

Economic activity in the manufacturing sector contracted in April for the second straight month of expansion preceded by 26 straight months of contraction, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

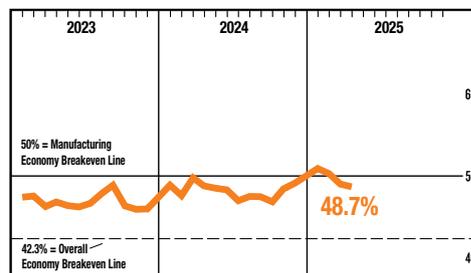
The Manufacturing PMI® registered 48.7 percent. The overall economy continued in expansion for the 60th month after one month of contraction in April 2020. (A Manufacturing PMI® above 42.3 percent, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index contracted for the third month in a row following a three-month period of expansion; the figure of 47.2 percent is 2 percentage points higher than the 45.2 percent recorded in March. The April reading of the Production Index (44 percent) is 4.3 percentage points lower than March's figure of 48.3 percent. The index dropped back into contraction after two months of expansion and eight months of contraction prior to that. The Prices Index remained in expansion (or "increasing") territory, registering 69.8 percent, up 0.4 percentage point compared to the reading of 69.4 percent in March.

The 11 manufacturing industries reporting growth in April — listed in order — are: Apparel, Leather & Allied Products; Petroleum & Coal Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Textile Mills; Computer & Electronic Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing†; Machinery; Chemical Products; and Primary Metals. **ISM**

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

MANUFACTURING PMI® at 48.7%

The U.S. manufacturing sector contracted in April for the second consecutive month after two months of expansion preceded by 26 months of contraction. The Manufacturing PMI® registered 48.7 percent, 0.3 percentage point lower compared to the 49 percent reported in March. After reversing its recent momentum in March, the Manufacturing PMI® again registered below its reading in December. Of the five subindexes that directly factor into the Manufacturing PMI®, two (Supplier Deliveries and Inventories) were in expansion territory, the same as last month.



Manufacturing at a Glance

INDEX	Apr Index	Mar Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	48.7	49.0	-0.3	Contracting	Faster	2
New Orders	47.2	45.2	+2.0	Contracting	Slower	3
Production	44.0	48.3	-4.3	Contracting	Faster	2
Employment	46.5	44.7	+1.8	Contracting	Slower	3
Supplier Deliveries	55.2	53.5	+1.7	Slowing	Faster	5
Inventories	50.8	53.4	-2.6	Growing	Slower	2
Customers' Inventories	46.2	46.8	-0.6	Too Low	Faster	7
Prices	69.8	69.4	+0.4	Increasing	Faster	7
Backlog of Orders	43.7	44.5	-0.8	Contracting	Faster	31
New Export Orders	43.1	49.6	-6.5	Contracting	Faster	2
Imports	47.1	50.1	-3.0	Contracting	From Growing	1
Overall Economy				Growing	Slower	60
Manufacturing Sector				Contracting	Faster	2

*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.

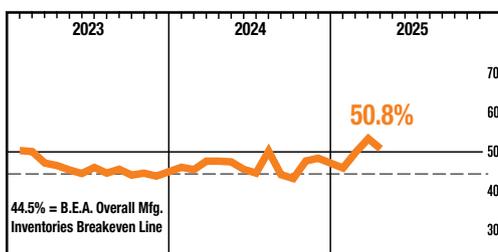
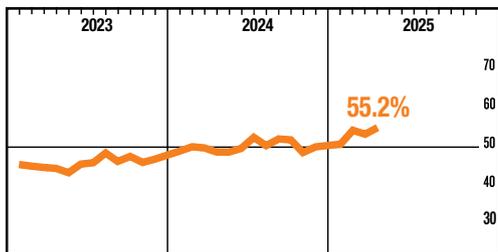
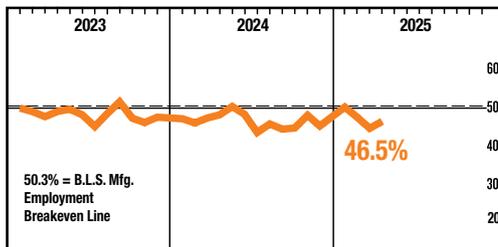
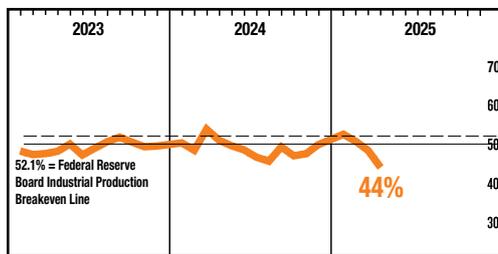
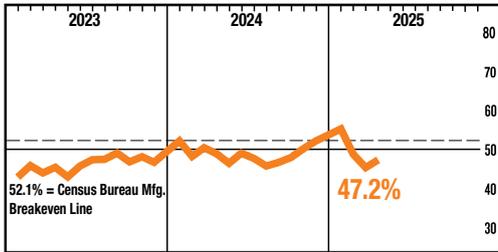


Commodities Reported

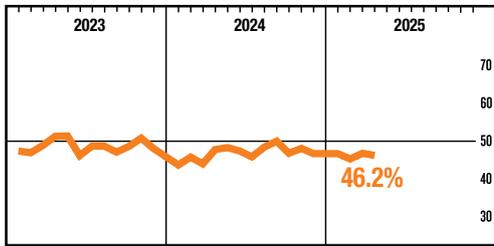
Commodities Up in Price: Aluminum (17); Aluminum Products (2); Brass (2); Construction Materials; Cooking Oils; Copper (3); Corrugated Boxes (2); Critical Minerals (2); Electrical Components (3); Electronic Components (3); Maintenance, Repair, and Operations (MRO) Supplies; Packaging (2); Personal Protective Equipment (PPE); Plastic Resin (3); Power Train Products; Road Freight; Steel (3); Steel — Hot Rolled (3); Steel — Stainless (2); and Steel Products (2).

Commodities Down in Price: Gasoline and Diesel Fuel; and Natural Gas (2).

Commodities in Short Supply: Electronic Components (2); Plastic Resin; and Semiconductors.

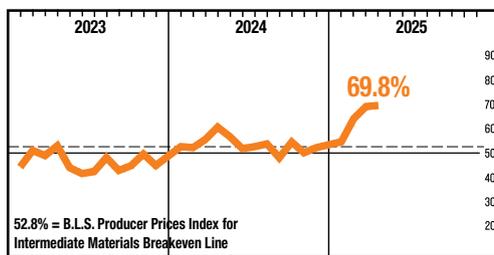


[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).



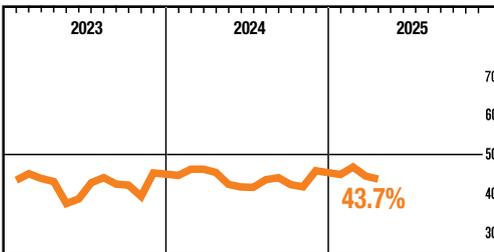
Customers' Inventories

ISM's Customers' Inventories Index registered a reading of 46.2 percent. The two industries reporting customers' inventories as too high in April are: Plastics & Rubber Products; and Computer & Electronic Products.



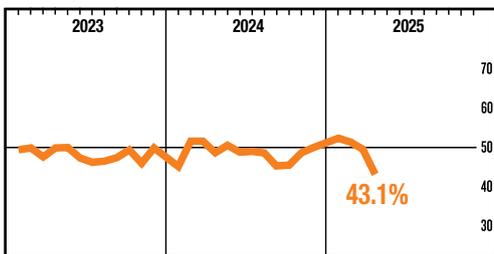
Prices

The ISM Prices Index registered 69.8 percent. In April, the 15 industries that reported paying increased prices for raw materials, in order, are: Textile Mills; Furniture & Related Products; Nonmetallic Mineral Products; Machinery; Miscellaneous Manufacturing[‡]; Fabricated Metal Products; Chemical Products; Food, Beverage & Tobacco Products; Primary Metals; Paper Products; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Wood Products; and Plastics & Rubber Products.



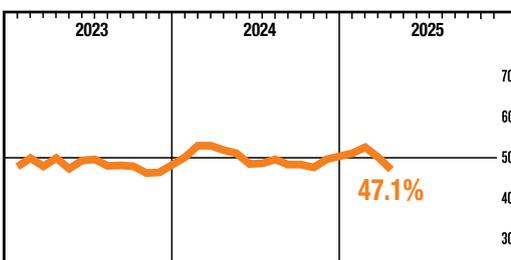
Backlog of Orders

ISM's Backlog of Orders Index registered 43.7 percent. Of the 18 manufacturing industries, five reported growth in order backlogs in April: Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Primary Metals; Miscellaneous Manufacturing[‡]; and Computer & Electronic Products.



New Export Orders

ISM's New Export Orders Index registered 43.1 percent. Of the 18 manufacturing industries, none reported growth in new export orders in April. The 12 industries reporting a decrease in new export orders in April — in the following order — are: Electrical Equipment, Appliances & Components; Textile Mills; Paper Products; Furniture & Related Products; Transportation Equipment; Fabricated Metal Products; Primary Metals; Machinery; Chemical Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; and Miscellaneous Manufacturing[‡].



Imports

ISM's Imports Index registered 47.1 percent. The six industries reporting an increase in import volumes in April, in order, are: Apparel, Leather & Allied Products; Wood Products; Textile Mills; Primary Metals; Plastics & Rubber Products; and Miscellaneous Manufacturing[‡].

[‡]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 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 **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 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 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 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.

ISM ROB Content

The Institute for Supply Management® ("ISM®") *Report On Business®* (Manufacturing, Services, and Hospital reports) ("ISM ROB") contains information, text, files, images, video, sounds, musical works, works of authorship, applications, and any other materials or content (collectively, "Content") of ISM ("ISM ROB Content"). ISM ROB Content is protected by copyright, trademark, trade secret, and other laws, and as between you and ISM, ISM owns and retains all rights in the ISM ROB Content. ISM hereby grants you a limited, revocable, nonsub licensable license to access and display on your individual device the ISM ROB Content (excluding any software code) solely for your personal, non-commercial use. The ISM ROB Content shall also contain Content of users and other ISM licensors. Except as provided herein or as explicitly allowed in writing by ISM, you shall not copy, download, stream, capture, reproduce, duplicate, archive, upload, modify, translate, publish, broadcast, transmit, retransmit, distribute, perform, display, sell, or otherwise use any ISM ROB Content.

Except as explicitly and expressly permitted by ISM, you are strictly prohibited from creating works or materials (including but not limited to tables, charts, data streams, time-series variables, fonts, icons, link buttons, wallpaper, desktop themes, online postcards, montages, mashups and similar videos, greeting cards, and unlicensed merchandise) that derive from or are based on the ISM ROB Content. This prohibition applies regardless of whether the derivative works or materials are sold, bartered, or given away. You shall not either directly or through the use of any device, software, internet site, web-based service, or other means remove, alter, bypass, avoid, interfere with, or circumvent any copyright, trademark, or other proprietary notices marked on the Content or any digital rights management mechanism, device, or other content protection or access control measure associated with the Content including geo-filtering mechanisms. Without prior written authorization from ISM, you shall not build a business utilizing the Content, whether or not for profit.

You shall not create, recreate, distribute, incorporate in other work, or advertise an index of any portion of the Content unless you receive prior written authorization from ISM. Requests for permission to reproduce or distribute ISM ROB Content can be made by contacting in writing at: ISM Research, Institute for Supply Management, 309 West Elliot Road, Suite 113, Tempe, Arizona 85284-1556, or by emailing kcahill@ismworld.org; Subject: Content Request.

ISM shall not have any liability, duty, or obligation for or relating to the ISM ROB Content or other information contained herein, any errors, inaccuracies, omissions or delays in providing any ISM ROB Content, or for any actions taken in reliance thereon. In no event shall ISM be liable for any special, incidental, or consequential damages arising out of the use of the ISM ROB. *Report On Business®*, PMI®, Manufacturing PMI®, Services PMI®, and Hospital PMI® are registered trademarks of Institute for Supply Management®. Institute for Supply Management® and ISM® are registered trademarks of Institute for Supply Management, Inc.

About Institute for Supply Management® (ISM®)

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® *Report On Business®*, its highly-regarded certification and training programs, corporate services, events and assessments. The ISM® *Report On Business®*, Manufacturing, Services, and Hospital are three 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.