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February 2019 Manufacturing ISM® Report On Business®

PMI® at 54.2%

New Orders, Production, and Employment Growing

Supplier Deliveries Slowing at Slower Rate; Backlog Growing

Raw Materials Inventories Growing; Customers' Inventories Too Low

Prices Decreasing; Exports and Imports Growing

(Tempe, Arizona) — Economic activity in the manufacturing sector expanded in February, and the overall economy grew for the 118th consecutive month, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

The report was issued today by Timothy R. Fiore, CPSM, C.P.M., Chair of the Institute for Supply Management® (ISM®) Manufacturing Business Survey Committee: "The February PMI® registered 54.2 percent, an decrease of 2.4 percentage points from the January reading of 56.6 percent. The New Orders Index registered 55.5 percent, a decrease of 2.7 percentage points from the January reading of 58.2 percent. The Production Index registered 54.8 percent, 5.7-percentage point decrease compared to the January reading of 60.5 percent. The Employment Index registered 52.3 percent, a decrease of 3.2 percentage points from the January reading of 55.5 percent. The Supplier Deliveries Index registered 54.9 percent, a 1.3 percentage point decrease from the January reading of 56.2 percent. The Inventories Index registered 53.4 percent, an increase of 0.6 percentage point from the January reading of 52.8 percent. The Prices Index registered 49.4 percent, a 0.2-percentage point decrease from the January reading of 49.6 percent, indicating lower raw materials prices for the second straight month after nearly three years of increases.

"Comments from the panel reflect continued expanding business strength, supported by notable demand and output, although both were softer than the prior month. Demand expansion continued,

with the New Orders Index reaching the mid-50s, the Customers' Inventories Index scoring lower and remaining too low, and the Backlog of Orders returning to a low-50s expansion level. Consumption (production and employment) continued to expand but fell a combined 8.9 points from the previous month's levels. Inputs — expressed as supplier deliveries, inventories and imports — stabilized at a mid-50s level and had a slight negative impact on the PMI®. Inputs continue to reflect an easing business environment, confirmed by Prices Index contraction.

"Exports continue to expand, at slightly stronger rates compared to January. The manufacturing sector continues to expand, but inputs and prices indicate easing of supply chain constraints," says Fiore.

Of the 18 manufacturing industries, 16 reported growth in February, in the following order: Printing & Related Support Activities; Textile Mills; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Paper Products; Wood Products; Primary Metals; Chemical Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing; Petroleum & Coal Products; Transportation Equipment; Machinery; Furniture & Related Products; and Plastics & Rubber Products. The only industry reporting contraction in February is Nonmetallic Mineral Products.

What respondents are saying

"Strong domestics market. Slow export markets." (Paper Products)

"Demand remains healthy at the beginning of 2019. However, growing concerns for what could be another round of tariffs in March are further escalating price increases of already constrained electronic components. Expect to see increased lead times and prices throughout Q1 and Q2." (Computer & Electronic Products)

"Strong start to the year, though weather has been a challenge." (Chemical Products)

"Still fairly steady with production and services." (Transportation Equipment)

"Economy showing general strength, especially in manufacturing. Cost pressures and tariff challenges persist but are manageable. General outlook is for stability and potential improvement in the second half of 2019." (Food, Beverage & Tobacco Products)

"Orders remain strong. Supplier delivery continues to be challenged on some commodities." (Machinery)

"Aerospace engine-related business continues to be strong. Energy and general industry-related business is flat to down." (Miscellaneous Manufacturing)

"Business so far this year is meeting, but not exceeding, our forecast. We are concerned about indicators showing a slight recession for the second half of the calendar year." (Fabricated Metal Products)

"Uncertainty of steel prices due to Section 232 tariffs on imported steel and lack of resolution of the anti-dumping trade cases." (Petroleum & Coal Products)

“General business conditions started to slow at the end of January, continuing through February.”  
(Plastics and Rubber Products)

Manufacturing at a Glance  
February 2019

Index	Series Index Feb	Series Index Jan	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	54.2	56.6	-2.4	Growing	Slower	30
New Orders	55.5	58.2	-2.7	Growing	Slower	38
Production	54.8	60.5	-5.7	Growing	Slower	30
Employment	52.3	55.5	-3.2	Growing	Slower	29
Supplier Deliveries	54.9	56.2	-1.3	Slowing	Slower	36
Inventories	53.4	52.8	+0.6	Growing	Faster	14
Customers' Inventories	39.0	42.8	-3.8	Too Low	Faster	29
Prices	49.4	49.6	-0.2	Decreasing	Faster	2
Backlog of Orders	52.3	50.3	+2.0	Growing	Faster	2
New Export Orders	52.8	51.8	+1.0	Growing	Faster	36
Imports	55.3	53.8	+1.5	Growing	Faster	25
OVERALL ECONOMY				Growing	Slower	118
Manufacturing Sector				Growing	Slower	30

Manufacturing ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Supplier Deliveries Indexes.

\*Number of months moving in current direction.

Commodities reported up/down in price and in short supply

### Commodities Up in Price

Aluminum\*; Electronic Components (7); Paper-Based Products; Plastic Components; Printed Circuit Board Assemblies (2); Steel\* (6); Steel — Hot Rolled\* (2); and Steel Products\* (10).

### Commodities Down in Price

Aluminum\* (5); Caustic Soda (5); Memory (2); Oil; Steel\* (6); Steel — Hot Rolled\* (6); and Steel Products\* (2).

### Commodities in Short Supply

Capacitors (20); Electronic Components (10); and Resistors (16).

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

\*Indicates both up and down in price.

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## Manufacturing Index Summaries

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### PMI®

Manufacturing expanded in February, as the PMI® registered 54.2 percent, a decrease of 2.4 percentage points from the January reading of 56.6 percent. “This indicates growth in manufacturing for the 30th consecutive month. The PMI® reversed a January increase in expansion primarily through an expansion softening of a combined 8.9 points in production and employment. The index reached its lowest level of expansion since November 2016, when the PMI® measured 53 percent,” says Fiore. 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 42.9 percent, over a period of time, generally indicates an expansion of the overall economy. Therefore, the February PMI® indicates growth for the 118th consecutive month in the overall economy and 30th straight month of growth in the manufacturing sector. “The past relationship between the PMI® and the overall economy indicates that the PMI® for February (54.2 percent) corresponds to a 3.3-percent increase in real gross domestic product (GDP) on an annualized basis,” says Fiore.

## The Last 12 Months

Month	PMI®
Feb 2019	54.2
Jan 2019	56.6
Dec 2018	54.3
Nov 2018	58.8
Oct 2018	57.5
Sep 2018	59.5
Month	PMI®
Aug 2018	60.8
Jul 2018	58.4
Jun 2018	60.0
May 2018	58.7
Apr 2018	57.9
Mar 2018	59.3
Average for 12 months - 58.0	
High - 60.8	
Low - 54.2	

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## New Orders

ISM®'s New Orders Index registered 55.5 percent in February, which is a decrease of 2.7 percentage points when compared to the 58.2 percent reported for January, indicating growth in new orders for the 38th consecutive month. "Customer demand expansion softened compared to January, with four of the top six industry sectors expanding," says Fiore. A New Orders Index above 52.5 percent, over time, is generally consistent with an increase in the Census Bureau's series on manufacturing orders (in constant 2000 dollars).

Thirteen of 18 industries reported growth in new orders in February, in the following order: Wood Products; Computer & Electronic Products; Printing & Related Support Activities; Fabricated Metal

Products; Primary Metals; Furniture & Related Products; Plastics & Rubber Products; Chemical Products; Miscellaneous Manufacturing; Paper Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; and Machinery. The only industry reporting a decrease in new orders in February is Nonmetallic Mineral Products.

New Orders	% Higher	% Same	% Lower	Net	Index
Feb 2019	28.2	57.8	14.0	+14.2	55.5
Jan 2019	29.8	52.0	18.3	+11.5	58.2
Dec 2018	19.7	57.5	22.9	-3.2	51.3
Nov 2018	31.0	55.0	14.0	+17.0	61.8

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#### Production

ISM®'s Production Index registered 54.8 percent in February, which is a decrease of 5.7 percentage points when compared to the 60.5 percent reported for January, indicating growth in production for the 30th consecutive month. "Production expansion continued in February, but at a slower pace compared to January. Production was not able to keep pace with customer-inventory demand and was not able to prevent a growth in backlog orders. Weather conditions causing factory shutdowns may have contributed to the weaker expansion performance," says Fiore. An index above 51.7 percent, over time, is generally consistent with an increase in the Federal Reserve Board's Industrial Production figures.

The 12 industries reporting growth in production during the month of February — listed in order — are: Printing & Related Support Activities; Chemical Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Petroleum & Coal Products; Fabricated Metal Products; Primary Metals; Paper Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Machinery. The four industries reporting a decrease in production in February are: Textile Mills; Nonmetallic Mineral Products; Furniture & Related Products; and Plastics & Rubber Products.

Production	% Higher	% Same	% Lower	Net	Index
Feb 2019	26.0	59.5	14.5	+11.5	54.8
Jan 2019	28.3	56.0	15.7	+12.6	60.5
Dec 2018	21.6	58.8	19.5	+2.1	54.1
Nov 2018	30.6	56.8	12.6	+18.0	59.9

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## Employment

ISM®'s Employment Index registered 52.3 percent in February, a decrease of 3.2 percentage points when compared to the January reading of 55.5 percent. This indicates growth in employment in February for the 29th consecutive month. "Employment continued to expand, but at the lowest level since November 2016, when the index registered 51.6 percent," says Fiore. An Employment Index above 50.8 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment.

Ten of 18 manufacturing industries reported employment growth in February, in the following order: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Primary Metals; Computer & Electronic Products; Machinery; Transportation Equipment; and Chemical Products. The two industries reporting a decrease in employment in February are: Wood Products; and Fabricated Metal Products. Six industries reported no change in employment in February compared to January.

Employment	% Higher	% Same	% Lower	Net	Index
Feb 2019	18.2	68.7	13.2	+5.0	52.3
Jan 2019	17.6	71.1	11.3	+6.3	55.5
Dec 2018	18.6	70.7	10.7	+7.9	56.0
Nov 2018	22.7	69.1	8.2	+14.5	57.7

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## Supplier Deliveries

The delivery performance of suppliers to manufacturing organizations slowed in February, as the Supplier Deliveries Index registered 54.9 percent. This is 1.3 percentage points lower than the 56.2 percent reported for January. "This is the 36th straight month of slowing supplier deliveries, with the index recording its lowest level of expansion since May 2017, when it registered 54.3 percent. Supplier delivery improvement contributed to slight gains in inventory expansion," says Fiore. A reading below 50 percent indicates faster deliveries, while a reading above 50 percent indicates slower deliveries.

The 12 industries reporting slower supplier deliveries in February — listed in order — are: Textile Mills; Apparel, Leather & Allied Products; Fabricated Metal Products; Petroleum & Coal Products; Primary Metals; Nonmetallic Mineral Products; Transportation Equipment; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Machinery; Chemical Products; and Computer & Electronic Products. No industry reported faster supplier deliveries in February. Six industries reported no change in supplier deliveries in February compared to January.

Supplier Deliveries	% Slower	% Same	% Faster	Net	Index
Feb 2019	16.6	77.3	6.1	+10.5	54.9
Jan 2019	17.7	75.6	6.7	+11.0	56.2
Dec 2018	17.6	78.0	4.4	+13.2	59.0
Nov 2018	25.9	70.2	3.9	+22.0	61.5

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#### Inventories\*

The Inventories Index registered 53.4 percent in February, an increase of 0.6 percentage point from the 52.8 percent reported for January. “Inventories expanded for the 14th consecutive month, at a faster rate than the previous month. This growth is due to continued improvement in supplier delivery performance. Inventory expansion achieved its highest level since August 2018, when the index reached 55.4 percent,” says Fiore. An Inventories Index greater than 44.3 percent, over time, is generally consistent with expansion in the Bureau of Economic Analysis (BEA) figures on overall manufacturing inventories (in chained 2000 dollars).

The 10 industries reporting higher inventories in February — listed in order — are: Textile Mills; Wood Products; Printing & Related Support Activities; Paper Products; Furniture & Related Products; Transportation Equipment; Machinery; Electrical Equipment, Appliances & Components; Computer & Electronic Products; and Fabricated Metal Products. The three industries reporting a decrease in inventories in February are: Primary Metals; Plastics & Rubber Products; and Miscellaneous Manufacturing.

Inventories	% Higher	% Same	% Lower	Net	Index
Feb 2019	20.0	66.8	13.2	+6.8	53.4
Jan 2019	21.5	62.5	16.0	+5.5	52.8
Dec 2018	20.9	60.6	18.4	+2.5	51.2
Nov 2018	23.4	59.0	17.6	+5.8	52.9

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#### Customers' Inventories\*

ISM®'s Customers' Inventories Index registered 39 percent in February, which is 3.8 percentage points lower than the 42.8 percent reported for January, indicating that customers' inventory levels were considered too low. “Customers' inventories are too low for the 29th consecutive month and recorded

their lowest level since December 2010, when the index registered 39 percent. Low customer inventories continue to represent future production-growth potential,” says Fiore.

The only industry reporting customers’ inventories as too high during the month of February is Apparel, Leather and Allied Products. The 10 industries reporting customers’ inventories as too low during February — listed in order — are: Chemical Products; Machinery; Primary Metals; Plastics & Rubber Products; Computer & Electronic Products; Fabricated Metal Products; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; and Paper Products. Six industries reported no change in inventories in February compared to January.

Customers' Inventories	% Reporting	% Too High	% About Right	% Too Low	Net	Index
Feb 2019	74	4.3	69.4	26.3	-22.0	39.0
Jan 2019	77	9.6	66.4	24.0	-14.4	42.8
Dec 2018	82	4.3	74.7	21.0	-16.7	41.7
Nov 2018	79	8.9	65.1	26.0	-17.1	41.5

#### Prices\*

The ISM® Prices Index registered 49.4 percent in February, a decrease of 0.2 percentage point from the January reading of 49.6 percent, indicating a decrease in raw materials prices for the second straight month. The Prices Index has dropped 22.2 percentage points over the past four months. “Prices contracted for the second straight month. Decreases were reported in aluminum, steel, steel-based products, various chemicals and plastic resins. Steel prices have returned to more normal levels. Price increases and shortages continue for passive electronic components,” says Fiore. A Prices Index above 52.5 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) Producer Price Index for Intermediate Materials.

Six of the 18 industries reported paying increased prices for raw materials in February, in the following order: Printing & Related Support Activities; Textile Mills; Computer & Electronic Products; Transportation Equipment; Miscellaneous Manufacturing; and Machinery. The eight industries reporting a decrease in prices for raw materials in February — listed in order — are: Furniture & Related Products; Wood Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Paper Products; Fabricated Metal Products; Chemical Products; and Food, Beverage & Tobacco Products.

Prices	% Higher	% Same	% Lower	Net	Index
Feb 2019	20.0	58.9	21.1	-1.1	49.4
Jan 2019	20.6	57.9	21.5	-0.9	49.6

Prices	% Higher	% Same	% Lower	Net	Index
Dec 2018	26.8	56.1	17.1	+9.7	54.9
Nov 2018	32.0	57.3	10.7	+21.3	60.7

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#### Backlog of Orders\*

ISM®'s Backlog of Orders Index registered 52.3 percent in February, which is 2 percentage points higher than the 50.3 percent reported in January, indicating order backlogs grew for the month. "Backlogs expanded during February despite the softening of growth in new orders, indicating production struggled to keep up with incoming demand," says Fiore.

The nine industries reporting growth in order backlogs in February — listed in order — are: Wood Products; Printing & Related Support Activities; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Primary Metals; Paper Products; Transportation Equipment; Miscellaneous Manufacturing; and Machinery. The seven industries reporting a decrease in order backlogs during February in the following order are: Apparel, Leather & Allied Products; Textile Mills; Petroleum & Coal Products; Furniture & Related Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; and Chemical Products.

Backlog of Orders*	% Reporting	% Higher	% Same	% Lower	Net	Index
Feb 2019	88	23.4	57.8	18.8	+4.6	52.3
Jan 2019	88	20.1	60.3	19.6	+0.5	50.3
Dec 2018	89	19.8	60.3	19.9	-0.1	50.0
Nov 2018	88	27.7	57.5	14.9	+12.8	56.4

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#### New Export Orders\*

ISM®'s New Export Orders Index registered 52.8 percent in February, 1 percentage point higher compared to the January reading of 51.8 percent, indicating growth in new export orders for the 36th consecutive month. "Export orders continued expansion at better rates than the prior month, but still at low levels of expansion, consistent with the prior four months. Two of the six big industry sectors contributed to the expansion," says Fiore.

The seven industries reporting growth in new export orders in February — listed in order — are: Wood Products; Furniture & Related Products; Miscellaneous Manufacturing; Chemical Products; Food, Beverage & Tobacco Products; Machinery; and Plastics & Rubber Products. The two industries reporting

a decrease in new export orders in February are: Apparel, Leather and Allied Products; and Fabricated Metal Products. Nine industries reported no change in new export orders in February.

New Export Orders*	% Reporting	% Higher	% Same	% Lower	Net	Index
Feb 2019	78	11.8	82.2	6.1	+5.7	52.8
Jan 2019	78	12.8	77.8	9.3	+3.5	51.8
Dec 2018	80	13.9	77.7	8.4	+5.5	52.8
Nov 2018	81	12.9	78.6	8.4	+4.5	52.2

#### Imports\*

ISM®'s Imports Index registered 55.3 percent in February, an increase of 1.5 percentage points when compared to the 53.8 percent reported for January, indicating that imports grew in February for the 25th consecutive month. "Imports expansion improved, reversing a three-month expansion decline that was due in part to continued activity to import prior to the Lunar New Year, as well as to avoid potential tariff increases on March 1. The index recorded its best expansion performance since June 2018, when it achieved 59 percent," says Fiore.

The 13 industries reporting growth in imports during the month of February — listed in order — are: Wood Products; Textile Mills; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Plastics & Rubber Products; Miscellaneous Manufacturing; Machinery; Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; and Fabricated Metal Products. No industry reported a decrease in imports during February.

Imports	% Reporting	% Higher	% Same	% Lower	Net	Index
Feb 2019	80	16.6	77.5	5.9	+10.7	55.3
Jan 2019	85	17.0	73.6	9.4	+7.6	53.8
Dec 2018	86	16.7	72.0	11.3	+5.4	52.7
Nov 2018	83	18.7	69.8	11.5	+7.2	53.6

\*The Inventories, Customers' Inventories, Prices, Backlog of Orders, New Export Orders and Imports Indexes do not meet the accepted criteria for seasonal adjustments.

## Buying Policy

Average commitment lead time for Capital Expenditures decreased by two days in February to 146 days. Average lead time for Production Materials was unchanged at 68 days. Average lead time for Maintenance, Repair and Operating (MRO) Supplies decreased by three days to 33 days

## Percent Reporting

Capital Expenditures	Hand-to-Mouth	30 Days	60 Days	90 Days	6 Months	1 Year +	Average Days
Feb 2019	18	3	13	20	26	20	146
Jan 2019	20	4	12	18	24	22	148
Dec 2018	19	5	11	22	23	20	142
Nov 2018	19	5	9	22	22	23	150

Production Materials	Hand-to-Mouth	30 Days	60 Days	90 Days	6 Months	1 Year +	Average Days
Feb 2019	10	37	24	17	9	3	68
Jan 2019	13	30	27	19	8	3	68
Dec 2018	11	35	27	17	6	4	68
Nov 2018	9	35	30	15	8	3	68

MRO Supplies	Hand-to-Mouth	30 Days	60 Days	90 Days	6 Months	1 Year +	Average Days
Feb 2019	34	45	15	4	1	1	33
Jan 2019	35	39	17	6	2	1	36
Dec 2018	37	41	14	5	3	0	32
Nov 2018	37	39	15	6	3	0	33

## About This Report

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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 information compiled in this report is for the month of February 2019.

The data presented herein is obtained from a survey of manufacturing 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. Beginning in January 2018, 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. For each of the indicators measured (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Customers' Inventories, Employment and Prices), this report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction (higher, better and slower for Supplier Deliveries) and the negative economic direction (lower, worse and faster for Supplier Deliveries), and the diffusion index. 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 (PMI®, New Orders, Production, Employment and Supplier Deliveries) 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. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them. The 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 (seasonally adjusted), and Inventories.

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 PMI® reading above 50 percent

indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A PMI® above 42.9 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 42.9 percent, it is generally declining. The distance from 50 percent or 42.9 percent is indicative of the strength of the expansion or decline. With some of the indicators within this report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis. The Manufacturing ISM® Report On Business® survey is sent out to Manufacturing Business Survey Committee respondents the first part of each month. Respondents are asked to ONLY report on information for the current month. 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 in order to give the most accurate picture of current business activity. ISM® then compiles the report for release on the first business day of the following month.

The industries reporting growth, as indicated in the Manufacturing ISM® Report On Business® monthly report, 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.

Responses to Buying Policy reflect the percent reporting the current month's lead time, the approximate weighted number of days ahead for which commitments are made for Capital Expenditures; Production Materials; and Maintenance, Repair and Operating (MRO) Supplies, expressed as hand-to-mouth (five days), 30 days, 60 days, 90 days, six months (180 days), a year or more (360 days), and the weighted average number of days. These responses are raw data, never revised, and not seasonally adjusted since there is no significant seasonal pattern.

#### ISM ROB Content

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