

Economic activity in the manufacturing sector contracted in November for the ninth consecutive month, following a two-month expansion preceded by 26 straight months of contraction, say the nation's supply executives in the latest ISM® *Manufacturing PMI® Report*.

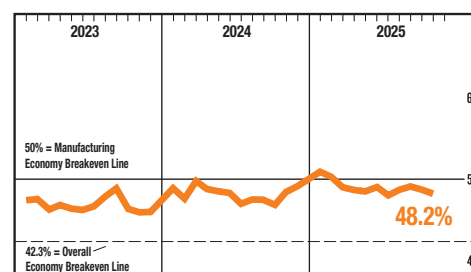
The Manufacturing PMI® registered 48.2 percent. The overall economy continued in expansion for the 67th month after one month of contraction in April 2020. (A Manufacturing PMI® above 42.3 percent, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index contracted for a third straight month in November following one month of growth; the figure of 47.4 percent is 2 percentage points lower than the 49.4 percent recorded in October. The November reading of the Production Index (51.4 percent) is 3.2 percentage points higher than October's figure of 48.2 percent. The Prices Index remained in expansion (or "increasing" territory), registering 58.5 percent, up 0.5 percentage point compared to the reading of 58 percent reported in October. The Backlog of Orders Index registered 44 percent, down 3.9 percentage points compared to the 47.9 percent recorded in October. The Employment Index registered 44 percent, down 2 percentage points from October's figure of 46 percent.

The four manufacturing industries reporting growth in November are: Computer & Electronic Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing†; and Machinery. **ISM**

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

MANUFACTURING PMI® at 48.2%

The U.S. manufacturing sector contracted in November for the ninth consecutive month after two months of expansion preceded by 26 months of contraction. The Manufacturing PMI® registered 48.2 percent in November, a 0.5-percentage point decrease compared to the 48.7 percent recorded in October. Of the five subindexes that directly factor into the Manufacturing PMI®, one is in expansion territory, the same number as in October. The Production Index returned to expansion, gaining 3.2 percentage points.



Manufacturing at a Glance

INDEX	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	48.2	48.7	-0.5	Contracting	Faster	9
New Orders	47.4	49.4	-2.0	Contracting	Faster	3
Production	51.4	48.2	+3.2	Growing	From Contracting	1
Employment	44.0	46.0	-2.0	Contracting	Faster	10
Supplier Deliveries	49.3	54.2	-4.9	Faster	From Slower	1
Inventories	48.9	45.8	+3.1	Contracting	Slower	7
Customers' Inventories	44.7	43.9	+0.8	Too Low	Slower	14
Prices	58.5	58.0	+0.5	Increasing	Faster	14
Backlog of Orders	44.0	47.9	-3.9	Contracting	Faster	38
New Export Orders	46.2	44.5	+1.7	Contracting	Slower	9
Imports	48.9	45.4	+3.5	Contracting	Slower	8
Overall Economy				Growing	Slower	67
Manufacturing Sector				Contracting	Faster	9

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



Commodities Reported

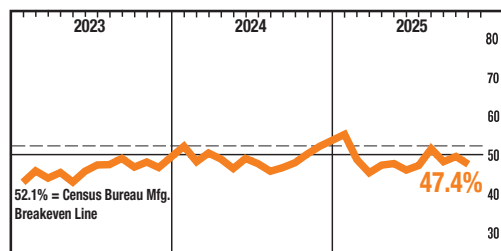
Commodities Up in Price: Aluminum (24); Copper (5); Critical Minerals; Electrical Components; Electronic Components (3); Natural Gas; Steel*; and Steel — Hot Rolled.

Commodities Down in Price: Freight Packing Materials; Gasoline; Polypropylene Resin (3); and Steel* (4).

Commodities in Short Supply: Electrical Components (5); Electronic Components (9); Labor (3); Rare Earth Components; and Rare Earth Magnets (3).

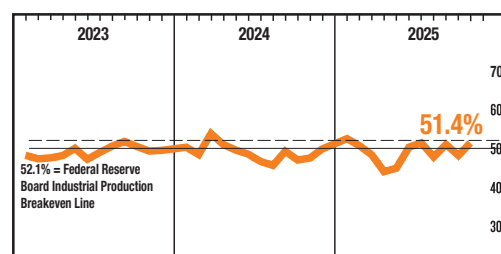
Manufacturing PMI®

Analysis by **Susan Spence, MBA**, Chair of the Institute for Supply Management® Manufacturing Business Survey Committee



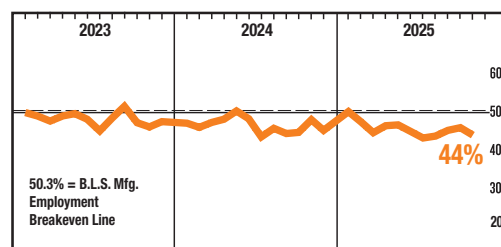
New Orders

ISM's New Orders Index registered 47.4 percent. The six manufacturing industries that reported growth in new orders in November — in the following order — are: Electrical Equipment, Appliances & Components; Computer & Electronic Products; Machinery; Miscellaneous Manufacturing[‡]; Food, Beverage & Tobacco Products; and Primary Metals.



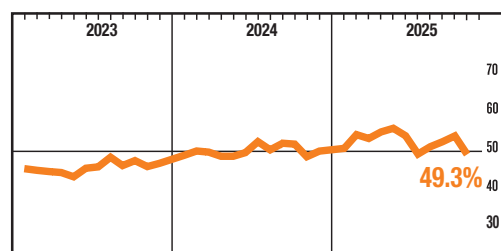
Production

The Production Index expanded in November, registering 51.4 percent. The seven industries reporting growth in production during the month of November — in the following order — are: Food, Beverage & Tobacco Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; Machinery; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; and Primary Metals.



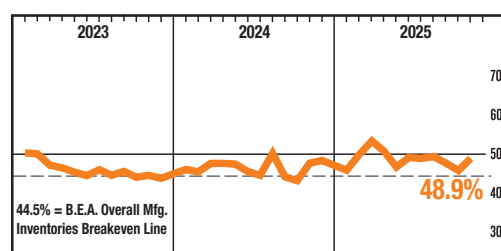
Employment

ISM's Employment Index registered 44 percent. Of the 18 manufacturing industries, two reported employment growth in November: Computer & Electronic Products; and Machinery.



Supplier Deliveries

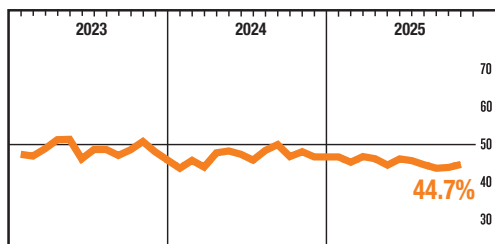
The Supplier Deliveries Index registered 49.3 percent. The five manufacturing industries reporting slower supplier deliveries in November are: Furniture & Related Products; Computer & Electronic Products; Primary Metals; Food, Beverage & Tobacco Products; and Fabricated Metal Products.



Inventories

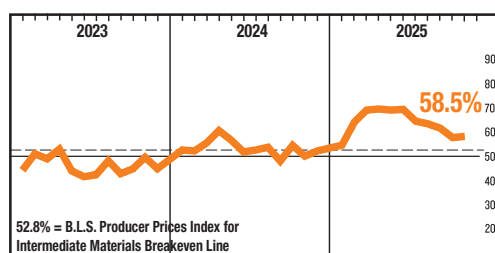
The Inventories Index registered 48.9 percent. Of 18 manufacturing industries, the five reporting higher inventories in November are: Textile Mills; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing[‡]; and Computer & Electronic Products.

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



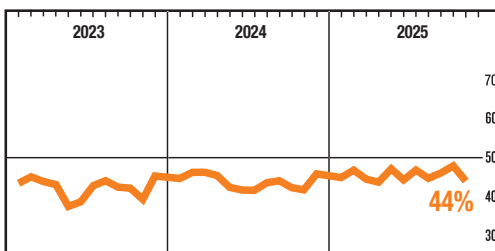
Customers' Inventories

ISM's Customers' Inventories Index remained in "too low" territory in November, with a reading of 44.7 percent. The only industry reporting customers' inventories as too high in November is Electrical Equipment, Appliances & Components. The 11 industries reporting customers' inventories as too low in November, in order, are: Primary Metals; Plastics & Rubber Products; Paper Products; Furniture & Related Products; Miscellaneous Manufacturing†; Food, Beverage & Tobacco Products; Fabricated Metal Products; Machinery; Transportation Equipment; Chemical Products; and Computer & Electronic Products.



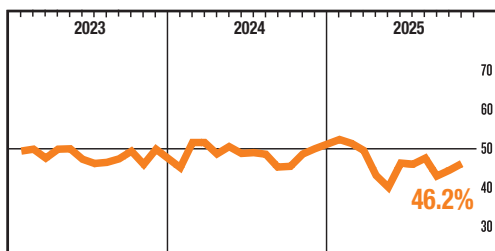
Prices

The ISM Prices Index registered 58.5 percent. In November, the 12 industries that reported paying increased prices for raw materials, in order, are: Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Primary Metals; Machinery; Wood Products; Transportation Equipment; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Fabricated Metal Products; Computer & Electronic Products; Miscellaneous Manufacturing†; and Chemical Products.



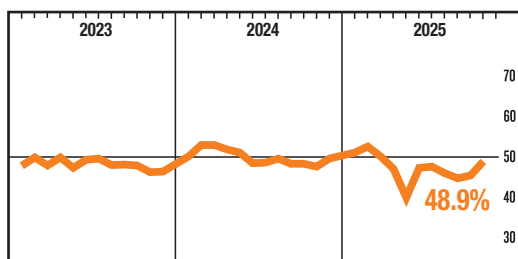
Backlog of Orders

ISM's Backlog of Orders Index registered 44 percent. Of the 18 manufacturing industries, the three that reported growth in order backlogs in November are: Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; and Fabricated Metal Products.



New Export Orders

ISM's New Export Orders Index contracted in November, registering 46.2 percent. Of the 18 manufacturing industries, the two that reported growth in new export orders in November are Primary Metals; and Computer & Electronic Products.



Imports

The Imports Index registered 48.9 percent. The five industries reporting higher imports in November are: Primary Metals; Computer & Electronic Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing†; and Fabricated Metal Products.

†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 **ISM® Manufacturing PMI® Report** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' 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 U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; and Petroleum & Coal Products.

The **ISM® Services PMI® Report** (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 Panel (formerly Non-Manufacturing Business Survey Panel) is diversified by North American Industry Classification System (NAICS), based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel 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 U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

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 42.3 percent, over a period of time, indicates that the overall economy, or gross

domestic product (GDP), is generally expanding; below 42.3 percent, it is generally declining. The distance from 50 percent or 42.3 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 48.6 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.6 percent, it is generally declining. The distance from 50 percent or 48.6 percent is indicative of the strength of the expansion or decline. With some of the indicators within the ISM® Manufacturing PMI® Report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The ISM® PMI® Report surveys are sent out to Manufacturing and Services Business Survey Panel 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.

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Institute for Supply Management® (ISM®) is the first and leading not-for-profit professional supply management organization worldwide. Its community of more than 50,000 in more than 100 countries around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 by practitioners, ISM is committed to advancing the strategy and practice of integrated, end-to-end supply chain management through leading edge data-driven resources, community, and education to empower individuals, create organizational value and to drive competitive advantage. ISM's vision is to foster a prosperous, sustainable world. ISM empowers and leads the profession through the ISM® PMI® Reports (formerly *Report On Business*®), its highly-regarded certification and training programs, corporate services, events and assessments. The ISM® PMI® Reports — Manufacturing and Services — are two of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. For more information, please visit: www.ismworld.org.