

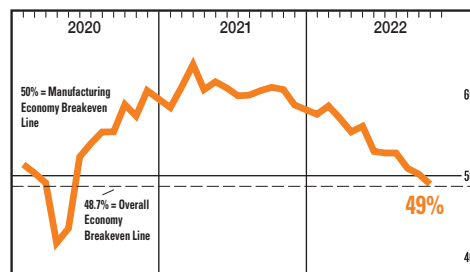
Economic activity in the manufacturing sector contracted in November for the first time since May 2020 after 29 consecutive months of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The November Manufacturing PMI® registered 49 percent. Regarding the overall economy, this figure indicates expansion for the 30th month in a row after contraction in April and May 2020. The Manufacturing PMI® figure is the lowest since May 2020, when it registered 43.5 percent. The New Orders Index remained in contraction territory at 47.2 percent, 2 percentage points lower than the 49.2 percent recorded in October. The Production Index reading of 51.5 percent is a 0.8-percentage point decrease compared to October's figure of 52.3 percent. The Prices Index registered 43 percent, down 3.6 percentage points compared to the October figure of 46.6 percent; this is the index's lowest reading since May 2020 (40.8 percent). Managing head counts and total supply chain inventories remain primary goals. Order backlogs, prices and now lead times are declining rapidly, which should bring buyers and sellers back to the table to refill order books based on 2023 business plans. Six manufacturing industries reported growth in November, in the following order: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Primary Metals; Miscellaneous Manufacturing‡; Petroleum & Coal Products; and Transportation Equipment. **ISM**

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

MANUFACTURING PMI® at 49%

The U.S. manufacturing sector contracted in November, as the Manufacturing PMI® registered 49 percent, 1.2 percentage points below the reading of 50.2 percent recorded in October. After five months of flat or marginally positive change, the decrease last month took the Manufacturing PMI® into contraction. Of the five subindexes that directly factor into the Manufacturing PMI®, two (Production and Inventories) were in growth territory, though both eased.



Manufacturing at a Glance

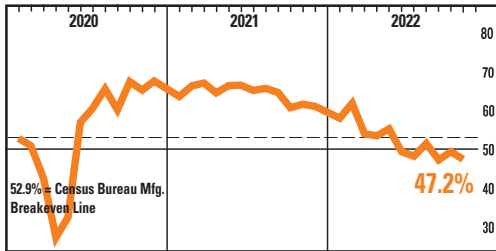
INDEX	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	49.0	50.2	-1.2	Contracting	From Growing	1
New Orders	47.2	49.2	-2.0	Contracting	Faster	3
Production	51.5	52.3	-0.8	Growing	Slower	30
Employment	48.4	50.0	-1.6	Contracting	From Unchanged	1
Supplier Deliveries	47.2	46.8	+0.4	Faster	Slower	2
Inventories	50.9	52.5	-1.6	Growing	Slower	16
Customers' Inventories	48.7	41.6	+7.1	Too Low	Slower	74
Prices	43.0	46.6	-3.6	Decreasing	Faster	2
Backlog of Orders	40.0	45.3	-5.3	Contracting	Faster	2
New Export Orders	48.4	46.5	+1.9	Contracting	Slower	4
Imports	46.6	50.8	-4.2	Contracting	From Growing	1
Overall Economy				Growing	Slower	30
Manufacturing Sector				Contracting	From Growing	1

*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.



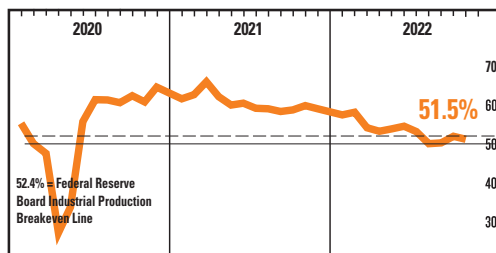
Commodities Reported

- Commodities Up in Price:** Electrical Components; Electricity; Electronic Components (24); and Labor — Temporary (3).
- Commodities Down in Price:** Aluminum (7); Copper (2); Freight; Lumber (3); Ocean Freight (3); Plastic Resins (6); Polypropylene (4); Steel (7); Steel — Carbon (5); Steel — Hot Rolled (7); and Steel Products (5).
- Commodities in Short Supply:** Electrical Components (26); Electronic Components (24); Hydraulic Components (7); Rubber Based Products; Semiconductors (24); and Steel Products.



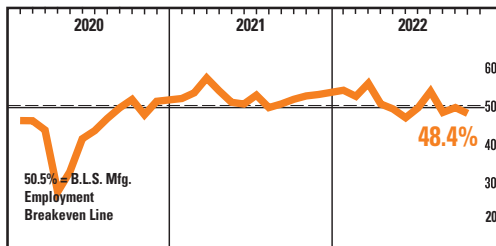
New Orders

ISM's New Orders Index registered 47.2 percent. Of the 18 manufacturing industries, only one reported growth in new orders in November: Apparel, Leather & Allied Products. Fourteen industries reported a decline in new orders in November, in the following order: Wood Products; Printing & Related Support Activities; Paper Products; Primary Metals; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Machinery; Plastics & Rubber Products; Chemical Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; and Computer & Electronic Products.



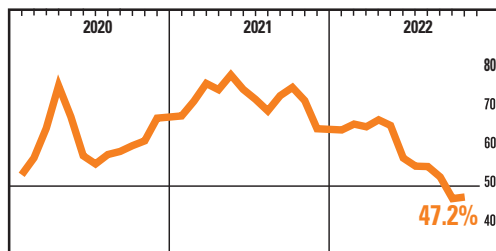
Production

The Production Index registered 51.5 percent. The seven industries reporting growth in production during the month of November — listed in order — are: Apparel, Leather & Allied Products; Primary Metals; Nonmetallic Mineral Products; Computer & Electronic Products; Plastics & Rubber Products; Transportation Equipment; and Electrical Equipment, Appliances & Components.



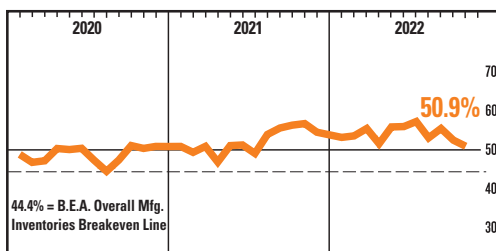
Employment

ISM's Employment Index registered 48.4 percent. Of 18 manufacturing industries, seven reported employment growth in November, in the following order: Apparel, Leather & Allied Products; Primary Metals; Miscellaneous Manufacturing[‡]; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Food, Beverage & Tobacco Products; and Machinery.



Supplier Deliveries

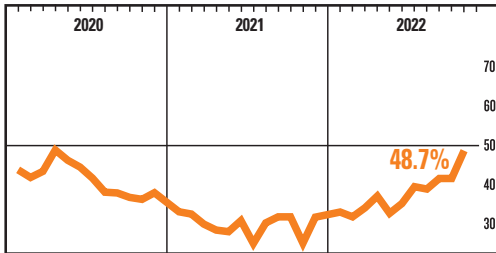
The Supplier Deliveries Index registered 47.2 percent. Six of 18 manufacturing industries reported slower supplier deliveries in November, in the following order: Apparel, Leather & Allied Products; Textile Mills; Petroleum & Coal Products; Nonmetallic Mineral Products; Primary Metals; and Miscellaneous Manufacturing[‡].



Inventories

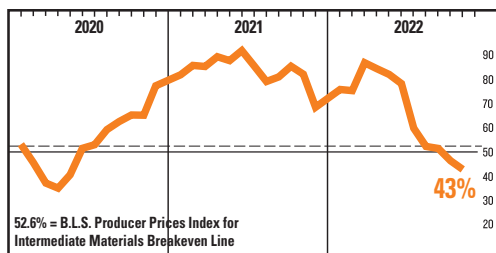
The Inventories Index registered 50.9 percent. Of 18 manufacturing industries, the eight reporting higher inventories in November — in the following order — are: Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing[‡]; Primary Metals; Machinery; Computer & Electronic Products; Transportation Equipment; and Chemical Products.

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



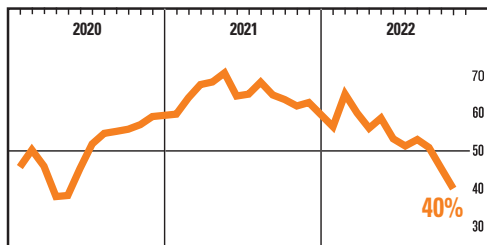
Customers' Inventories

ISM's Customers' Inventories Index registered 48.7 percent. Six industries reported customers' inventories as too high in November, in the following order: Textile Mills; Paper Products; Wood Products; Primary Metals; Chemical Products; and Electrical Equipment, Appliances & Components.



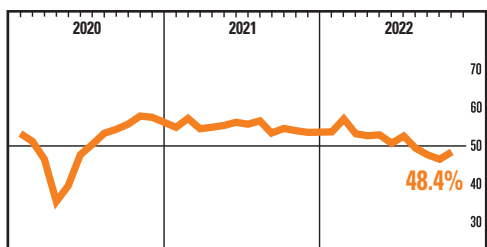
Prices

The ISM Prices Index registered 43 percent. In November, only one industry reported paying increased prices for raw materials: Miscellaneous Manufacturing[‡]. The 10 industries reporting paying decreased prices for raw materials in November — in the following order — are: Textile Mills; Wood Products; Furniture & Related Products; Fabricated Metal Products; Plastics & Rubber Products; Transportation Equipment; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; and Computer & Electronic Products. Seven industries reported no change in prices in November compared to October.



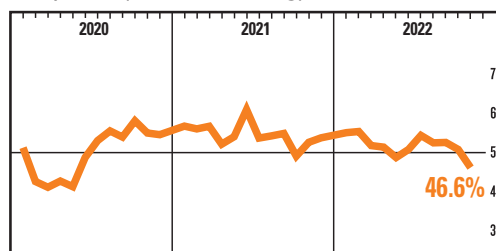
Backlog of Orders

ISM's Backlog of Orders Index registered 40 percent. Two industries reported growth in order backlogs in November: Apparel, Leather & Allied Products; and Machinery. Twelve industries reported lower backlogs in November, in the following order: Wood Products; Textile Mills; Printing & Related Support Activities; Paper Products; Primary Metals; Furniture & Related Products; Chemical Products; Plastics & Rubber Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; and Fabricated Metal Products.



New Export Orders

ISM's New Export Orders Index registered 48.4 percent. Three industries reported growth in new export orders in November: Nonmetallic Mineral Products; Plastics & Rubber Products; and Food, Beverage & Tobacco Products. The four industries reporting a decrease in new export orders in November are: Fabricated Metal Products; Chemical Products; Machinery; and Computer & Electronic Products.



Imports

ISM's Imports Index registered 46.6 percent. The four industries reporting growth in imports in November are: Apparel, Leather & Allied Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; and Transportation Equipment.

[‡]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.