

Economic activity in the manufacturing sector grew in May, with the overall economy notching a 12th consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

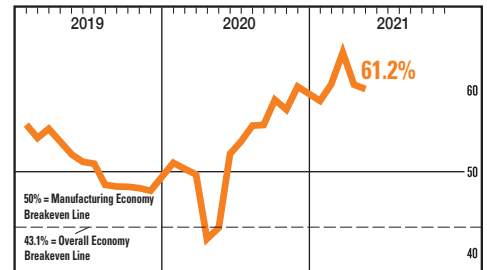
The May Manufacturing PMI® registered 61.2 percent. The New Orders Index registered 67 percent, increasing 2.7 percentage points from the April reading of 64.3 percent. The Production Index registered 58.5 percent, a decrease of 4 percentage points compared to the April reading of 62.5 percent. The Backlog of Orders Index registered 70.6 percent, 2.4 percentage points higher compared to the April reading of 68.2 percent. The Employment Index registered 50.9 percent; 4.2 percentage points lower than the April reading of 55.1 percent. The Supplier Deliveries Index registered 78.8 percent, up 3.8 percentage points from the April figure of 75 percent.

Sixteen of 18 manufacturing industries reported growth in May, in the following order: Furniture & Related Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Textile Mills; Primary Metals; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Food, Beverage & Tobacco Products; Machinery; Chemical Products; Miscellaneous Manufacturing†; Transportation Equipment; Wood Products; Paper Products; and Petroleum & Coal Products. **ISM**

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

MANUFACTURING PMI® at 61.2%

Manufacturing grew in May, as the Manufacturing PMI® registered 61.2 percent, 0.5 percentage point higher than the April reading of 60.7 percent. The Manufacturing PMI® continued to indicate strong sector expansion and U.S. economic growth in May. All five subindexes that directly factor into the Manufacturing PMI® were in growth territory.



Manufacturing at a Glance

INDEX	May Index	Apr Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	61.2	60.7	+0.5	Growing	Faster	12
New Orders	67.0	64.3	+2.7	Growing	Faster	12
Production	58.5	62.5	-4.0	Growing	Slower	12
Employment	50.9	55.1	-4.2	Growing	Slower	6
Supplier Deliveries	78.8	75.0	+3.8	Slowing	Faster	63
Inventories	50.8	46.5	+4.3	Growing	From Contracting	1
Customers' Inventories	28.0	28.4	-0.4	Too Low	Faster	56
Prices	88.0	89.6	-1.6	Increasing	Slower	12
Backlog of Orders	70.6	68.2	+2.4	Growing	Faster	11
New Export Orders	55.4	54.9	+0.5	Growing	Faster	11
Imports	54.0	52.2	+1.8	Growing	Faster	11
Overall Economy				Growing	Faster	12
Manufacturing Sector				Growing	Faster	12

*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.

**Correction made to consecutive months from previous report.



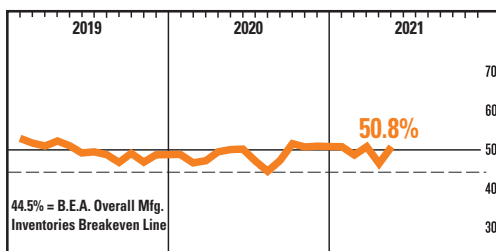
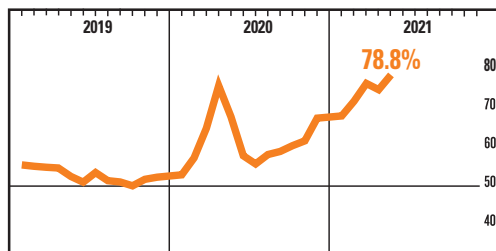
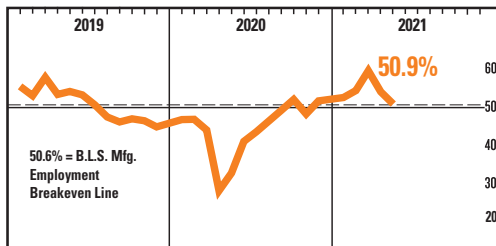
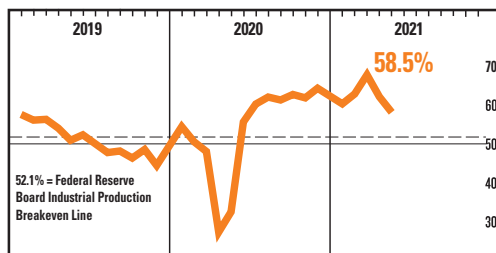
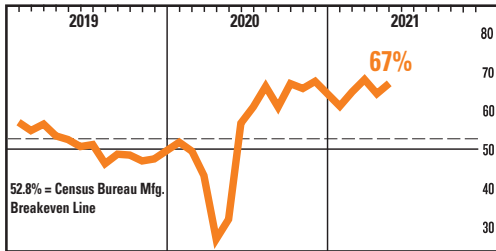
Commodities Reported

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

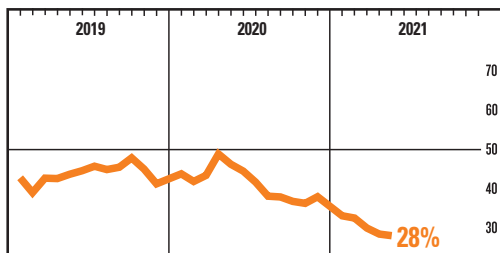
Commodities Up in Price: Aluminum (12); Aluminum Products (2); Brass; Coatings (2); Copper (12); Copper Products (3); Corn; Corrugate (8); Corrugated Boxes (7); Diesel (5); Electrical Components (6); Electronic Components (6); Epoxy Resin; Fabricated Metal Components; Foam Products (3); Freight (7); High-Density Polyethylene (HDPE) (5); Hydrochloric Acid; Labor — Temporary; Linerboard; Low-Density Polyethylene; Lubricants (2); Lumber (11); Medium-Density Fiberboard (MDF); Natural Gas (2); Ocean Freight (6); Packaging Supplies (6); Paper; Paper Products (6); Plastic Containers; Plastic Resins (9); Polyethylene (4); Polyethylene Terephthalate (PET) Products; Polypropylene (11); Precious Metals (2); Resin-Based Products (4); Rubber Products (4); Semiconductors (4); Solvents; Soybean Products (8); Steel (10); Steel — Carbon (6); Steel — Cold Rolled (9); Steel — Galvanized; Steel — Hot Rolled (9); Steel — Scrap; Steel — Stainless (7); Steel Bars; Steel Drums; Steel Products (9); Stainless Steel Components; Wire Harnesses; Wood for Pallets (2); and Wood — Pallets (Finished Product) (6).

Commodities Down in Price: Acetone.

Note: To view the full list, visit the ISM website at ismworld.org.

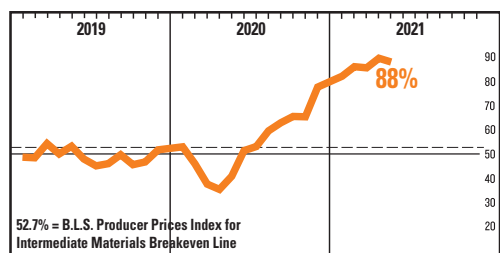


[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



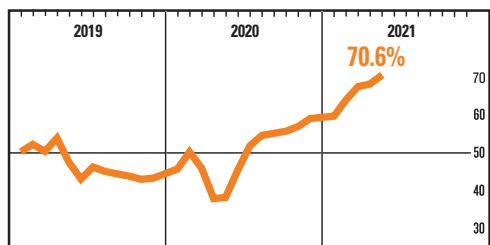
Customers' Inventories

ISM's Customers' Inventories Index registered 28 percent. None of the 18 industries reported higher customers' inventories in May. The 16 industries reporting customers' inventories as too low during May — listed in order — are: Wood Products; Primary Metals; Textile Mills; Apparel, Leather & Allied Products; Fabricated Metal Products; Computer & Electronic Products; Transportation Equipment; Chemical Products; Machinery; Plastics & Rubber Products; Paper Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Nonmetallic Mineral Products; and Miscellaneous Manufacturing[‡].



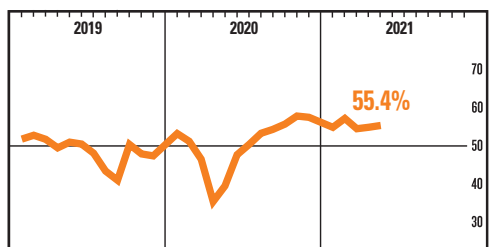
Prices

The ISM Prices Index registered 88 percent. In May, 17 industries reported paying increased prices for raw materials, in the following order: Apparel, Leather & Allied Products; Furniture & Related Products; Textile Mills; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Machinery; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Primary Metals; Computer & Electronic Products; Paper Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; Plastics & Rubber Products; Wood Products; Chemical Products; and Petroleum & Coal Products.



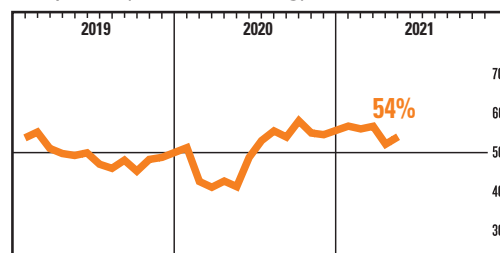
Backlog of Orders

ISM's Backlog of Orders Index registered 70.6 percent. The 15 industries reporting growth in order backlogs in May, in the following order, are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Machinery; Plastics & Rubber Products; Primary Metals; Paper Products; Wood Products; Furniture & Related Products; Fabricated Metal Products; Transportation Equipment; Chemical Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; and Computer & Electronic Products.



New Export Orders

ISM's New Export Orders Index registered 55.4 percent. The eight industries reporting growth in new export orders in May — in the following order — are: Nonmetallic Mineral Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Machinery; Chemical Products; and Computer & Electronic Products.



Imports

ISM's Imports Index registered 54 percent. The 11 industries reporting growth in imports in May — in the following order — are: Wood Products; Nonmetallic Mineral Products; Furniture & Related Products; Textile Mills; Chemical Products; Machinery; Plastics & Rubber Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; Fabricated Metal Products; and Computer & Electronic Products.

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