

Economic activity in the **manufacturing sector** expanded in August for the 15th consecutive month, and the overall economy grew for the 63rd consecutive month, say the nation's supply executives in the latest **Manufacturing ISM® Report On Business®**.

The August PMI® registered 59 percent, indicating continued expansion in manufacturing. The New Orders Index registered 66.7 percent, an increase of 3.3 percentage points from the 63.4 percent reading in July, indicating growth in new orders for the 15th consecutive month. The Production Index registered 64.5 percent, 3.3 percentage points above the July reading of 61.2 percent. The Employment Index grew for the 14th consecutive month, registering 58.1 percent, a slight decrease of 0.1 percentage point below the July reading of 58.2 percent. The August PMI® is led by the highest recorded New Orders Index since April 2004 when it registered 67.1 percent. Comments from the panel reflect a positive outlook mixed with caution over global geopolitical unrest.

Seventeen manufacturing industries are reporting growth in August in the following order: Plastics & Rubber Products; Furniture & Related Products; Fabricated Metal Products; Apparel, Leather & Allied Products; Wood Products; Printing & Related Support Activities; Miscellaneous Manufacturing‡; Paper Products; Petroleum & Coal Products; Food, Beverage & Tobacco Products; Nonmetallic Mineral Products; Chemical Products; Primary Metals; Transportation Equipment; Computer & Electronic Products; Machinery; and Electrical Equipment, Appliances & Components. **ISM**

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

PMI® at 59%

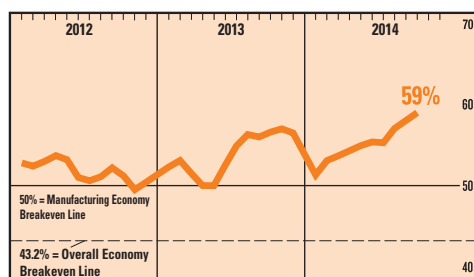
New Orders, Employment and Production Growing; Inventories Growing; Supplier Deliveries Slowing

Manufacturing at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
PMI®	59.0	57.1	+1.9	Growing	Faster	15
New Orders	66.7	63.4	+3.3	Growing	Faster	15
Production	64.5	61.2	+3.3	Growing	Faster	6
Employment	58.1	58.2	-0.1	Growing	Slower	14
Supplier Deliveries	53.9	54.1	-0.2	Slowing	Slower	15
Inventories	52.0	48.5	+3.5	Growing	From Contracting	1
Customers' Inventories	49.0	43.5	+5.5	Too Low	Slower	33
Prices	58.0	59.5	-1.5	Increasing	Slower	13
Backlog of Orders	52.5	49.5	+3.0	Growing	From Contracting	1
Exports	55.0	53.0	+2.0	Growing	Faster	21
Imports	56.0	52.0	+4.0	Growing	Faster	19
Overall Economy				Growing	Faster	63
Manufacturing Sector				Growing	Faster	15

*Number of months moving in current direction.

Manufacturing ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Supplier Deliveries Indexes.



PMI®

Manufacturing expanded in August as the PMI® registered 59 percent, an increase of 1.9 percentage points when compared to July's reading of 57.1 percent. August's PMI® reading of 59 percent is the highest reading since March 2011 when the PMI® registered 59.1 percent. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.



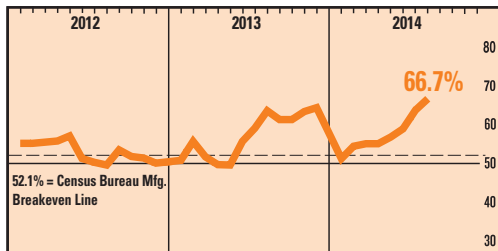
Commodities Reported

Commodities Up in Price: Aluminum (7); Aluminum Products; Electronic Components; Hydrochloric Acid; PET Resin; Plastic Resin; Polypropylene (2); Propylene; Stainless Steel (6); Stainless Steel Products; Steel (9); and Steel — Hot Rolled.

Commodities Down in Price: Copper; Corn (2); Methanol (2); Natural Gas; and Soybean Oil (2).

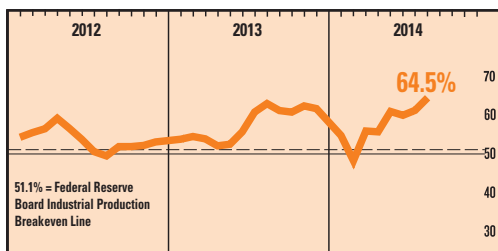
Commodities in Short Supply: Stainless Steel; and Wood Pallets (4).

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



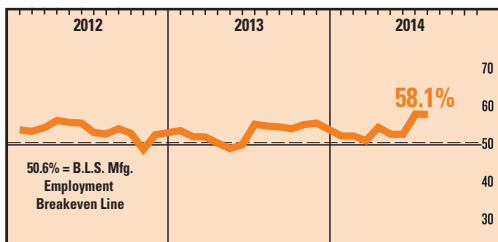
New Orders

ISM's New Orders Index registered 66.7 percent. The 14 industries reporting growth in new orders in August — listed in order — are: Plastics & Rubber Products; Printing & Related Support Activities; Nonmetallic Mineral Products; Petroleum & Coal Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; Furniture & Related Products; Paper Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; Chemical Products; Computer & Electronic Products; Primary Metals; and Machinery.



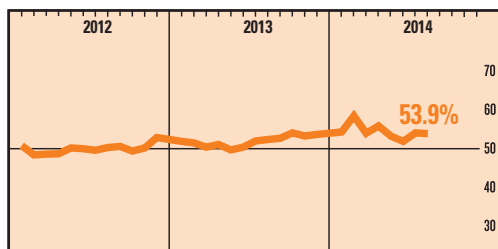
Production

ISM's Production Index registered 64.5 percent in August. The 15 industries reporting growth in production during the month of August — listed in order — are: Wood Products; Plastics & Rubber Products; Primary Metals; Apparel, Leather & Allied Products; Paper Products; Fabricated Metal Products; Petroleum & Coal Products; Miscellaneous Manufacturing[‡]; Furniture & Related Products; Nonmetallic Mineral Products; Chemical Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Transportation Equipment; and Machinery.



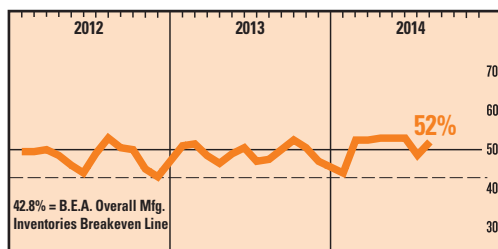
Employment

ISM's Employment Index registered 58.1 percent in August. Of the 18 manufacturing industries, 14 reported growth in employment in August in the following order: Wood Products; Printing & Related Support Activities; Fabricated Metal Products; Textile Mills; Furniture & Related Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Plastics & Rubber Products; Petroleum & Coal Products; Chemical Products; Computer & Electronic Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; and Machinery.



Supplier Deliveries

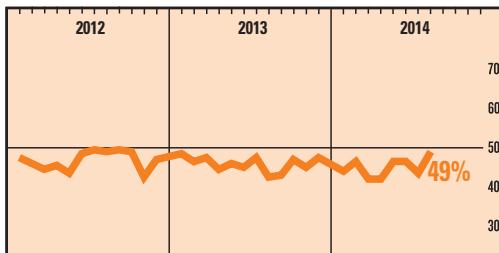
The Supplier Deliveries Index registered 53.9 percent. The 11 industries reporting slower supplier deliveries in August — listed in order — are: Electrical Equipment, Appliances & Components; Furniture & Related Products; Plastics & Rubber Products; Fabricated Metal Products; Petroleum & Coal Products; Primary Metals; Transportation Equipment; Miscellaneous Manufacturing[‡]; Machinery; Chemical Products; and Computer & Electronic Products.



Inventories

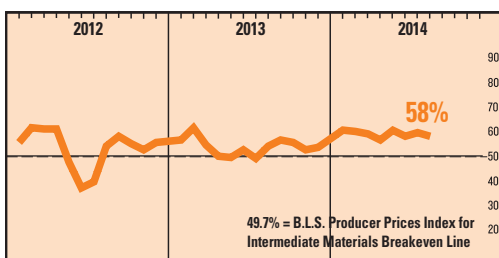
The Inventories Index registered 52 percent in August. The 10 industries reporting higher inventories in August — listed in order — are: Apparel, Leather & Allied Products; Paper Products; Plastics & Rubber Products; Miscellaneous Manufacturing[‡]; Chemical Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Food, Beverage & Tobacco Products; and Computer & Electronic Products.

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



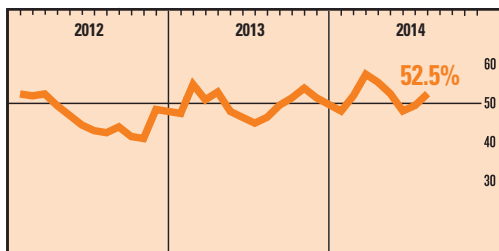
Customers' Inventories

ISM's Customers' Inventories Index registered 49 percent in August, an increase of 5.5 percentage points from July when customer inventories registered 43.5 percent. The four manufacturing industries reporting customers' inventories as being too high during the month of August are: Paper Products; Petroleum & Coal Products; Computer & Electronic Products; and Transportation Equipment.



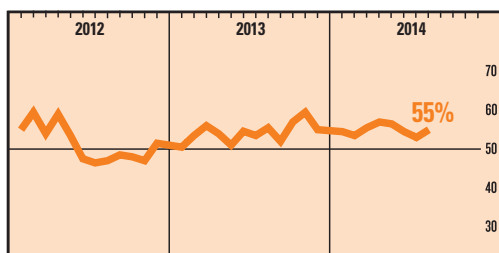
Prices

The ISM Prices Index registered 58 percent in August. Of the 18 manufacturing industries, nine reported paying increased prices during the month of August in the following order: Plastics & Rubber Products; Fabricated Metal Products; Machinery; Electrical Equipment, Appliances & Components; Chemical Products; Food, Beverage & Tobacco Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; and Furniture & Related Products.



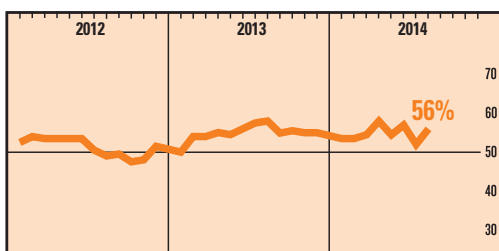
Backlog of Orders

ISM's Backlog of Orders Index registered 52.5 percent in August. The 11 industries reporting increased order backlogs in August — listed in order — are: Printing & Related Support Activities; Plastics & Rubber Products; Nonmetallic Mineral Products; Paper Products; Petroleum & Coal Products; Furniture & Related Products; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Food, Beverage & Tobacco Products; and Computer & Electronic Products.



New Export Orders

ISM's New Export Orders Index registered 55 percent in August. The 11 industries reporting growth in new export orders in August — listed in order — are: Printing & Related Support Activities; Apparel, Leather & Allied Products; Petroleum & Coal Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Fabricated Metal Products; Transportation Equipment; Miscellaneous Manufacturing[‡]; Chemical Products; Food, Beverage & Tobacco Products; and Paper Products.



Imports

ISM's Imports Index registered 56 percent in August. The 12 industries reporting growth in imports during the month of August — listed in order — are: Primary Metals; Apparel, Leather & Allied Products; Plastics & Rubber Products; Petroleum & Coal Products; Computer & Electronic Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Chemical Products; Transportation Equipment; Machinery; and Fabricated Metal Products.

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

Analysis by **Anthony Nieves, CPSM, C.P.M., CFPM**,
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 Non-Manufacturing Business Survey Committee.

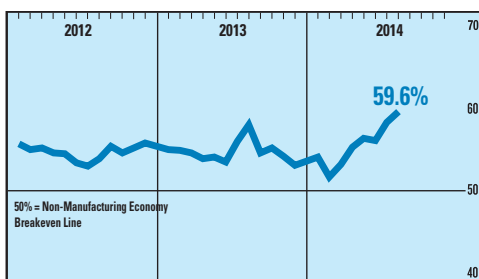
NMI® at 59.6%

Business Activity Index at 65%; New Orders Index at 63.8%; Employment Index at 57.1%

Non-Manufacturing at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
NMI®	59.6	58.7	+0.9	Growing	Faster	55
Business Activity	65.0	62.4	+2.6	Growing	Faster	61
New Orders	63.8	64.9	-1.1	Growing	Slower	61
Employment	57.1	56.0	+1.1	Growing	Faster	6
Supplier Deliveries	52.5	51.5	+1.0	Slowing	Faster	3
Inventories	51.0	51.0	0.0	Growing	Same	5
Prices	57.7	60.9	-3.2	Increasing	Slower	59
Backlog of Orders	54.5	53.0	+1.5	Growing	Faster	4
New Export Orders	52.5	53.0	-0.5	Growing	Slower	5
Imports	51.0	54.5	-3.5	Growing	Slower	6
Inventory Sentiment	55.0	58.0	-3.0	Too High	Slower	207

*Number of months moving in current direction.
 Non-Manufacturing ISM® Report On Business® data is seasonally adjusted for the Business Activity, New Orders, Prices and Employment Indexes.



NMI®

In August, the NMI® increased 0.9 percentage point, registering 59.6 percent when compared to July's reading of 58.7 percent. This indicates continued growth in the non-manufacturing sector for the 55th consecutive month. This month's NMI® is the highest reading for the index since its inception in

January 2008. A reading above 50 percent indicates the non-manufacturing sector economy is generally expanding; below 50 percent indicates the non-manufacturing sector is generally contracting.

Economic activity in the non-manufacturing sector grew in August for the 55th consecutive month, say the nation's purchasing and supply executives in the latest **Non-Manufacturing ISM® Report On Business®**.

The NMI® registered 59.6 percent. This represents continued growth in the Non-Manufacturing sector. The Non-Manufacturing Business Activity Index increased to 65 percent, which is 2.6 percentage points higher than the July reading of 62.4 percent, reflecting growth for the 61st consecutive month at a faster rate. The New Orders Index registered 63.8 percent, 1.1 percentage points lower than the reading of 64.9 percent registered in July. The Employment Index increased 1.1 percentage points to 57.1 percent from the July reading of 56 percent and indicates growth for the sixth consecutive month. The Prices Index decreased 3.2 percentage points from the July reading of 60.9 percent to 57.7 percent, indicating prices increased at a slower rate in August when compared to July.

The 15 non-manufacturing industries reporting growth in August are: Construction; Retail Trade; Management of Companies & Support Services; Educational Services; Transportation & Warehousing; Wholesale Trade; Information; Public Administration; Other Services†; Professional, Scientific & Technical Services; Health Care & Social Assistance; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Accommodation & Food Services; and Real Estate, Rental & Leasing. **ISM**

†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).

Commodities Reported

Commodities Up in Price: Bacon (3); Beef (3); Beef Items (9); Chicken (3); Contract Labor; Dairy Products (9); Medical IV Solutions; Packaging; Paper (4); Paper Products (2); Pork; Pork Items; Produce (2); and Services Labor*.

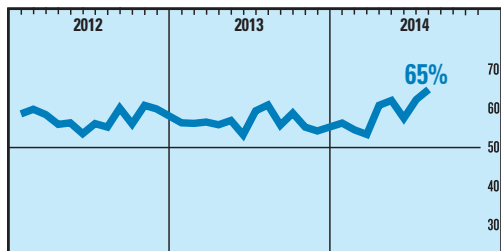
Commodities Down in Price: #2 Diesel Fuel; Computer and Peripherals (2); Fuel; Gasoline (2); Medical Supplies; Natural Gas (2); Office Supplies; and Services Labor*.

Commodities in Short Supply: Medical IV Solutions (8); and Nuts.



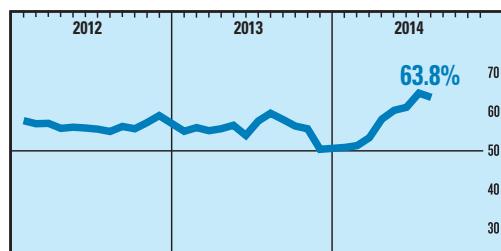
Note: The number of consecutive months the commodity is listed is indicated after each item.

*Reported as both up and down in price.



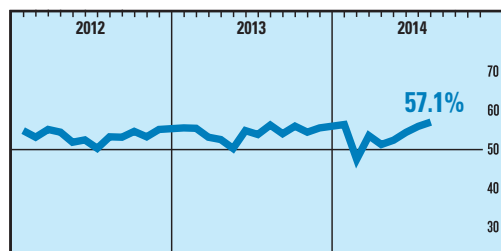
Business Activity

ISM's Business Activity Index in August registered 65 percent. The 14 industries reporting growth of business activity in August — listed in order — are: Construction; Retail Trade; Management of Companies & Support Services; Wholesale Trade; Educational Services; Information; Real Estate, Rental & Leasing; Finance & Insurance; Professional, Scientific & Technical Services; Public Administration; Utilities; Transportation & Warehousing; Health Care & Social Assistance; and Accommodation & Food Services.



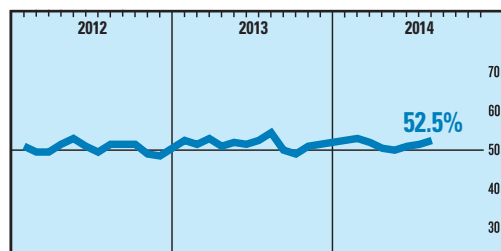
New Orders

ISM's Non-Manufacturing New Orders Index registered 63.8 percent, a decrease of 1.1 percentage points from the July reading of 64.9 percent. The 13 industries reporting growth of new orders in August — listed in order — are: Management of Companies & Support Services; Professional, Scientific & Technical Services; Wholesale Trade; Educational Services; Information; Construction; Real Estate, Rental & Leasing; Health Care & Social Assistance; Utilities; Public Administration; Retail Trade; Finance & Insurance; and Transportation & Warehousing.



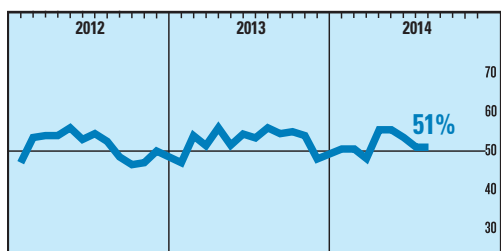
Employment

ISM's Non-Manufacturing Employment Index registered 57.1 percent. Twelve industries reported increased employment, and four industries reported decreased employment. The 12 industries reporting an increase in employment in August — listed in order — are: Other Services[†]; Transportation & Warehousing; Educational Services; Construction; Retail Trade; Wholesale Trade; Public Administration; Information; Management of Companies & Support Services; Health Care & Social Assistance; Finance & Insurance; and Professional, Scientific & Technical Services.



Supplier Deliveries

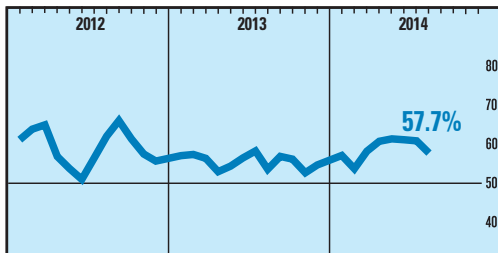
The Supplier Deliveries Index registered 52.5 percent. A reading above 50 percent indicates slower deliveries, while a reading below 50 percent indicates faster deliveries. The eight industries reporting slower deliveries in August — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Construction; Retail Trade; Transportation & Warehousing; Health Care & Social Assistance; Information; and Public Administration.



Inventories

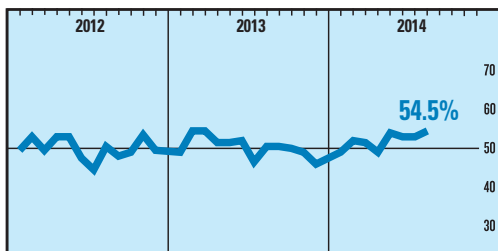
ISM's Non-Manufacturing Inventories registered 51 percent. The six industries reporting an increase in inventories in August — listed in order — are: Mining; Retail Trade; Utilities; Public Administration; Finance & Insurance; and Transportation & Warehousing.

[†]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).



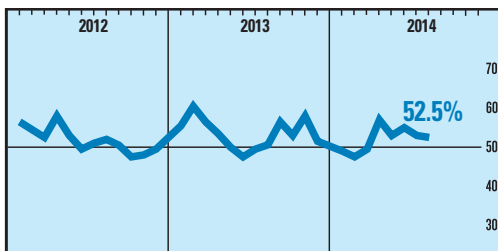
Prices

ISM's Non-Manufacturing Prices Index for August registered 57.7 percent. The percentage of respondents reporting higher prices is 23 percent, the percentage indicating no change in prices paid is 66 percent, and 11 percent of the respondents reported lower prices. Eight non-manufacturing industries reported an increase in prices paid during the month of August, in the following order: Accommodation & Food Services; Arts, Entertainment & Recreation; Utilities; Wholesale Trade; Retail Trade; Real Estate, Rental & Leasing; Finance & Insurance; and Management of Companies & Support Services.



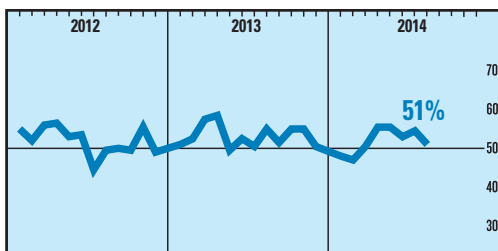
Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders Index grew in August for the fourth consecutive month. The index registered 54.5 percent. The six industries reporting an increase in order backlogs in August — listed in order — are: Construction; Management of Companies & Support Services; Professional, Scientific & Technical Services; Public Administration; Wholesale Trade; and Retail Trade.



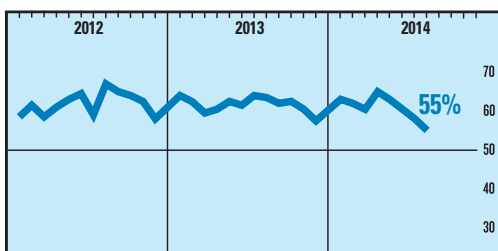
New Export Orders

The New Export Orders Index for August registered 52.5 percent, which is 0.5 percentage point lower than the 53 percent reported in July. The four industries reporting an increase in new export orders in August are: Professional, Scientific & Technical Services; Transportation & Warehousing; Retail Trade; and Accommodation & Food Services.



Imports

The ISM Non-Manufacturing Imports Index registered 51 percent. Fifty-seven percent of respondents reported that they do not use, or do not track the use of, imported materials. The three industries reporting an increase in imports for the month of August are: Retail Trade; Professional, Scientific & Technical Services; and Wholesale Trade.



Inventory Sentiment

The ISM Non-Manufacturing Inventory Sentiment Index in August registered 55 percent. This indicates that respondents believe their inventories are still too high at this time. The seven industries reporting a feeling that their inventories are too high in August — listed in order — are: Real Estate, Rental & Leasing; Mining; Management of Companies & Support Services; Wholesale Trade; Utilities; Finance & Insurance; and Health Care & Social Assistance.

*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).