

# U.S. Data Review

- ISM manufacturing: ongoing soft performance

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## ISM Manufacturing

- The ISM Manufacturing PMI rose 0.4 percentage point in August to 47.2, a bit short of the Bloomberg median expectation of an increase of 0.7 percentage point to 47.5. Even had the median projection been realized, the report would still have been a disappointing one. The ISM measure has now registered a contractionary reading for the 21st time in the past 22 months. In assessing conditions – and factors influencing the performance in the manufacturing sector – Timothy R. Fiore, the Chair of the ISM Manufacturing Business Survey Committee, observed: “Demand remains subdued, as companies show an unwillingness to invest in capital and inventory due to current federal monetary policy and election uncertainty.”
- The employment index rose 2.6 percentage points in August to 46.0. Despite the pickup, the measure remained in contraction territory for the third consecutive month. Importantly, the level of the index remained near the bottom of the range in place since the post-COVID recovery. Moreover, only three of 18 industries covered by the survey reported employment growth in the latest month.
- In contrast to the employment measure, both the production and new orders indexes fell in August, declining 1.1 and 2.8 percentage points, respectively, to 44.8 and 44.6 (charts, below). Three industries indicated increases in production and four in new orders – both unimpressive totals.

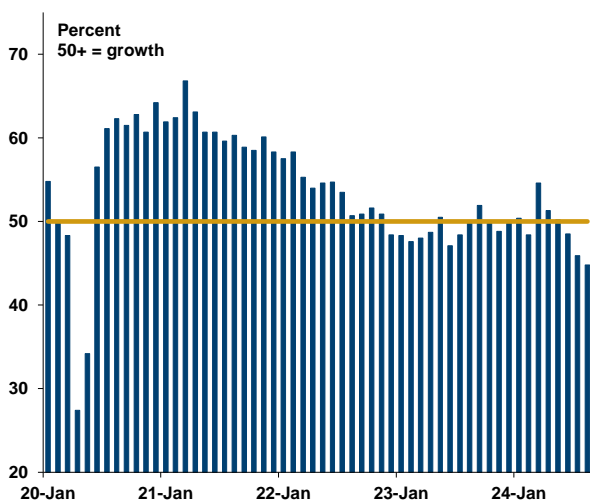
## ISM Manufacturing: Monthly Indexes\*

	Apr-24	May-24	Jun-24	Jul-24	Aug-24
<b>ISM Mfg. Composite</b>	49.2	48.7	48.5	46.8	47.2
<b>New orders</b>	49.1	45.4	49.3	47.4	44.6
<b>Production</b>	51.3	50.2	48.5	45.9	44.8
<b>Employment</b>	48.6	51.1	49.3	43.4	46.0
<b>Supplier deliveries</b>	48.9	48.9	49.8	52.6	50.5
<b>Inventories</b>	48.2	47.9	45.4	44.5	50.3
<b>Prices paid*</b>	60.9	57.0	52.1	52.9	54.0

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

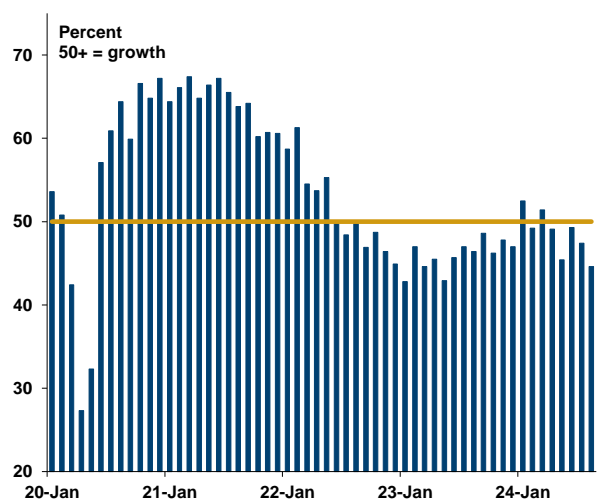
Source: Institute for Supply Management via Haver Analytics

## ISM Manufacturing: Production Index



Source: Institute for Supply Management via Haver Analytics

## ISM Manufacturing: New Orders Index

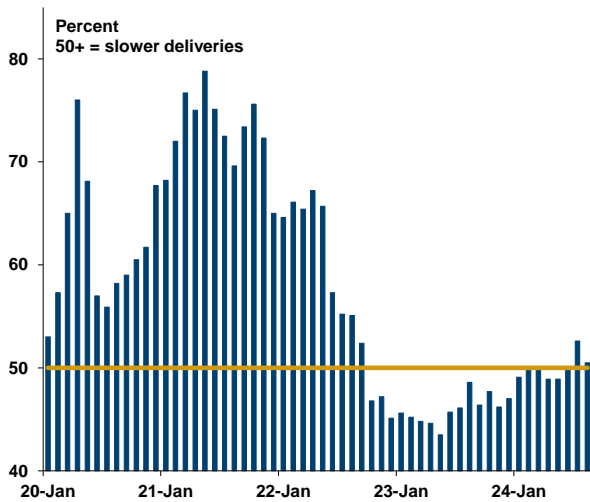


Source: Institute for Supply Management via Haver Analytics

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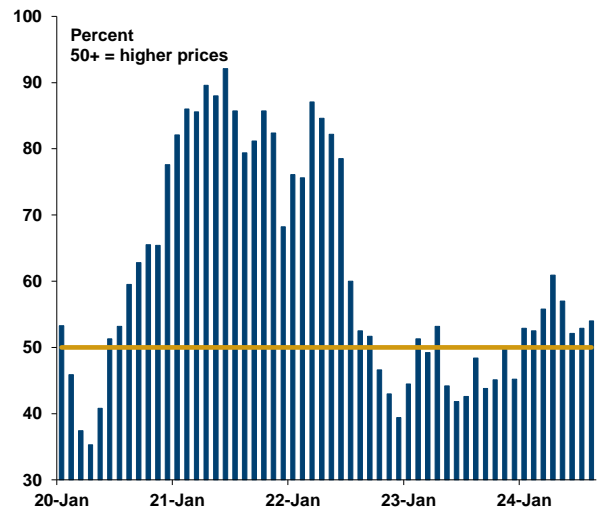
- The supplier deliveries index slipped 2.1 percentage points in the latest month to 50.5. The decline, while a drag on the headline measure, suggests an improvement in supply-chain performances. (Generally speaking, above-50.0 readings specify slower deliveries while below-50.0 observations imply faster deliveries. A reading in the vicinity of 50.0 suggests normally functioning supply chains; chart, below left.)
- The prices index, which does not factor into the manufacturing composite, rose 1.1 percentage points to 54.0. While indicating higher prices, the latest observation does not indicate acute pricing pressure. The index remained well below the recent high of 87.1 in March 2022 and cycle peak of 92.1 in June 2021 (chart, below right). In the latest month, nine industries reported higher costs associated with the acquisition of raw materials.

**ISM Manufacturing: Supplier Deliveries Index**



Source: Institute for Supply Management via Haver Analytics

**ISM Manufacturing: Prices Index**



Source: Institute for Supply Management via Haver Analytics