

Economic activity in the manufacturing sector grew in August, with the overall economy achieving a 27th consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The August Manufacturing PMI® registered 52.8 percent. The New Orders Index registered 51.3 percent, 3.3 percentage points higher than the 48 percent recorded in July. After three straight months of contraction, the Employment Index expanded at 54.2 percent. The U.S. manufacturing sector continues expanding at rates similar to the prior two months. New order rates returned to expansion levels, supplier deliveries remain at appropriate tension levels and prices softened again, reflecting movement toward supply/demand balance.

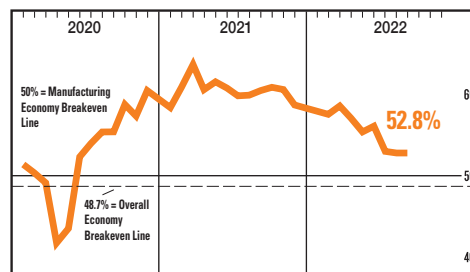
Of the six biggest manufacturing industries, five — Petroleum & Coal Products; Transportation Equipment; Computer & Electronic Products; Machinery; and Food, Beverage & Tobacco Products — registered moderate-to-strong growth in August. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

Ten manufacturing industries reported growth in August, in the following order: Nonmetallic Mineral Products; Petroleum & Coal Products; Transportation Equipment; Computer & Electronic Products; Printing & Related Support Activities; Plastics & Rubber Products; Primary Metals; Machinery; Miscellaneous Manufacturing†; and Food, Beverage & Tobacco Products. **ISM**

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

MANUFACTURING PMI® at 52.8%

The U.S. manufacturing sector grew in August, as the Manufacturing PMI® registered 52.8 percent, the same reading recorded in July. The Manufacturing PMI® continued to indicate sector expansion and U.S. economic growth in August. All five subindexes that directly factor into the Manufacturing PMI® (New Orders, Production, Employment, Supplier Deliveries and Inventories) were in growth territory.



Manufacturing at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	52.8	52.8	0.0	Growing	Same	27
New Orders	51.3	48.0	+3.3	Growing	From Contracting	1
Production	50.4	53.5	-3.1	Growing	Slower	27
Employment	54.2	49.9	+4.3	Growing	From Contracting	1
Supplier Deliveries	55.1	55.2	-0.1	Slowing	Slower	78
Inventories	53.1	57.3	-4.2	Growing	Slower	13
Customers' Inventories	38.9	39.5	-0.6	Too Low	Faster	71
Prices	52.5	60.0	-7.5	Increasing	Slower	27
Backlog of Orders	53.0	51.3	+1.7	Growing	Faster	26
New Export Orders	49.4	52.6	-3.2	Contracting	From Growing	1
Imports	52.5	54.4	-1.9	Growing	Slower	3
Overall Economy				Growing	Same	27
Manufacturing Sector				Growing	Same	27

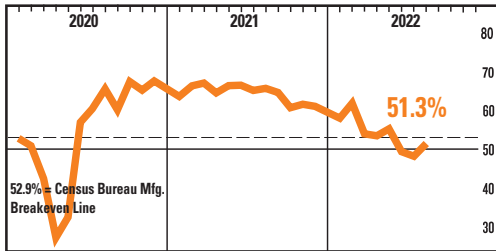
*Number of months moving in current direction. Manufacturing ISM® *Report On Business*® data has been seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.



Commodities Reported

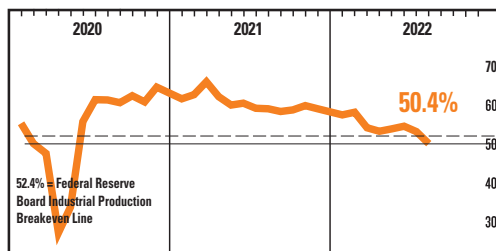
Commodities Up in Price: Caustic Soda (6); Corrugate (7); Electrical Components (21); Electronic Components (21); Freight (22); Hydraulic Components; Natural Gas (14); Paper; Plastic Resins* (8); Rubber Based Products (13); Steel Products* (24); and Styrene Based Plastics.

Commodities Down in Price: Aluminum (4); Copper (2); Corn Products; Crude Oil; Freight; Gasoline; Plastic Resins* (3); Polypropylene; Steel (4); Steel — Carbon (2); Steel — Hot Rolled (4); Steel — Scrap; Steel — Stainless; and Steel Products* (2).



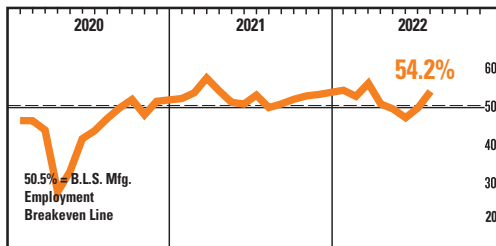
New Orders

ISM's New Orders Index increased to 51.3 percent. Of the 18 manufacturing industries, six reported growth in new orders in August, in the following order: Textile Mills; Computer & Electronic Products; Nonmetallic Mineral Products; Transportation Equipment; Primary Metals; and Plastics & Rubber Products.



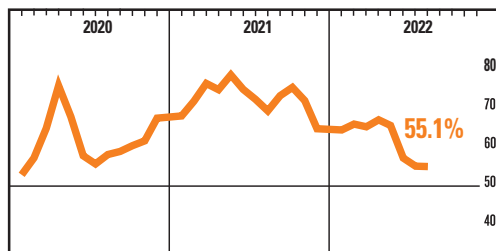
Production

The Production Index registered 50.4 percent. The six industries reporting growth in production during the month of August — in the following order — are: Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Transportation Equipment; Machinery; and Plastics & Rubber Products.



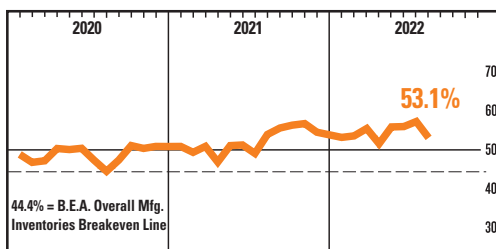
Employment

ISM's Employment Index registered 54.2 percent. Of 18 manufacturing industries, nine reported employment growth in August, in the following order: Printing & Related Support Activities; Nonmetallic Mineral Products; Petroleum & Coal Products; Transportation Equipment; Furniture & Related Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Machinery; and Fabricated Metal Products.



Supplier Deliveries

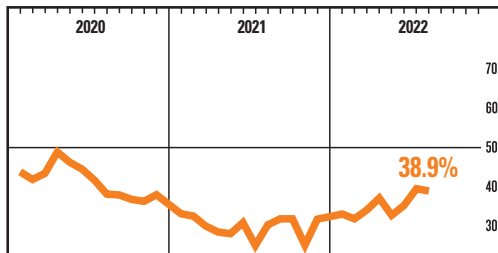
The delivery performance of suppliers to manufacturing organizations was slower in August, as the Supplier Deliveries Index registered 55.1 percent. Nine manufacturing industries reported slower supplier deliveries in August, in the following order: Nonmetallic Mineral Products; Primary Metals; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Paper Products; Food, Beverage & Tobacco Products; Chemical Products; Transportation Equipment; and Fabricated Metal Products.



Inventories

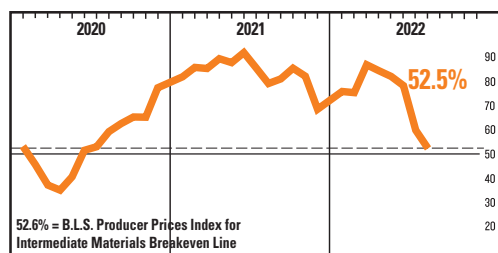
The Inventories Index registered 53.1 percent. Of 18 manufacturing industries, the eight reporting higher inventories in August — in the following order — are: Petroleum & Coal Products; Miscellaneous Manufacturing[‡]; Machinery; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; and Chemical Products.

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



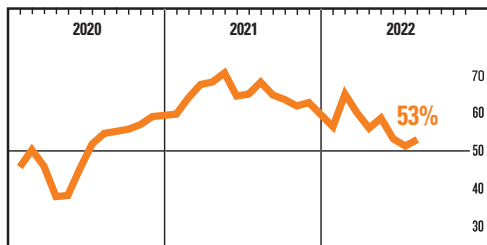
Customers' Inventories

ISM's Customers' Inventories Index registered 38.9 percent. Three industries (Apparel, Leather & Allied Products; Furniture & Related Products; and Wood Products) reported customers' inventories as too high in August.



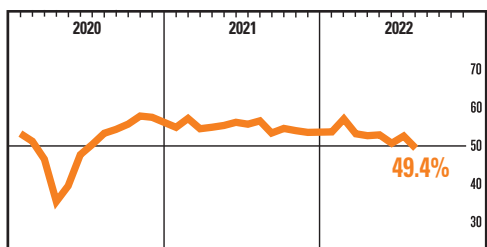
Prices

The ISM Prices Index registered 52.5 percent. In August, eight of 18 industries reported paying increased prices for raw materials, in the following order: Printing & Related Support Activities; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Furniture & Related Products; Paper Products; Machinery; Chemical Products; and Electrical Equipment, Appliances & Components.



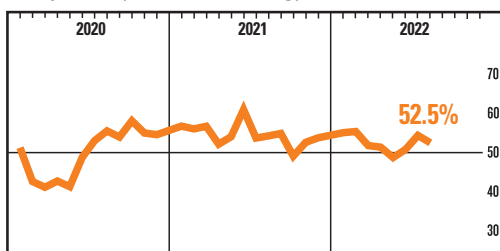
Backlog of Orders

ISM's Backlog of Orders Index registered 53 percent. Seven industries reported growth in order backlogs in August, in the following order: Nonmetallic Mineral Products; Printing & Related Support Activities; Transportation Equipment; Plastics & Rubber Products; Machinery; Computer & Electronic Products; and Miscellaneous Manufacturing[‡].



New Export Orders

ISM's New Export Orders Index registered 49.4 percent. Three industries reported growth in new export orders in August: Plastics & Rubber Products; Computer & Electronic Products; and Food, Beverage & Tobacco Products.



Imports

ISM's Imports Index registered 52.5 percent. The eight industries reporting growth in imports in August — in the following order — are: Textile Mills; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Transportation Equipment; Chemical Products; Machinery; Plastics & Rubber Products; and Miscellaneous Manufacturing[‡].

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

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **Manufacturing ISM® Report On Business®** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Committee is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industry's contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to the BEA estimates for 2020 GDP (released December 22, 2021), the six largest manufacturing subsectors are: Computer & Electronic Products; Chemical Products; Transportation Equipment; Petroleum & Coal Products; Food, Beverage & Tobacco Products; and Machinery. Beginning in February 2018 with January 2018 data, computation of the indexes is accomplished utilizing unrounded numbers.

The **Services ISM® Report On Business®** (formerly the Non-Manufacturing ISM® Report On Business®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Committee (formerly Non-Manufacturing Business Survey Committee) is diversified by NAICS, based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Committee responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services, and Dating Services). The data are weighted based on each industry's contribution to GDP. According to the BEA estimates for 2020 GDP (released December 22, 2021), the six largest services sectors are: Real Estate, Rental & Leasing; Government; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance. Beginning in February 2020 with January 2020 data, computation of the indexes is accomplished utilizing unrounded numbers.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing

PMI® above 48.7 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.7 percent, it is generally declining. The distance from 50 percent or 48.7 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 50.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 50.1 percent, it is generally declining. The distance from 50 percent or 50.1 percent is indicative of the strength of the expansion or decline. With some of the indicators within the Manufacturing ISM® Report On Business®, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The *Report On Business®* surveys are sent out to Manufacturing and Services Business Survey Committee respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

ISM ROB Content

The Institute for Supply Management® ("ISM") *Report On Business®* (Manufacturing, Services, and Hospital reports) ("ISM ROB") contains information, text, files, images, video, sounds, musical works, works of authorship, applications, and any other materials or content (collectively, "Content") of ISM ("ISM ROB Content"). ISM ROB Content is protected by copyright, trademark, trade secret, and other laws, and as between you and ISM, ISM owns and retains all rights in the ISM ROB Content. ISM hereby grants you a limited, revocable, non-sublicensable license to access and display on your individual device the ISM ROB Content (excluding any software code) solely for your personal, non-commercial use. The ISM ROB Content shall also contain Content of users and other ISM licensors. Except as provided herein or as explicitly allowed in writing by ISM, you shall not copy, download, stream, capture, reproduce, duplicate, archive, upload, modify, translate, publish, broadcast, transmit, retransmit, distribute, perform, display, sell, or otherwise use any ISM ROB Content.

Except as explicitly and expressly permitted by ISM, you are strictly prohibited from creating works or materials (including but not limited to tables, charts, data streams, time-series variables, fonts, icons, link buttons, wallpaper, desktop themes, online postcards, montages, mashups and similar videos, greeting cards, and unlicensed merchandise) that derive from or are based on the ISM ROB Content. This prohibition applies regardless of whether the derivative works or materials are sold, bartered, or given away. You shall not either directly or through the use of any device, software, internet site, web-based service, or other means remove, alter, bypass, avoid, interfere with, or circumvent any copyright, trademark, or other proprietary notices marked on the Content or any digital rights management mechanism, device, or other content protection or access control measure associated with the Content including geo-filtering mechanisms. Without prior written authorization from ISM, you shall not build a business utilizing the Content, whether or not for profit.

You shall not create, recreate, distribute, incorporate in other work, or advertise an index of any portion of the Content unless you receive prior written authorization from ISM. Requests for permission to reproduce or distribute ISM ROB Content can be made by contacting in writing at: ISM Research, Institute for Supply Management, 309 West Elliot Road, Suite 113, Tempe, Arizona 85284-1556, or by emailing kcahill@ismworld.org. Subject: Content Request.

ISM shall not have any liability, duty, or obligation for or relating to the ISM ROB Content or other information contained herein, any errors, inaccuracies, omissions or delays in providing any ISM ROB Content, or for any actions taken in reliance thereon. In no event shall ISM be liable for any special, incidental, or consequential damages, arising out of the use of the ISM ROB. Report On Business®, PMI®, Manufacturing PMI®, Services PMI®, and Hospital PMI® are registered trademarks of Institute for Supply Management®. Institute for Supply Management® and ISM® are registered trademarks of Institute for Supply Management, Inc.

About Institute for Supply Management®

Institute for Supply Management® (ISM®) serves supply management professionals in more than 90 countries. Its 50,000 members around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 as the first supply management institute in the world, ISM is committed to advancing the practice of supply management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. ISM leads the profession through the ISM® *Report On Business®*, its highly regarded certification programs and the ISM Advance™ Digital Platform. This report has been issued by the association since 1931, except for a four-year interruption during World War II.