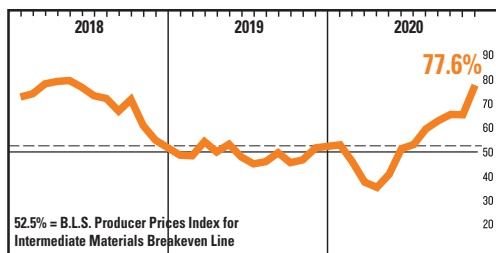
The Inventories Index registered 51.6 percent. The eight industries reporting higher inventories in December — listed in order — are: Apparel, Leather & Allied Products; Wood Products; Textile Mills; Paper Products; Machinery; Chemical Products; Fabricated Metal Products; and Transportation Equipment.

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



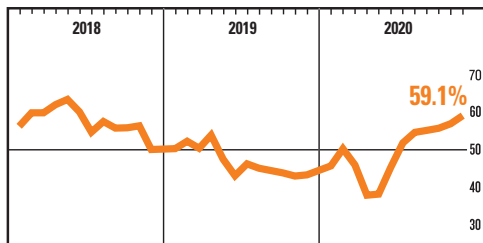
## Customers' Inventories

ISM's Customers' Inventories Index registered 37.9 percent. Of the 18 industries, the only one reporting higher customers' inventories in December is Printing & Related Support Activities.



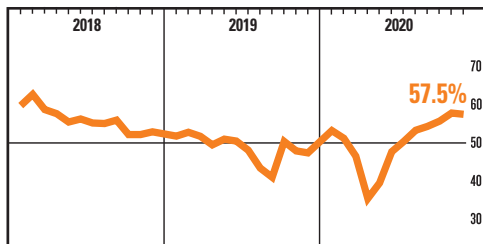
## Prices

The ISM Prices Index registered 77.6 percent. All 18 industries reported paying increased prices for raw materials in December, in the following order: Apparel, Leather & Allied Products; Petroleum & Coal Products; Wood Products; Paper Products; Fabricated Metal Products; Furniture & Related Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Machinery; Printing & Related Support Activities; Miscellaneous Manufacturing<sup>‡</sup>; Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Computer & Electronic Products; and Textile Mills.



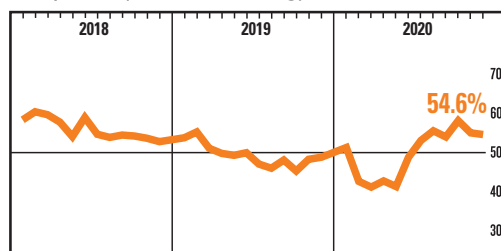
## Backlog of Orders

ISM's Backlog of Orders Index registered 59.1 percent. The 12 industries reporting growth in order backlogs in December, in the following order, are: Apparel, Leather & Allied Products; Printing & Related Support Activities; Wood Products; Primary Metals; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Machinery; Furniture & Related Products; Transportation Equipment; Chemical Products; Computer & Electronic Products; and Plastics & Rubber Products.



## New Export Orders

ISM's New Export Orders Index registered 57.5 percent. The nine industries reporting growth in new export orders in December — in the following order — are: Wood Products; Electrical Equipment, Appliances & Components; Machinery; Fabricated Metal Products; Chemical Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Primary Metals; and Transportation Equipment.



## Imports

ISM's Imports Index registered 54.6 percent. The 12 industries reporting growth in imports in December — in the following order — are: Wood Products; Printing & Related Support Activities; Paper Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Machinery; Primary Metals; Miscellaneous Manufacturing<sup>‡</sup>; Plastics & Rubber Products; Computer & Electronic Products; Chemical Products; and Food, Beverage & Tobacco Products.

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