Economic activity in the manufacturing sector grew in February, with the overall economy notchting a ninth consecutive month of growth, say the nation’s supply executives in the latest Manufacturing ISM® Report On Business®.

The February Manufacturing PMI® registered 60.8 percent. The New Orders Index registered 64.8 percent, up 3.7 percentage points from the January reading of 61.1 percent. The Production Index registered 63.2 percent, an increase of 2.5 percentage points compared to the January reading of 60.7 percent. The Employment Index registered 54.4 percent, 1.8 percentage points higher from the January reading of 52.6 percent. The Supplier Deliveries Index registered 72 percent, up 3.8 percentage points from the January figure of 68.2 percent. The Inventories Index registered 49.7 percent, 1.1 percentage points lower than the January reading of 50.8 percent. The Prices Index registered 86.0 percent, up 3.8 percentage points compared to the January reading of 82.1 percent.

Of the 18 manufacturing industries, 16 reported growth in February, in the following order: Textile Mills; Electrical Equipment, Appliances & Components; Primary Metals; Paper Products; Chemical Products; Machinery; Fabricated Metal Products; Transportation Equipment; Wood Products; Plastics & Rubber Products; Computer & Electronic Products; Apparel; Leather & Allied Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing; Furniture & Related Products; and Nonmetallic Mineral Products. ISM

Manufacturing at a Glance

<table>
<thead>
<tr>
<th>INDEX</th>
<th>Feb Index</th>
<th>Jan Index</th>
<th>% Point Change</th>
<th>Direction</th>
<th>Rate of Change</th>
<th>Trend* (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing PMI®</td>
<td>60.8</td>
<td>58.7</td>
<td>+2.1</td>
<td>Growing</td>
<td>Faster 9</td>
<td></td>
</tr>
<tr>
<td>New Orders</td>
<td>64.8</td>
<td>61.1</td>
<td>+3.7</td>
<td>Growing</td>
<td>Faster 9</td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>63.2</td>
<td>60.7</td>
<td>+2.5</td>
<td>Growing</td>
<td>Faster 9</td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>54.4</td>
<td>52.6</td>
<td>+1.8</td>
<td>Growing</td>
<td>Faster 3</td>
<td></td>
</tr>
<tr>
<td>Supplier Deliveries</td>
<td>72.0</td>
<td>68.2</td>
<td>+3.8</td>
<td>Slowing</td>
<td>Faster 60</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>49.7</td>
<td>50.8</td>
<td>-1.1</td>
<td>Contracting</td>
<td>From Growing</td>
<td>1</td>
</tr>
<tr>
<td>Customers’ Inventories</td>
<td>32.5</td>
<td>33.1</td>
<td>-0.6</td>
<td>Too Low</td>
<td>Faster 55</td>
<td></td>
</tr>
<tr>
<td>Prices</td>
<td>86.0</td>
<td>82.1</td>
<td>+3.9</td>
<td>Increasing</td>
<td>Faster 9</td>
<td></td>
</tr>
<tr>
<td>Backlog of Orders</td>
<td>64.0</td>
<td>59.7</td>
<td>+4.3</td>
<td>Growing</td>
<td>Faster 8</td>
<td></td>
</tr>
<tr>
<td>New Export Orders</td>
<td>57.2</td>
<td>54.9</td>
<td>+2.3</td>
<td>Growing</td>
<td>Faster 8</td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td>56.1</td>
<td>56.8</td>
<td>-0.7</td>
<td>Growing</td>
<td>Slower 8</td>
<td></td>
</tr>
<tr>
<td>Overall Economy</td>
<td></td>
<td></td>
<td></td>
<td>Growing</td>
<td>Faster 9</td>
<td></td>
</tr>
<tr>
<td>Manufacturing Sector</td>
<td></td>
<td></td>
<td></td>
<td>Growing</td>
<td>Faster 9</td>
<td></td>
</tr>
</tbody>
</table>

Managing the inventory of finished goods is a primary concern for manufacturers, say the survey panel. The New Export Orders Index was 57.2 percent in February, up 4.3 percentage points from the January reading of 52.9 percent.

Manufacturing grew in February, as the Manufacturing PMI® registered 60.8 percent, 2.1 percentage points higher than the January reading of 58.7 percent. This equals the highest reading since February 2018 (60.8 percent); prior to that, the PMI® registered 61.4 percent in May 2004. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

Commodities Reported

Commodities Up in Price: Acetone; Acrylonitrile Butadiene Styrene (ABS) Plastic (2); Aluminum (9); Aluminum Extrusions; Capacitors; Copper (9); Corrugate (5); Corrugated Boxes (4); Crude Oil (3); Diesel (2); Electrical Components (3); Electronic Components (5); Fiberglass Products; Freight (4); High-Density Polyethylene (HDPE) (2); Lumber (8); Methyl Methacrylate; Natural Gas (2); Nylon Fiber (2); Ocean Freight (3); Oil-Derived Products; Packaging Supplies (3); Paper Products (3); Personal Protective Equipment (PPE) — Gloves (3); Plastic Resins (6); Plywood; Polyethylene; Polyethylene Terephthalate (PET); Polypropylene (8); Polyurethane Foam Products; Polystyrene Chloride (PVC) (5); Precious Metals (2); Propylene (2); Resin-Based Products; Resistors; Rubber Products; Semiconductors; Solvents — Other; Soybean Products (5); Steel (7); Steel — Carbon (3); Steel — Cold Rolled (6); Steel — Hot Rolled (6); Steel — Scrap (3); Steel — Stainless (4); Steel Plate; Steel Products (6); and Wood — Pallets (3).

Commodities Down in Price: Dairy. ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.

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

Commodities in Short Supply: Aluminum; Computer Displays/Monitors; Corrugate (2); Corrugated Boxes (4); Electrical Components (5); Electronic Components (3); Freight — Ocean; Isocyanates; Methacrylate; Personal Protective Equipment (PPE) — Gloves (12); Plastic Products; Polypropylene; Propylene; Semiconductors (3); Steel (3); Steel — Cold Rolled (2); Steel — Hot Rolled (4); Steel — Specialty; and Steel Products.

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

Analysis by Timothy R. Fiore, CPSM, C.P.M.,

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

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New Orders
ISM’s New Orders Index registered 64.8 percent. Of the 18 manufacturing industries, the 13 that reported growth in new orders in February — in the following order — are: Paper Products; Wood Products; Primary Metals; Textile Mills; Electrical Equipment, Appliances & Components; Transportation Equipment; Chemical Products; Machinery; Fabricated Metal Products; Printing & Related Support Activities; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Plastics & Rubber Products.

Production
The Production Index registered 63.2 percent. The 14 industries reporting growth in production during the month of February — listed in order — are: Paper Products; Textile Mills; Primary Metals; Electrical Equipment, Appliances & Components; Machinery; Chemical Products; Fabricated Metal Products; Wood Products; Transportation Equipment; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Computer & Electronic Products; and Miscellaneous Manufacturing.

Employment
ISM’s Employment Index registered 54.4 percent. Of the 18 manufacturing industries, the 11 industries to report employment growth in February — in the following order — are: Electrical Equipment, Appliances & Components; Textile Mills; Primary Metals; Miscellaneous Manufacturing; Machinery; Chemical Products; Food, Beverage & Tobacco Products; Transportation Equipment; Computer & Electronic Products; Plastics & Rubber Products; and Fabricated Metal Products.

Supplier Deliveries
The delivery performance of suppliers to manufacturing organizations was slower in February, as the Supplier Deliveries Index registered 72 percent. Of the 18 industries, 16 reported slower supplier deliveries in February, listed in the following order: Apparel, Leather & Allied Products; Textile Mills; Fabricated Metal Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Paper Products; Machinery; Chemical Products; Plastics & Rubber Products; Computer & Electronic Products; Miscellaneous Manufacturing; Transportation Equipment; Nonmetallic Mineral Products; Wood Products; Food, Beverage & Tobacco Products; and Primary Metals.

Inventories
The Inventories Index registered 49.7 percent. The six industries reporting higher inventories in February — listed in order — are: Textile Mills; Primary Metals; Chemical Products; Food, Beverage & Tobacco Products; Machinery; and Fabricated Metal 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 32.5 percent. Of the 18 industries, the only one reporting higher customers’ inventories in February is Printing & Related Support Activities. The 16 industries reporting customers’ inventories as too low during February — listed in order — are: Fabricated Metal Products; Wood Products; Machinery; Primary Metals; Nonmetallic Mineral Products; Computer & Electronic Products; Transportation Equipment; Petroleum & Coal Products; Paper Products; Furniture & Related Products; Chemical Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Textile Mills; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing.

Backlog of Orders
ISM’s Backlog of Orders Index registered 64 percent. The 14 industries reporting growth in order backlogs in February, in the following order, are: Electrical Equipment, Appliances & Components; Machinery; Transportation Equipment; Wood Products; Textile Mills; Paper Products; Computer & Electronic Products; Plastics & Rubber Products; Fabricated Metal Products; Primary Metals; Chemical Products; Furniture & Related Products; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing.

New Export Orders
ISM’s New Export Orders Index registered 57.2 percent. The 13 industries reporting growth in new export orders in February — in the following order — are: Nonmetallic Mineral Products; Textile Mills; Wood Products; Electrical Equipment, Appliances & Components; Machinery; Transportation Equipment; Fabricated Metal Products; Food, Beverage & Tobacco Products; Primary Metals; Computer & Electronic Products; Miscellaneous Manufacturing; Plastics & Rubber Products; and Chemical Products.

Prices
The ISM Prices Index registered 86 percent. All 18 industries reported paying increased prices for raw materials in February, in the following order: Apparel, Leather & Allied Products; Furniture & Related Products; Paper Products; Primary Metals; Fabricated Metal Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Machinery; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Textile Mills; Miscellaneous Manufacturing; Chemical Products; Food; Beverage & Tobacco Products; Printing & Related Support Activities; Wood Products; Transportation Equipment; and Computer & Electronic Products.

Imports
ISM’s Imports Index registered 56.1 percent. The 10 industries reporting growth in imports in February — in the following order — are: Textile Mills; Nonmetallic Mineral Products; Transportation Equipment; Primary Metals; Machinery; Computer & Electronic Products; Food; Beverage & Tobacco Products; Fabricated Metal Products; Chemical Products; and Electrical Equipment, Appliances & Components.

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