

Economic activity in the manufacturing sector grew in October, with the overall economy achieving a 17th consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The October Manufacturing PMI® registered 60.8 percent. Manufacturing performed well for the 17th straight month, with demand and consumption registering month-over-month growth, in spite of continuing unprecedented obstacles (including the Imports Index moving into contraction territory) and ever-increasing demand. Meeting demand remains a challenge, due to hiring difficulties and a clear cycle of labor turnover: As workers opt for more attractive job opportunities, panelists' companies and their suppliers struggle to maintain employment levels. Disruptions from COVID-19, primarily in Southeast Asia, continue to have an impact on many industry sectors. Congestion at ports in China and the U.S. continues to be a headwind, as transportation networks remain stressed. Demand remains at strong levels, despite increasing prices.

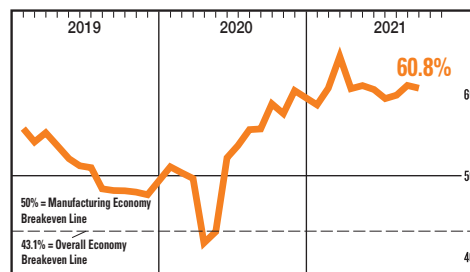
The 16 manufacturing industries reporting growth in October are: Apparel, Leather & Allied Products; Furniture & Related Products; Textile Mills; Electrical Equipment, Appliances & Components; Machinery; Printing & Related Support Activities; Food, Beverage & Tobacco Products; Computer & Electronic Products; Chemical Products; Fabricated Metal Products; Miscellaneous Manufacturing†; Petroleum & Coal Products; Plastics & Rubber Products; Paper Products; Primary Metals; and Transportation Equipment. **ISM**

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



MANUFACTURING PMI® at 60.8%

Manufacturing grew in October, as the Manufacturing PMI® registered 60.8 percent, 0.3 percentage point lower than the September reading of 61.1 percent. The Manufacturing PMI® continued to indicate strong sector expansion and U.S. economic growth in October. All of the six biggest manufacturing industries expanded, in the following order: Food, Beverage & Tobacco Products; Computer & Electronic Products; Chemical Products; Fabricated Metal Products; Petroleum & Coal Products; and Transportation Equipment.



Manufacturing at a Glance

INDEX	Oct Index	Sep Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	60.8	61.1	-0.3	Growing	Slower	17
New Orders	59.8	66.7	-6.9	Growing	Slower	17
Production	59.3	59.4	-0.1	Growing	Slower	17
Employment	52.0	50.2	+1.8	Growing	Faster	2
Supplier Deliveries	75.6	73.4	+2.2	Slowing	Faster	68
Inventories	57.0	55.6	+1.4	Growing	Faster	3
Customers' Inventories	31.7	31.7	0.0	Too Low	Same	61
Prices	85.7	81.2	+4.5	Increasing	Faster	17
Backlog of Orders	63.6	64.8	-1.2	Growing	Slower	16
New Export Orders	54.6	53.4	+1.2	Growing	Faster	16
Imports	49.1	54.9	-5.8	Contracting	From Growing	1
Overall Economy				Growing	Slower	17
Manufacturing Sector				Growing	Slower	17

*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.

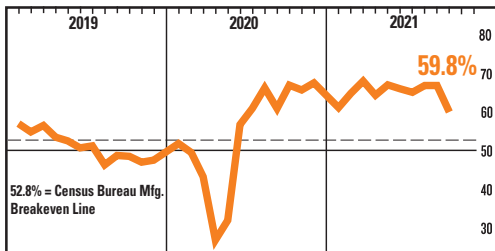


Commodities Reported

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

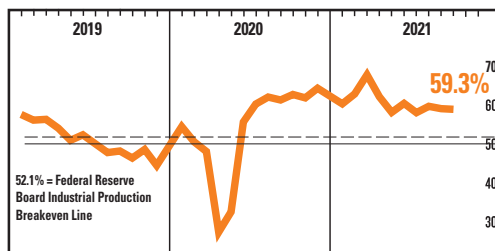
Commodities Up in Price: Adhesives (4); Aluminum (17); Aluminum Products (7); Caustic Soda (5); Copper (2); Copper-Based Products; Corn; Corrugate (13); Corrugated Packaging (12); Crude Oil; Diesel Fuel (10); Electrical Components (11); Electronic Components (11); Foam (2); Freight (12); Isocyanate; Labor — Temporary (6); Logistics Services (2); Maintenance, Repair, and Operations (MRO) Supplies (2); Motors; Natural Gas (4); Nylon; Ocean Freight (11); Packaging Supplies (11); Pallets (4); Paper (2); Phosphates; Plastic Containers (2); Plastic Resins (14); Polyester Resin; Polyethylene (9); Polyethylene Terephthalate (PET); Polypropylene (16); Polyvinyl Chloride (PVC); Printed Circuit Board Assemblies (PCBAs); Printed Circuit Boards (PCBs); Resin-Based Products (9); Rubber-Based Products (3); Semiconductors (9); Steel (15); Steel — Bars; Steel — Carbon (11); Steel — Cold Rolled (3); Steel — Drums (2); Steel — Hot Rolled (14); Steel — Stainless (12); Steel Products (14); and Tin Products. **Commodities Down in Price:** Wood (3).

Note: To view the full list, visit the ISM® *Report On Business*® website at ismrob.org



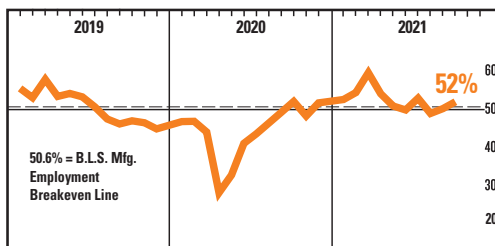
New Orders

ISM's New Orders Index registered 59.8 percent. Fourteen of 18 manufacturing industries reported growth in new orders in October — in the following order — are: Apparel, Leather & Allied Products; Furniture & Related Products; Printing & Related Support Activities; Textile Mills; Primary Metals; Chemical Products; Food, Beverage & Tobacco Products; Machinery; Petroleum & Coal Products; Miscellaneous Manufacturing; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; and Transportation Equipment.



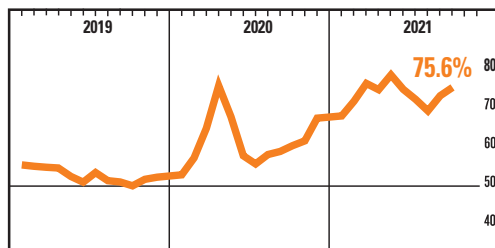
Production

The Production Index registered 59.3 percent. The 10 industries reporting growth in production during the month of October — listed in order — are: Petroleum & Coal Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Machinery; Fabricated Metal Products; Chemical Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; and Food, Beverage & Tobacco Products.



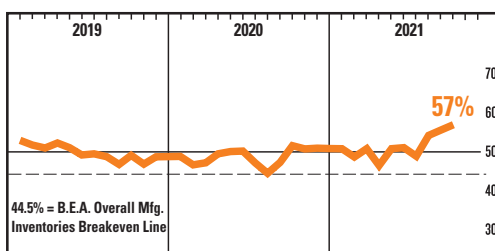
Employment

ISM's Employment Index registered 52 percent. Of 18 manufacturing industries, the 11 industries reporting employment growth in October — in the following order — are: Apparel, Leather & Allied Products; Textile Mills; Electrical Equipment, Appliances & Components; Furniture & Related Products; Printing & Related Support Activities; Plastics & Rubber Products; Machinery; Computer & Electronic Products; Fabricated Metal Products; Chemical Products; and Miscellaneous Manufacturing[‡].



Supplier Deliveries

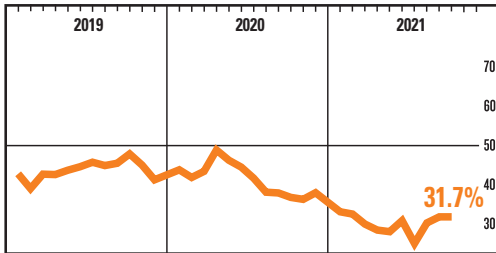
The delivery performance of suppliers to manufacturing organizations was slower in October, as the Supplier Deliveries Index registered 75.6 percent. All 18 industries reported slower supplier deliveries in October, in the following order: Apparel, Leather & Allied Products; Furniture & Related Products; Paper Products; Machinery; Electrical Equipment, Appliances & Components; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Plastics & Rubber Products; Printing & Related Support Activities; Textile Mills; Transportation Equipment; Chemical Products; Wood Products; Petroleum & Coal Products; and Primary Metals. No industries reported faster supplier deliveries in October.



Inventories

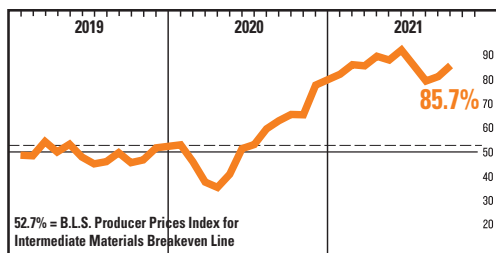
The Inventories Index registered 57 percent. The 14 industries reporting higher inventories in October — in the following order — are: Apparel, Leather & Allied Products; Printing & Related Support Activities; Textile Mills; Electrical Equipment, Appliances & Components; Furniture & Related Products; Plastics & Rubber Products; Machinery; Food, Beverage & Tobacco Products; Computer & Electronic Products; Paper Products; Miscellaneous Manufacturing[‡]; Primary Metals; Chemical Products; and Fabricated Metal Products.

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



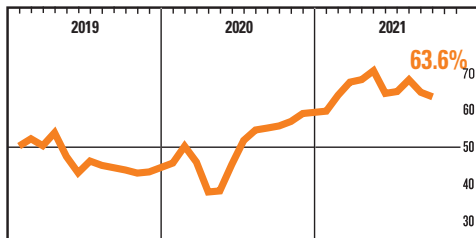
Customers' Inventories

ISM's Customers' Inventories Index registered 31.7 percent. No industries reported higher customers' inventories in October. The 15 industries reporting customers' inventories as too low during October — listed in order — are: Nonmetallic Mineral Products; Paper Products; Primary Metals; Machinery; Wood Products; Textile Mills; Plastics & Rubber Products; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; Chemical Products; Furniture & Related Products; Computer & Electronic Products; and Transportation Equipment.



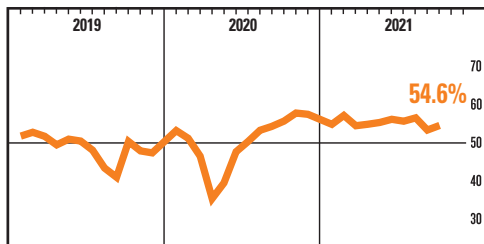
Prices

The ISM Prices Index registered 85.7 percent. In October, all 18 industries reported paying increased prices for raw materials, in the following order: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Paper Products; Printing & Related Support Activities; Textile Mills; Furniture & Related Products; Machinery; Petroleum & Coal Products; Chemical Products; Computer & Electronic Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Primary Metals; Fabricated Metal Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Wood Products.



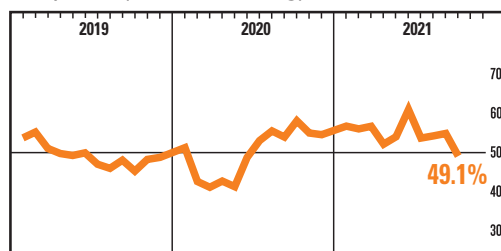
Backlog of Orders

ISM's Backlog of Orders Index registered 63.6 percent. The 15 industries reporting growth in order backlogs in October, in the following order, are: Apparel, Leather & Allied Products; Textile Mills; Paper Products; Machinery; Furniture & Related Products; Wood Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Chemical Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Fabricated Metal Products; Plastics & Rubber Products; Primary Metals; and Transportation Equipment.



New Export Orders

ISM's New Export Orders Index registered 54.6 percent. The 10 industries reporting growth in new export orders in October — in the following order — are: Furniture & Related Products; Paper Products; Primary Metals; Miscellaneous Manufacturing[‡]; Fabricated Metal Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; Chemical Products; and Transportation Equipment.



Imports

ISM's Imports Index registered 49.1 percent. The five industries reporting growth in imports in October are: Textile Mills; Chemical Products; Furniture & Related Products; Food, Beverage & Tobacco Products; and Fabricated Metal Products.

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