

# ISM® REPORT ON BUSINESS® MANUFACTURING

JUNE 2017

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**E**conomic activity in the manufacturing sector expanded in June, and the overall economy grew for the 97th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The June PMI® registered 57.8 percent. The New Orders Index registered 63.5 percent, an increase of 4 percentage points from the May reading of 59.5 percent. The

Production Index registered 62.4 percent, a 5.3 percentage point increase compared to the May reading of 57.1 percent. The Employment Index registered 57.2 percent, an increase of 3.7 percentage points from the May reading of 53.5 percent. The Supplier Deliveries index registered 57 percent, a 3.9 percentage point increase from the May reading of 53.1 percent. Comments

## PMI® @ 57.8%

from the panel generally reflect expanding business conditions; with new orders, production, employment, backlog and exports all growing in June compared to May and with supplier deliveries and inventories struggling to keep up with the production pace.

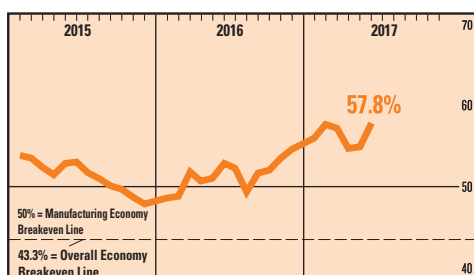
Of the 18 manufacturing industries, 15 reported growth in June in the following order: Furniture & Related Products; Nonmetallic Mineral Products; Paper Products; Machinery; Electrical Equipment, Appliances & Components; Chemical Products; Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Printing & Related Support Activities; Fabricated Metal Products; Wood Products; Miscellaneous Manufacturing†; and Petroleum & Coal Products.

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

### MANUFACTURING AT A GLANCE

Index	Jun Index	May Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	57.8	54.9	+2.9	Growing	Faster	10
New Orders	63.5	59.5	+4.0	Growing	Faster	10
Production	62.4	57.1	+5.3	Growing	Faster	10
Employment	57.2	53.5	+3.7	Growing	Faster	9
Supplier Deliveries	57.0	53.1	+3.9	Slowing	Faster	14
Inventories	49.0	51.5	-2.5	Contracting	From Growing	1
Customers' Inventories	50.5	49.5	+1.0	Too High	From Too Low	1
Prices	55.0	60.5	-5.5	Increasing	Slower	16
Backlog of Orders	57.0	55.0	+2.0	Growing	Faster	5
New Export Orders	59.5	57.5	+2.0	Growing	Faster	16
Imports	54.0	53.5	+0.5	Growing	Faster	5
<b>OVERALL ECONOMY</b>				<b>Growing</b>	<b>Faster</b>	<b>97</b>
<b>Manufacturing Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>10</b>

\*Number of months moving in current direction. Manufacturing ISM® *Report On Business*® data is seasonally adjusted for the New Orders, Production, Employment and Supplier Deliveries Indexes.



### PMI®

Manufacturing expanded in June as the PMI® registered 57.8 percent, an increase of 2.9 percentage points from the May reading of 54.9 percent reaching its highest level since August 2014 when it registered 57.9 percent, indicating growth in manufacturing for the 10th consecutive month. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. A PMI® above 43.3 percent, over a period of time, generally indicates an expansion of the overall economy.

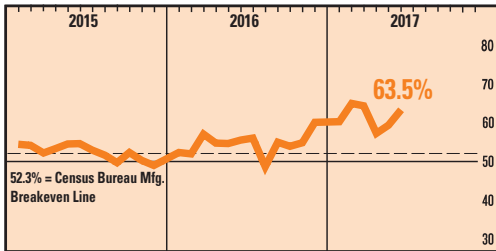
### COMMODITIES REPORTED

**Commodities Up in Price:** Acrylates\*; Aluminum (8); Animal Protein; Copper; Corrugate (9); Corrugated Boxes (4); Electric Components; Linerboard; Scrap Metal (5); Steel – Alloy; and Steel – Hot Rolled\* (7).

**Commodities Down in Price:** Acrylates\*; Crude Oil; Distillates; HDPE; Natural Gas; Polyethylene Products; and Steel – Hot Rolled\*.

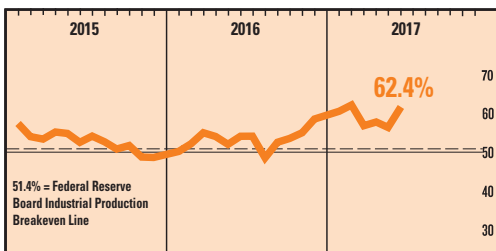
**Commodities in Short Supply:** Electric Components; and Electronic Components (4).

Note: The number of consecutive months the commodity is listed is indicated after each item. \*Reported as both up and down in price.



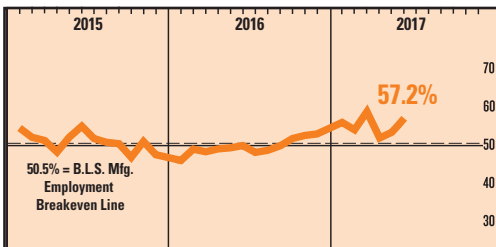
## New Orders

ISM's New Orders Index registered 63.5 percent. Fifteen of 18 industries reported growth in new orders in June, listed in the following order: Wood Products; Furniture & Related Products; Machinery; Plastics & Rubber Products; Paper Products; Transportation Equipment; Fabricated Metal Products; Chemical Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Printing & Related Support Activities; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; Petroleum & Coal Products; and Computer & Electronic Products.



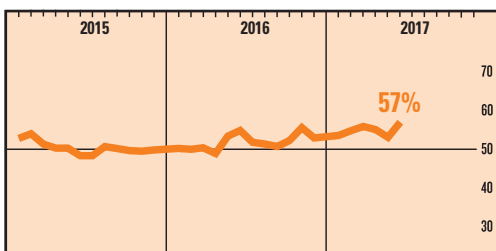
## Production

ISM's Production Index registered 62.4 percent. The 14 industries reporting growth in production during the month of June — listed in order — are: Paper Products; Furniture & Related Products; Machinery; Nonmetallic Mineral Products; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Chemical Products; Fabricated Metal Products; Computer & Electronic Products; Printing & Related Support Activities; Transportation Equipment; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; and Primary Metals.



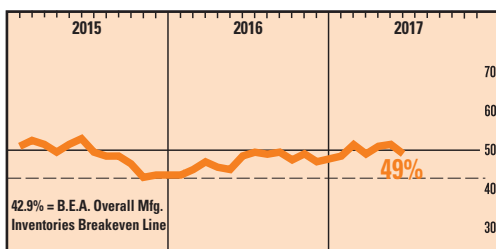
## Employment

ISM's Employment Index registered 57.2 percent. Of the 18 manufacturing industries, the 14 reporting employment growth in June — listed in order — are: Textile Mills; Furniture & Related Products; Paper Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Printing & Related Support Activities; Plastics & Rubber Products; Computer & Electronic Products; Transportation Equipment; Fabricated Metal Products; Chemical Products; Nonmetallic Mineral Products; Machinery; and Primary Metals.



## Supplier Deliveries

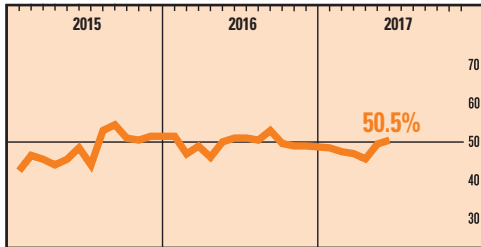
The Supplier Deliveries Index registered 57 percent. The nine industries reporting slower supplier deliveries in June — listed in order — are: Nonmetallic Mineral Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing<sup>‡</sup>; Food, Beverage & Tobacco Products; Machinery; Transportation Equipment; Chemical Products; and Fabricated Metal Products.



## Inventories

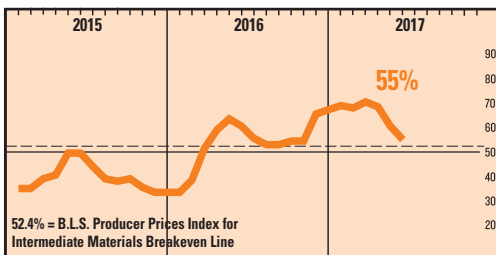
The Inventories Index registered 49 percent. The six industries reporting higher inventories in June — listed in order — are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Machinery; Chemical Products; Computer & Electronic Products; and Primary Metals.

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



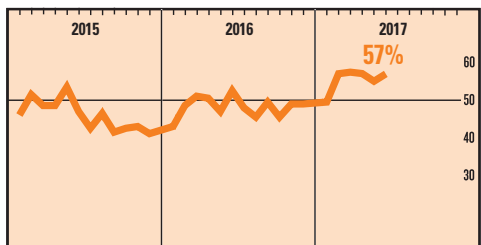
## Customers' Inventories

ISM's Customers' Inventories Index registered 50.5 percent. The five manufacturing industries reporting customers' inventories as being too high during the month of June are: Furniture & Related Products; Chemical Products; Fabricated Metal Products; Computer & Electronic Products; and Transportation Equipment.



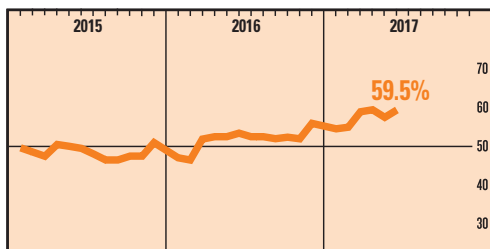
## Prices

The ISM Prices Index registered 55 percent. Of the 18 manufacturing industries, the nine that reported paying increased prices for raw materials in June — listed in order — are: Furniture & Related Products; Machinery; Miscellaneous Manufacturing<sup>‡</sup>; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Paper Products; Food, Beverage & Tobacco Products; and Computer & Electronic Products.



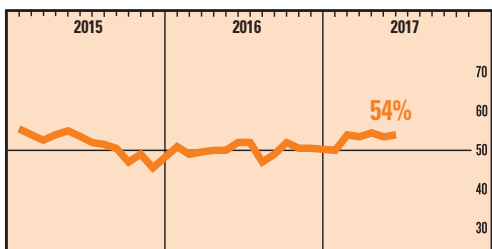
## Backlog of Orders

ISM's Backlog of Orders Index registered 57 percent. The 12 industries reporting growth in order backlogs in June — listed in order — are: Furniture & Related Products; Paper Products; Primary Metals; Machinery; Printing & Related Support Activities; Nonmetallic Mineral Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Chemical Products; Plastics & Rubber Products; Computer & Electronic Products; and Fabricated Metal Products.



## New Export Orders

ISM's New Export Orders Index registered 59.5 percent. The 12 industries reporting growth in new export orders in June — listed in order — are: Wood Products; Machinery; Furniture & Related Products; Primary Metals; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Chemical Products; Transportation Equipment; Paper Products; Fabricated Metal Products; Computer & Electronic Products; and Miscellaneous Manufacturing<sup>‡</sup>.



## Imports

ISM's Imports Index registered 54 percent. The seven industries reporting growth in imports during the month of June — listed in order — are: Furniture & Related Products; Transportation Equipment; Fabricated Metal Products; Machinery; Plastics & Rubber Products; Food, Beverage & Tobacco Products; and Computer & Electronic Products.

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