

Economic activity in the manufacturing sector grew in January, with the overall economy achieving a 20th consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM® *Report On Business*®.

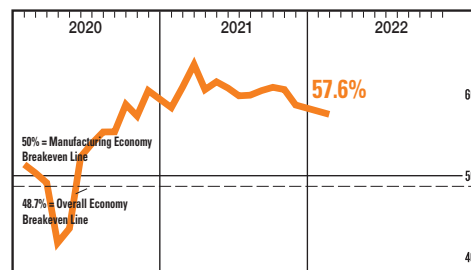
The January Manufacturing PMI® registered 57.6 percent. The Employment Index registered 54.5 percent, 0.6 percentage point higher compared to the seasonally adjusted December reading of 53.9 percent. In January, the Prices Index increased for the 20th consecutive month, at a faster rate (an increase of 7.9 percentage points) compared to December, indicating that supplier pricing power continues to rise. All of the six biggest manufacturing industries — Machinery; Food, Beverage & Tobacco Products; Transportation Equipment; Computer & Electronic Products; Chemical Products; and Petroleum & Coal Products, in that order — registered moderate to strong growth in January.

The 14 manufacturing industries reporting growth in January — in the following order — are: Apparel, Leather & Allied Products; Furniture & Related Products; Miscellaneous Manufacturing†; Nonmetallic Mineral Products; Machinery; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Transportation Equipment; Primary Metals; Fabricated Metal Products; Computer & Electronic Products; Chemical Products; Petroleum & Coal Products; and Plastics & Rubber Products. **ISM**

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

MANUFACTURING PMI® at 57.6%

Manufacturing grew in January, as the Manufacturing PMI® registered 57.6 percent, 1.2 percentage points lower than the seasonally adjusted December reading of 58.8 percent. The Manufacturing PMI® continued to indicate strong sector expansion and U.S. economic growth in January. All five subindexes that directly factor into the Manufacturing PMI® were in growth territory. All of the six biggest manufacturing industries expanded. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.



Manufacturing at a Glance

INDEX	Jan Index	Dec Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	57.6	58.8	-1.2	Growing	Slower	20
New Orders	57.9	61.0	-3.1	Growing	Slower	20
Production	57.8	59.4	-1.6	Growing	Slower	20
Employment	54.5	53.9	+0.6	Growing	Faster	5
Supplier Deliveries	64.6	64.9	-0.3	Slowing	Slower	71
Inventories	53.2	54.6	-1.4	Growing	Slower	6
Customers' Inventories	33.0	31.7	+1.3	Too Low	Slower	64
Prices	76.1	68.2	+7.9	Increasing	Faster	20
Backlog of Orders	56.4	62.8	-6.4	Growing	Slower	19
New Export Orders	53.7	53.6	+0.1	Growing	Faster	19
Imports	55.1	53.8	+1.3	Growing	Faster	3
Overall Economy				Growing	Slower	20
Manufacturing Sector				Growing	Slower	20

*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.

This report reflects the recently completed annual adjustments to the seasonal factors used to calculate the indexes.

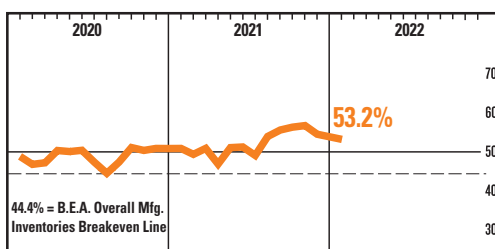
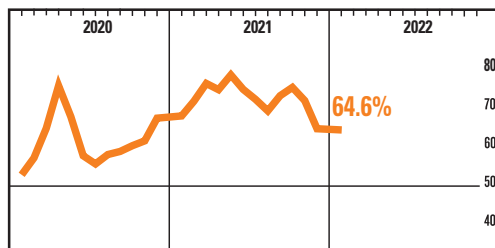
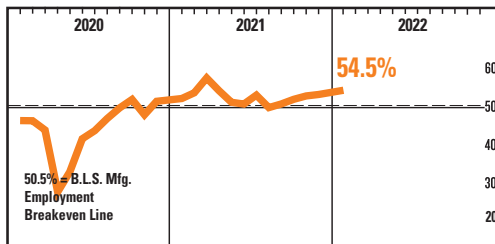
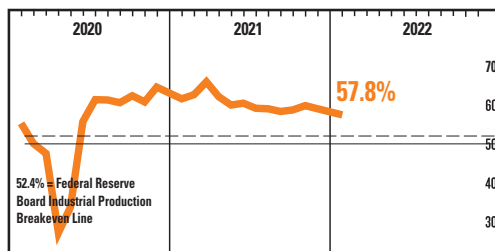
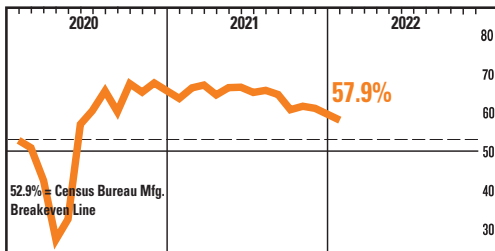


Commodities Reported

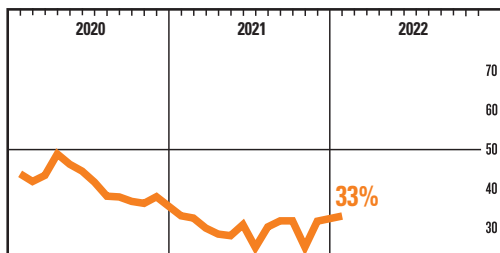
Commodities Up in Price: Adhesives and Paint (2); Aluminum (20); Aluminum Products; Calcium Carbonate; Caustic; Copper; Corrugated Packaging (15); Crude Oil*; Diesel Fuel (13); Electrical Components (14); Electronic Assemblies; Electronic Components (14); Freight (15); Hydraulic Components; Labor — Temporary (9); Lubricants (2); Lumber (2); Lumber — Pallets; Natural Gas* (7); Ocean Freight (14); Packaging Film; Packaging Supplies (14); Paper Products; Plastic Resins; Resin Based Products (12); Ridged Plastic Packaging Products; Rubber Based Products (6); Semiconductors (12); Soy Based Products; Steel* (18); Steel — Hot Rolled*; Steel — Stainless (15); Steel Drums; Steel Products* (17); Vegetable Based Oils; and Zinc Compounds.

Note: To view the full report, visit the ISM® *Report On Business*® website at ismrob.org

Note: The number of consecutive months the commodity has been listed is indicated after each item. *Reported as both up and down in price.

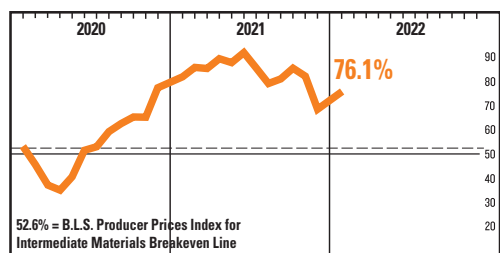


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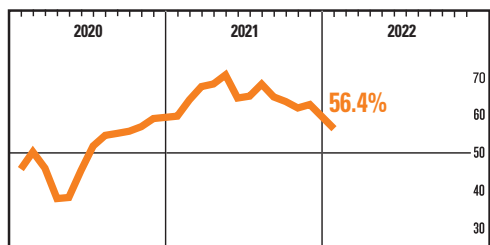
Customers' Inventories

ISM's Customers' Inventories Index registered 33 percent. No industries reported higher customers' inventories in January. The 11 industries reporting customers' inventories as too low during January — listed in order — are: Apparel, Leather & Allied Products; Fabricated Metal Products; Paper Products; Machinery; Transportation Equipment; Miscellaneous Manufacturing†; Chemical Products; Furniture & Related Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Primary Metals.



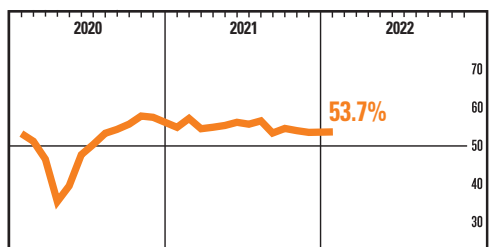
Prices

The ISM Prices Index registered 76.1 percent. In January, 17 industries reported paying increased prices for raw materials, in the following order: Apparel, Leather & Allied Products; Textile Mills; Nonmetallic Mineral Products; Paper Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Computer & Electronic Products; Miscellaneous Manufacturing†; Transportation Equipment; Petroleum & Coal Products; Primary Metals; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; Wood Products; Fabricated Metal Products; and Plastics & Rubber Products.



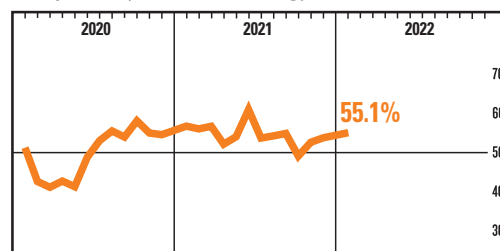
Backlog of Orders

ISM's Backlog of Orders Index registered 56.4 percent. The 11 industries reporting growth in order backlogs in January, in the following order, are: Apparel, Leather & Allied Products; Textile Mills; Furniture & Related Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; Machinery; Primary Metals; Miscellaneous Manufacturing†; Transportation Equipment; Chemical Products; and Computer & Electronic Products.



New Export Orders

ISM's New Export Orders Index registered 53.7 percent. The eight industries reporting growth in new export orders in January — in the following order — are: Miscellaneous Manufacturing†; Plastics & Rubber Products; Primary Metals; Machinery; Food, Beverage & Tobacco Products; Computer & Electronic Products; Transportation Equipment; and Chemical Products.



Imports

ISM's Imports Index registered 55.1 percent. The nine industries reporting growth in imports in January — in the following order — are: Furniture & Related Products; Nonmetallic Mineral Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing†; Machinery; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Chemical Products.

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