

# U.S. Data Review

- ISM: off slightly, but still elevated; marked easing in the price index
- JOLTS: slight decline in openings from an elevated level; workers still quitting

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## ISM Manufacturing

The manufacturing gauge published by the Institute for Supply Management fell 2.4 percentage points in December to 58.7 percent (table). The reading was a bit lighter than the consensus estimate of 60.0 percent and it matched the lowest reading of 2021, but it was still firm relative to historical standards.

The supplier delivery component led the retreat in the headline index, as it fell 7.3 percentage points to 64.9 percent. This drop should be viewed as a positive development for the economy, as it signaled progress in resolving supply chain disruptions. Improvement on this front also was evident in the price index, which tumbled 14.2 percentage points to 68.2 percent. These measures registered notable changes, although their levels still signaled problems in supply chains. (The price index is not a component of the headline measure.)

The new orders and production indexes also contributed to the easing in the headline measure, registering declines of 1.1 and 2.3 percentage points respectively. These changes occurred from elevated levels and the latest readings were still strong by historical standards (60.4 percent and 59.2 percent, respectively). The employment component rose 0.9 percentage point to 54.2 percent, marking the fourth consecutive increase from a sub-50 reading in August. The low level in the summer and the still-less-than-vigorous total in December probably reflects difficulty in finding workers.

## Job Openings

The latest JOLTS report (job openings and labor turnover) supports the notion that restrained hiring is more a function of a limited supply of workers rather than soft demand. The number of job openings fell in November (off 529k or 4.8 percent), but the latest total of 10.562 million was not far from the record of 11.098 million in July and was remarkable relative to historical standards. The previous record before the surge this year was 7.574 million in November 2018 (chart). The quit rate also signaled strong conditions in the labor market, as it returned to the record reading of 3.0 percent in November after a dip to 2.8 percent in October. The previous record before the elevated readings of this year was 2.4 percent (registered in several months).

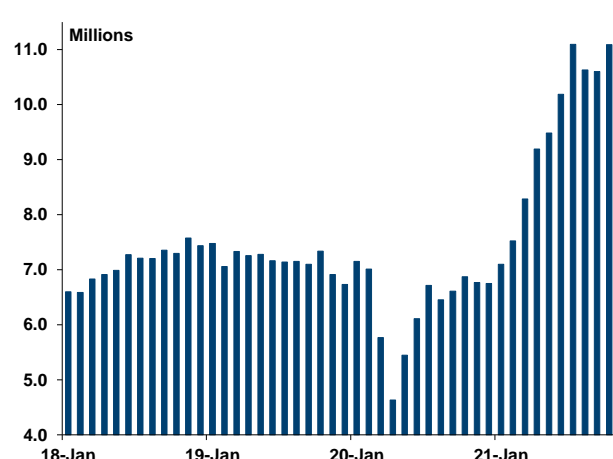
### ISM Manufacturing: Monthly Indexes

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
<b>ISM Mfg. Composite</b>	59.9	61.1	60.8	61.1	58.7
<b>New orders</b>	66.7	66.7	59.8	61.5	60.4
<b>Production</b>	60.0	59.4	59.3	61.5	59.2
<b>Employment</b>	49.0	50.2	52.0	53.3	54.2
<b>Supplier deliveries</b>	69.5	73.4	75.6	72.2	64.9
<b>Inventories</b>	54.2	55.6	57.0	56.8	54.7
<b>Prices paid*</b>	79.4	81.2	85.7	82.4	68.2

\* The prices paid index is not seasonally adjusted. The measure is not part of the ISM manufacturing composite index.

Source: Institute for Supply Management via Haver Analytics

### Job Openings



Source: Bureau of Labor Statistics via Haver Analytics

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