

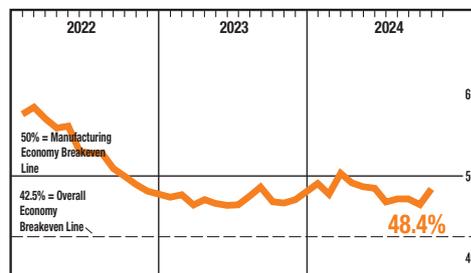
Economic activity in the manufacturing sector contracted in November for the eighth consecutive month and the 24th time in the last 25 months, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

The Manufacturing PMI® registered 48.4 percent. The New Orders Index returned to expansion, albeit weakly, after seven months of contraction, registering 50.4 percent, 3.3 percentage points higher than the 47.1 percent recorded in October. The November reading of the Production Index (46.8 percent) is 0.6 percentage point higher than October's figure of 46.2 percent. The Prices Index continued in expansion (or "increasing") territory, registering 50.3 percent, down 4.5 percentage points compared to the reading of 54.8 percent in October. The Backlog of Orders Index registered 41.8 percent, down 0.5 percentage point compared to the 42.3 percent recorded in October. The Employment Index registered 48.1 percent, up 3.7 percentage points from October's figure of 44.4 percent. The New Export Orders Index reading of 48.7 percent is 3.2 percentage points higher than the 45.5 percent registered in October.

The three manufacturing industries reporting growth in November are: Food, Beverage & Tobacco Products; Computer & Electronic Products; and Electrical Equipment, Appliances & Components. **ISM**

MANUFACTURING PMI® at 48.4%

The U.S. manufacturing sector contracted for the eighth consecutive month in November, as the Manufacturing PMI® registered 48.4 percent, 1.9 percentage points higher compared to the 46.5 percent reported in October. After breaking a 16-month streak of contraction by expanding in March, the manufacturing sector has contracted for the last eight months. Of the five subindexes that directly factor into the Manufacturing PMI®, only one (New Orders) was in expansion territory, the same number of indexes as in October.



Manufacturing at a Glance

INDEX	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	48.4	46.5	+1.9	Contracting	Slower	8
New Orders	50.4	47.1	+3.3	Growing	From Contracting	1
Production	46.8	46.2	+0.6	Contracting	Slower	6
Employment	48.1	44.4	+3.7	Contracting	Slower	6
Supplier Deliveries	48.7	52.0	-3.3	Faster	From Slower	1
Inventories	48.1	42.6	+5.5	Contracting	Slower	3
Customers' Inventories	48.4	46.8	+1.6	Too Low	Slower	2
Prices	50.3	54.8	-4.5	Increasing	Slower	2
Backlog of Orders	41.8	42.3	-0.5	Contracting	Faster	26
New Export Orders	48.7	45.5	+3.2	Contracting	Slower	6
Imports	47.6	48.3	-0.7	Contracting	Faster	6
Overall Economy				Growing	Faster	55
Manufacturing Sector				Contracting	Slower	8

*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.



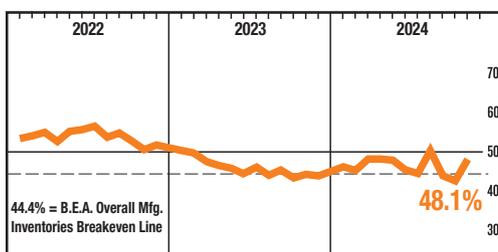
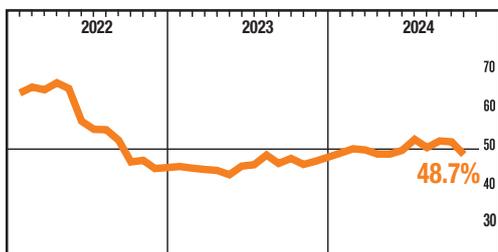
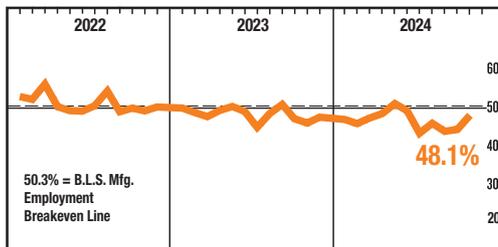
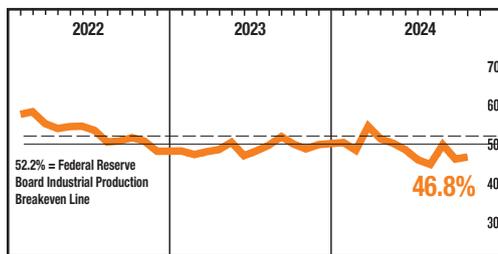
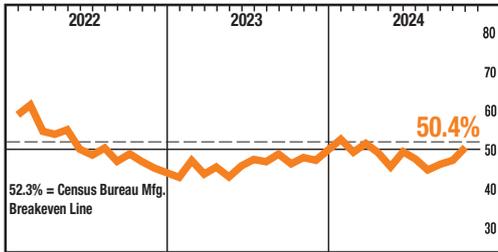
Commodities Reported

Commodities Up in Price: Aluminum* (12); Caustic Soda; Copper (2); Copper Based Products; Electrical Components; and Natural Gas (2).

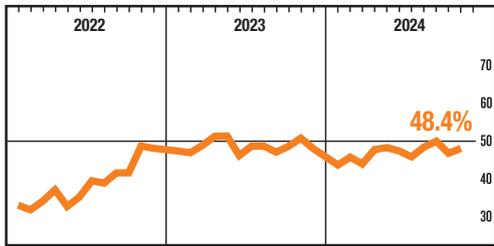
Commodities Down in Price: Aluminum*; Crude Oil; Diesel Fuel; Plastic Resin; Solvents; Steel — Hot Rolled; and Steel Products.

Commodities in Short Supply: Electrical Components (50); Electrical Equipment; Electronic Assemblies; and Electronic Components (8).

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

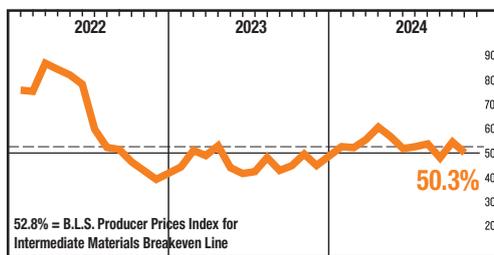


[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



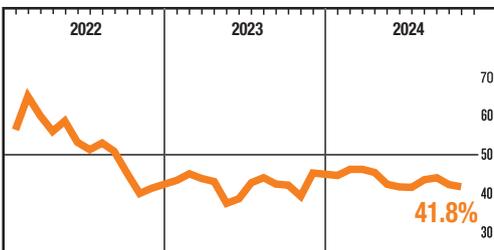
Customers' Inventories

ISM's Customers' Inventories Index registered a reading of 48.4 percent. The four industries reporting customers' inventories as too high in November are: Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; and Miscellaneous Manufacturing[‡].



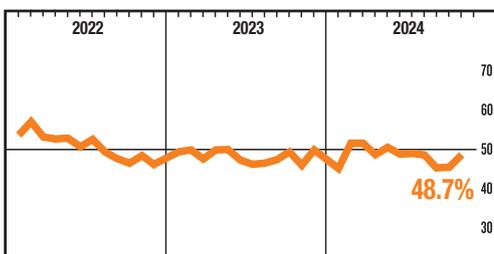
Prices

The ISM Prices Index registered 50.3 percent. In November, the five industries that reported paying increased prices for raw materials are: Textile Mills; Miscellaneous Manufacturing[‡]; Fabricated Metal Products; Transportation Equipment; and Chemical Products.



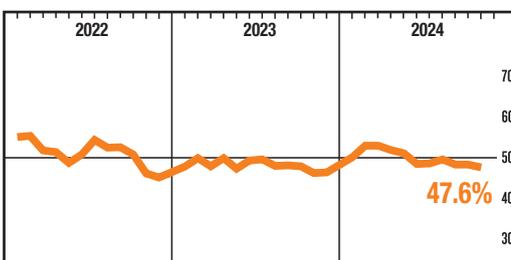
Backlog of Orders

ISM's Backlog of Orders Index registered 41.8 percent. Of the 18 manufacturing industries, four reported growth in order backlogs in November: Textile Mills; Paper Products; Primary Metals; and Computer & Electronic Products.



New Export Orders

ISM's New Export Orders Index registered 48.7 percent in November. The five industries reporting growth in new export orders in November are: Textile Mills; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; and Miscellaneous Manufacturing[‡].



Imports

ISM's Imports Index continued to indicate cooling in November; the reading was 47.6 percent. The four industries reporting an increase in import volumes in November are: Textile Mills; Food, Beverage & Tobacco Products; Computer & Electronic Products; and Electrical Equipment, Appliances & Components.

[‡]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 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 BEA estimates (the average of the fourth quarter 2022 GDP estimate and the GDP estimates for first, second, and third quarter 2023, as released on December 21, 2023), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; and Fabricated Metal Products.

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 Panel (formerly Non-Manufacturing Business Survey Panel) is diversified by NAICS-based industries' 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 BEA estimates (the average of the fourth quarter 2022 GDP estimate and the GDP estimates for first, second, and third quarter 2023, as released on December 21, 2023), 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 42.5 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 42.5 percent, it is generally declining.

The distance from 50 percent or 42.5 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 49 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 49 percent, it is generally declining. The distance from 50 percent or 49 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 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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