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November 2017 Manufacturing ISM<sup>®</sup> *Report On Business*<sup>®</sup>

PMI<sup>®</sup> at 58.2%

New Orders, Production, and Employment Continue Growing  
Supplier Deliveries Slowing at Slower Rate, Backlog Growing  
Raw Materials Inventories Contracting, Customers' Inventories Improving  
Prices Increasing at Slower Rate

(Tempe, Arizona) — Economic activity in the **manufacturing sector** expanded in November, and the **overall economy** grew for the 102nd consecutive month, say the nation's supply executives in the latest **Manufacturing ISM<sup>®</sup> Report On Business<sup>®</sup>**.

The report was issued today by Timothy R. Fiore, CPSM, C.P.M., Chair of the Institute for Supply Management<sup>®</sup> (ISM<sup>®</sup>) Manufacturing Business Survey Committee: "The November PMI<sup>®</sup> registered 58.2 percent, a decrease of 0.5 percentage point from the October reading of 58.7 percent. The New Orders Index registered 64 percent, an increase of 0.6 percentage point from the October reading of 63.4 percent. The Production Index registered 63.9 percent, a 2.9 percentage point increase compared to the October reading of 61 percent. The Employment Index registered 59.7 percent, a decrease of 0.1 percentage point from the October reading of 59.8 percent. The Supplier Deliveries Index registered 56.5 percent, a 4.9 percentage point decrease from the October reading of 61.4 percent. The Inventories Index registered 47 percent, a decrease of 1 percentage point from the October reading of 48 percent. The Prices Index registered 65.5 percent in November, a 3 percentage point decrease from the October level of 68.5, indicating higher raw materials prices for the 21st consecutive month. Comments from the panel reflect expanding business conditions, with New Orders and Production leading gains, employment expanding at a slower rate, order backlogs stable and expanding, and export orders all continuing to grow in November. Supplier deliveries continued to slow (improving), but at slower rates, and inventories continued to contract during the period. Price increases continued, but at a slower rate. The Customers' Inventories Index improved but remains at low levels."

Of the 18 manufacturing industries, 14 reported growth in November, in the following order: Paper Products; Machinery; Transportation Equipment; Computer & Electronic Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Printing & Related Support Activities; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Chemical Products; Furniture & Related

Products; Fabricated Metal Products; Miscellaneous Manufacturing; and Primary Metals. Two industries reported contraction during the period: Wood Products; and Petroleum & Coal Products.

#### WHAT RESPONDENTS ARE SAYING ...

- "Continuing to see more orders for the next six to 12 months." (Chemical Products)
- "Strong sales through third and now fourth quarters. Backlog increasing, and capacity at suppliers tightening." (Machinery)
- "Business has leveled out but remains strong heading into the end of the year." (Computer & Electronic Products)
- "We are just coming off a record sales year. We expect to continue in 2018 robust activity." (Miscellaneous Manufacturing)
- "We are seeing steady, consistent demand for end of year. We usually see a slowdown, which we haven't seen yet." (Fabricated Metal Products)
- "Overall industry demand remains strong. Continue to have a healthy backlog of orders. Local economy is also strong, with a fairly tight labor market." (Transportation Equipment)
- "Business is strong. Employment is tight. Supplier deliveries have lengthened. A few suppliers are still blaming Hurricane Harvey for the lead times." (Food, Beverage & Tobacco Products)
- "Strong season demand for products and continued requirements for uptime." (Nonmetallic Mineral Products)
- "Currently, we have not experienced the typical seasonal slowdown toward the end of Q4. Could be that there is a lot of optimism in the American economy." (Plastics & Rubber Products)

**MANUFACTURING AT A GLANCE**

November 2017

Index	Series Index Nov	Series Index Oct	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	58.2	58.7	-0.5	Growing	Slower	15
New Orders	64.0	63.4	+0.6	Growing	Faster	15
Production	63.9	61.0	+2.9	Growing	Faster	15
Employment	59.7	59.8	-0.1	Growing	Slower	14
Supplier Deliveries	56.5	61.4	-4.9	Slowing	Slower	19
Inventories	47.0	48.0	-1.0	Contracting	Faster	2
Customers' Inventories	45.5	43.5	+2.0	Too Low	Slower	5
Prices	65.5	68.5	-3.0	Increasing	Slower	21
Backlog of Orders	55.0	55.0	0.0	Growing	Same	10
New Export Orders	56.0	56.5	-0.5	Growing	Slower	21
Imports	54.5	54.0	+0.5	Growing	Faster	10
<b>OVERALL ECONOMY</b>				Growing	Slower	102
<b>Manufacturing Sector</b>				Growing	Slower	15

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 (13); Caustic Soda (5); Copper; Corrugate (14); Nickel Based Metals; Pallets; Plastic Resins (4); Polycarbonate; Polyethylene (3); Polypropylene (3); Resin Based Products; Silicone; Soybean Oil; Steel – Hot Rolled (12); Steel Tubing; Titanium Dioxide (2); and Zinc Oxide.

### Commodities Down in Price

None.

### Commodities in Short Supply

Capacitors (5); Resistors; and Titanium Dioxide.

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

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## NOVEMBER 2017 MANUFACTURING INDEX SUMMARIES

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### PMI<sup>®</sup>

Manufacturing expanded in November as the PMI<sup>®</sup> registered 58.2 percent, a decrease of 0.5 percentage point from the October reading of 58.7 percent. "This indicates growth in manufacturing for the 15th consecutive month led by expansion in new orders and production, offset by supplier delivery improvement and declines in raw material inventory," 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<sup>®</sup> above 43.3 percent, over a period of time, generally indicates an expansion of the overall economy. Therefore, the November PMI<sup>®</sup> indicates growth for the 102nd consecutive month in the overall economy and the 15th straight month of growth in the manufacturing sector. Fiore says, "The past relationship between the PMI<sup>®</sup> and the overall economy indicates that the average PMI<sup>®</sup> for January through November (57.4 percent) corresponds to a 4.5 percent increase in real gross domestic product (GDP) on an annualized basis. In addition, if the PMI<sup>®</sup> for November (58.2 percent) is annualized, it corresponds to a 4.7 percent increase in real GDP annually."

## THE LAST 12 MONTHS

<i>Month</i>	<i>PMI</i> <sup>®</sup>		<i>Month</i>	<i>PMI</i> <sup>®</sup>
Nov 2017	58.2		May 2017	54.9
Oct 2017	58.7		Apr 2017	54.8
Sep 2017	60.8		Mar 2017	57.2
Aug 2017	58.8		Feb 2017	57.7
Jul 2017	56.3		Jan 2017	56.0
Jun 2017	57.8		Dec 2016	54.5
Average for 2017 – 57.4 Average for 12 months – 57.1 High – 60.8 Low – 54.5				

## New Orders

ISM<sup>®</sup>'s New Orders Index registered 64 percent in November, which is an increase of 0.6 percentage point when compared to the 63.4 percent reported for October, indicating growth in new orders for the 15th consecutive month. "New Order expansion continues at a strong pace with the index at six straight months of levels above 60 percent," says Fiore. A New Orders Index above 52.3 percent, over time, is generally consistent with an increase in the Census Bureau's series on manufacturing orders (in constant 2000 dollars).

Fourteen of 18 industries reported growth in new orders in November, listed in the following order: Electrical Equipment, Appliances & Components; Paper Products; Furniture & Related Products; Plastics & Rubber Products; Machinery; Primary Metals; Printing & Related Support Activities; Computer & Electronic Products; Transportation Equipment; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Chemical Products; Miscellaneous Manufacturing; and Fabricated Metal Products. Two industries — Wood Products; and Textile Mills — reported a decrease in new orders in November compared to October.

<b>New Orders</b>	<b>% Better</b>	<b>% Same</b>	<b>% Worse</b>	<b>Net</b>	<b>Index</b>
Nov 2017	31	60	9	+22	64.0
Oct 2017	35	52	13	+22	63.4
Sep 2017	35	56	9	+26	64.6
Aug 2017	33	52	15	+18	60.3

### Production

ISM<sup>®</sup>'s Production Index registered 63.9 percent in November, which is an increase of 2.9 percentage points when compared to the 61 percent reported for October, indicating growth in production for the 15th consecutive month. This is the highest reading since March 2011, when the index registered 64.2 percent. "Production expansion continues at levels that kept pace with new orders, consumed raw material inventory and positively impacted customer inventory," says Fiore. An index above 51.4 percent, over time, is generally consistent with an increase in the Federal Reserve Board's Industrial Production figures.

The 14 industries reporting growth in production during the month of November — listed in order — are: Paper Products; Furniture & Related Products; Plastics & Rubber Products; Transportation Equipment; Machinery; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Printing & Related Support Activities; Computer & Electronic Products; Chemical Products; Primary Metals; Miscellaneous Manufacturing; and Nonmetallic Mineral Products. No industry reported a decrease in production in November compared to October.

<b>Production</b>	<b>% Better</b>	<b>% Same</b>	<b>% Worse</b>	<b>Net</b>	<b>Index</b>
Nov 2017	33	59	8	+25	63.9
Oct 2017	30	59	11	+19	61.0
Sep 2017	31	59	10	+21	62.2
Aug 2017	32	56	12	+20	61.0

## Employment

ISM®'s Employment Index registered 59.7 percent in November, a decrease of 0.1 percentage point when compared to the October reading of 59.8 percent. This indicates growth in employment in November for the 14th consecutive month. "Employment expansion remains strong in spite of signs of labor market tightening," says Fiore. An Employment Index above 50.5 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment.

Of the 18 manufacturing industries, the 11 reporting employment growth in November — listed in order — are: Textile Mills; Machinery; Computer & Electronic Products; Transportation Equipment; Paper Products; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing; Chemical Products; Fabricated Metal Products; and Petroleum & Coal Products. Two industries — Apparel, Leather & Allied Products; and Electrical Equipment, Appliances & Components — reported a decrease in employment in November.

<b>Employment</b>	<b>% Higher</b>	<b>% Same</b>	<b>% Lower</b>	<b>Net</b>	<b>Index</b>
Nov 2017	23	70	7	+16	59.7
Oct 2017	25	68	7	+18	59.8
Sep 2017	24	69	7	+17	60.3
Aug 2017	26	67	7	+19	59.9

## Supplier Deliveries

The delivery performance of suppliers to manufacturing organizations was slower in November, as the Supplier Deliveries Index registered 56.5 percent. This is 4.9 percentage points lower than the 61.4 percent reported for October. "This is the 19th straight month of slowing supplier deliveries, and reflects delivery performance improvement over the prior month, but still insufficient to maintain raw material inventory levels," says Fiore. A reading below 50 percent indicates faster deliveries, while a reading above 50 percent indicates slower deliveries.

The 10 industries reporting slower supplier deliveries in November — listed in order — are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Paper Products; Machinery; Computer & Electronic Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Chemical Products; Miscellaneous Manufacturing; and Fabricated Metal Products. Three industries — Furniture &

Related Products; Primary Metals; and Electrical Equipment, Appliances & Components — reported faster deliveries in November compared to October.

<b>Supplier Deliveries</b>	<b>% Slower</b>	<b>% Same</b>	<b>% Faster</b>	<b>Net</b>	<b>Index</b>
Nov 2017	21	68	11	+10	56.5
Oct 2017	26	69	5	+21	61.4
Sep 2017	32	64	4	+28	64.4
Aug 2017	18	78	4	+14	57.1

#### Inventories\*

The Inventories Index registered 47 percent in November, which is a decrease of 1 percentage point when compared to the 48 percent reported for October, indicating raw materials inventories contracted in November. "The inventory contraction reflects the continued difficulty of the supply chain to deliver materials and services meeting production schedules," says Fiore. An Inventories Index greater than 42.9 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 five industries reporting higher inventories in November are: Printing & Related Support Activities; Transportation Equipment; Machinery; Chemical Products; and Primary Metals. The 11 industries reporting lower inventories in November — listed in order — are: Wood Products; Textile Mills; Paper Products; Furniture & Related Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing; Fabricated Metal Products; Computer & Electronic Products; and Nonmetallic Mineral Products.



<b>Inventories</b>	<b>% Higher</b>	<b>% Same</b>	<b>% Lower</b>	<b>Net</b>	<b>Index</b>
Nov 2017	16	62	22	-6	47.0
Oct 2017	17	62	21	-4	48.0
Sep 2017	22	61	17	+5	52.5
Aug 2017	22	67	11	+11	55.5

#### Customers' Inventories\*

ISM<sup>®</sup>'s Customers' Inventories Index registered 45.5 percent in November, which is 2 percentage points higher than the 43.5 percent reported for October, indicating that customers' inventory levels were still considered too low in November. "The index remains at low levels and continues to contract, but November performance indicates that production output made some improvement in meeting customer inventory requirements," says Fiore.

Three manufacturing industries — Furniture & Related Products; Miscellaneous Manufacturing; and Food, Beverage & Tobacco Products — reported customers' inventories as being too high during the month of November. The eight industries reporting customers' inventories as too low during November — listed in order — are: Primary Metals; Electrical Equipment, Appliances & Components; Paper Products; Chemical Products; Computer & Electronic Products; Machinery; Fabricated Metal Products; and Transportation Equipment. Seven industries reported no change in customer inventories in November compared to October.

<b>Customers' Inventories</b>	<b>% Reporting</b>	<b>%Too High</b>	<b>%About Right</b>	<b>%Too Low</b>	<b>Net</b>	<b>Index</b>
Nov 2017	57	9	73	18	-9	45.5
Oct 2017	54	9	69	22	-13	43.5
Sep 2017	58	6	72	22	-16	42.0
Aug 2017	55	5	72	23	-18	41.0

## Prices\*

The ISM® Prices Index registered 65.5 percent in November, a decrease of 3 percentage points from the October level of 68.5 percent, indicating an increase in raw materials prices for the 21st consecutive month. In November, 37 percent of respondents reported paying higher prices, 6 percent reported paying lower prices, and 57 percent of supply executives reported paying the same prices as in October. "The Business Survey Committee noted price increases continue most notably in primary materials, including metals (steel, aluminum, copper, nickel based metals); basic and intermediate chemicals; corrugate, plastic resins and parts made from plastic resins," says Fiore. A Prices Index above 52.4 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) Producer Price Index for Intermediate Materials.

Fifteen industries reported paying increased prices for raw materials in November, in the following order: Nonmetallic Mineral Products; Plastics & Rubber Products; Textile Mills; Machinery; Food, Beverage & Tobacco Products; Paper Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Transportation Equipment; Petroleum & Coal Products; Furniture & Related Products; Chemical Products; Primary Metals; and Computer & Electronic Products. No industry reported price decreases in November compared to October.

Prices	% Higher	% Same	% Lower	Net	Index
Nov 2017	37	57	6	+31	65.5
Oct 2017	43	51	6	+37	68.5
Sep 2017	45	53	2	+43	71.5
Aug 2017	30	64	6	+24	62.0

## Backlog of Orders\*

ISM®'s Backlog of Orders Index registered 55 percent in November, the same level of expansion as the 55 percent reported for October, indicating growth in order backlogs for the 10th consecutive month. "Backlog expansion has stabilized during the period, consistent with October and at pre-Hurricane levels. This provides strong support to continued manufacturing expansion," says Fiore. Of the 92 percent of respondents who reported their backlog of orders, 25 percent reported greater backlogs, 15 percent reported smaller backlogs, and 60 percent reported no change from October.

The 11 industries reporting growth in order backlogs in November — listed in order — are: Apparel, Leather & Allied Products; Paper Products; Primary Metals; Furniture & Related Products; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Machinery; Petroleum & Coal Products; Computer & Electronic Products; Transportation Equipment; and Food, Beverage & Tobacco Products. The four industries reporting a decrease in order backlogs during November are: Wood Products; Fabricated Metal Products; Plastics & Rubber Products; and Miscellaneous Manufacturing.

<b>Backlog of Orders</b>	<b>% Reporting</b>	<b>% Greater</b>	<b>% Same</b>	<b>% Less</b>	<b>Net</b>	<b>Index</b>
Nov 2017	92	25	60	15	+10	55.0
Oct 2017	88	26	58	16	+10	55.0
Sep 2017	89	29	58	13	+16	58.0
Aug 2017	90	28	59	13	+15	57.5

#### New Export Orders\*

ISM<sup>®</sup>'s New Export Orders Index registered 56 percent in November, a decrease of 0.5 percentage point when compared to the 56.5 percent reported for October, indicating growth in new export orders for the 21st consecutive month. "All six big industry sectors continued to expand export activity during the period," says Fiore.

The eight industries reporting growth in new export orders in November — listed in order — are: Paper Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Transportation Equipment; Miscellaneous Manufacturing; Computer & Electronic Products; Machinery; and Chemical Products. One industry — Fabricated Metal Products — reported a decrease in new export orders. Nine industries reported no change in export orders in November compared to October.

<b>New Export Orders</b>	<b>% Reporting</b>	<b>% Higher</b>	<b>% Same</b>	<b>% Lower</b>	<b>Net</b>	<b>Index</b>
Nov 2017	80	14	84	2	+12	56.0
Oct 2017	77	17	79	4	+13	56.5
Sep 2017	78	18	78	4	+14	57.0
Aug 2017	81	16	79	5	+11	55.5

#### Imports\*

ISM<sup>®</sup>'s Imports Index registered 54.5 percent in November, an increase of 0.5 percentage point when compared to the 54 percent reported for October, indicating that imports grew in November for the 10th consecutive month.

The 11 industries reporting growth in imports during the month of November — listed in order — are: Textile Mills; Primary Metals; Printing & Related Support Activities; Nonmetallic Mineral Products; Transportation Equipment; Computer & Electronic Products; Machinery; Miscellaneous Manufacturing; Fabricated Metal Products; Chemical Products; and Paper Products. Two industries — Food, Beverage & Tobacco Products; and Electrical Equipment, Appliances & Components — reported a decrease in imports during November compared to October.

<b>Imports</b>	<b>% Reporting</b>	<b>% Higher</b>	<b>% Same</b>	<b>% Lower</b>	<b>Net</b>	<b>Index</b>
Nov 2017	82	14	81	5	+9	54.5
Oct 2017	80	16	76	8	+8	54.0
Sep 2017	83	14	80	6	+8	54.0
Aug 2017	83	16	77	7	+9	54.5

\* 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 in November to 140 days from 145 days. Average lead time for Production Materials decreased by 1 day to 59 days. Average lead time for Maintenance, Repair and Operating (MRO) Supplies increased by 4 days to 37 days.

<b>Percent Reporting</b>							
<b>Capital Expenditures</b>	<b>Hand-to-Mouth</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>6 Months</b>	<b>1 Year+</b>	<b>Average Days</b>
Nov 2017	19	7	10	18	28	18	140
Oct 2017	20	5	13	18	22	22	145
Sep 2017	20	8	11	15	26	20	142
Aug 2017	19	7	12	17	25	20	143
<b>Production Materials</b>	<b>Hand-to-Mouth</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>6 Months</b>	<b>1 Year+</b>	<b>Average Days</b>
Nov 2017	11	37	26	19	6	1	59
Oct 2017	13	36	26	17	6	2	60
Sep 2017	11	34	29	18	6	2	62
Aug 2017	12	38	24	18	6	2	61

<b>MRO Supplies</b>	<b>Hand-to-Mouth</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>6 Months</b>	<b>1 Year+</b>	<b>Average Days</b>
Nov 2017	32	38	19	8	3	0	37
Oct 2017	34	40	19	5	2	0	33
Sep 2017	33	39	19	7	2	0	35
Aug 2017	31	42	18	6	3	0	36

#### 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 information compiled in this report is for the month of November 2017.

The data presented herein is obtained from a survey of manufacturing supply executives based on information they have collected within their respective organizations. ISM<sup>®</sup> 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<sup>®</sup> Report On Business<sup>®</sup>** is based on data compiled from purchasing and supply executives nationwide. Membership of the Manufacturing Business Survey Committee is diversified by NAICS, based on each industry's contribution to gross domestic product (GDP). Manufacturing Business Survey Committee responses are divided into the following NAICS code categories: 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).

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<sup>®</sup>, 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<sup>®</sup> 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<sup>®</sup> reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A PMI<sup>®</sup> above 43.3 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 43.3 percent, it is generally declining. The distance from 50 percent or 43.3 percent is indicative of the strength of the expansion or decline. With some of the indicators within this report, ISM<sup>®</sup> has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The **Manufacturing ISM<sup>®</sup> Report On Business<sup>®</sup>** 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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> Report On Business<sup>®</sup>** 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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