

## ISM Manufacturing Index: Still in Recession Territory, Orders a Plus

*Today's ISM index at 36.3 remains consistent with declining real GDP. Recession continues. Weak ISM is also consistent with declines in industrial production and jobs in manufacturing. Cyclical weakness and structural change have combined to produce a long and significant transition for U.S. manufacturing.*

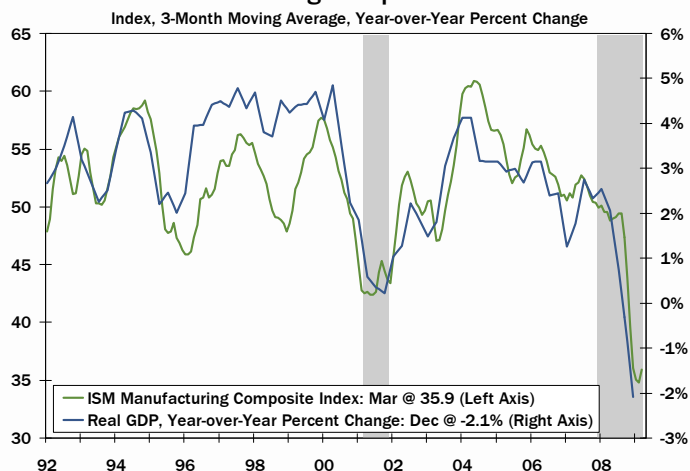
### Weak ISM Signals Continued Recession

- For the fourth consecutive month, the headline ISM manufacturing index remained in the 30s signaling continued recession along with structural change in manufacturing.
- Industrial production is one of four core coincident indicators of the economy and the ISM index suggests continued weak production. Growth is not expected to return anytime soon for manufacturing.

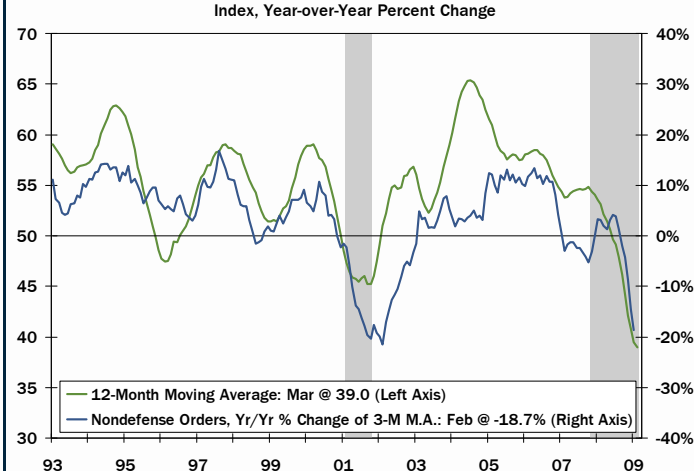
### Orders Up but Employment Remained Weak

- A pickup in the orders component offered us a small bright spot. The level of the index at 41.2 still signals contraction in business investment for the rest of this year.
- Employment came in very weak again. Manufacturers continued to cut jobs as a reflection of the current recession and lower growth expectations for future consumer demand for durable goods.

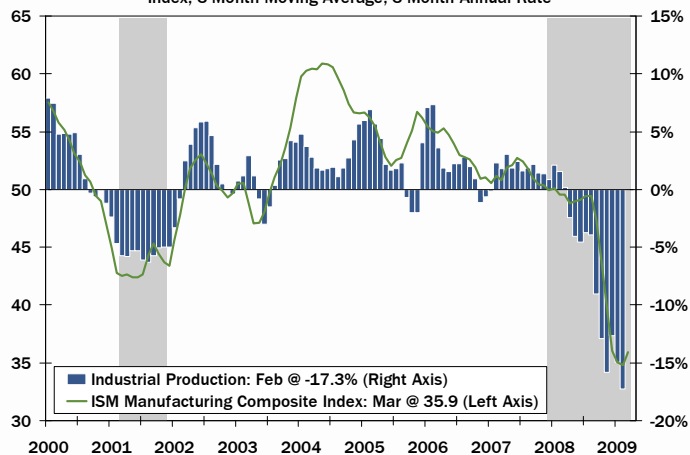
#### ISM Manufacturing Composite & Real GDP



#### ISM New Orders & Nondefense Cap. Gds Orders Ex. Aircraft



#### ISM Manufacturing Composite & Industrial Production



#### ISM Employment Index & Manufacturing Jobs

