



Economics Group

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ISM: Sustained Growth in Manufacturing, Input Prices Up

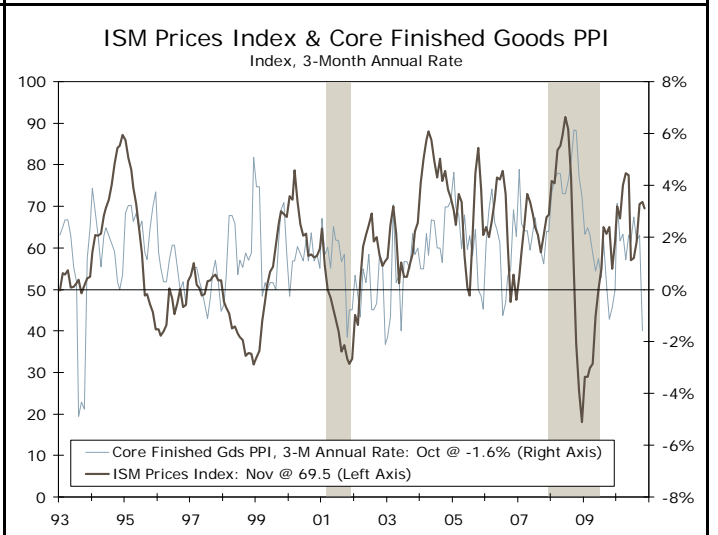
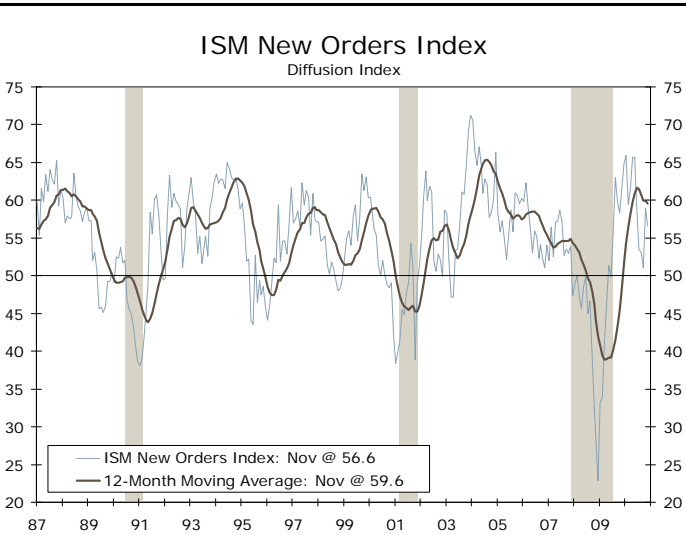
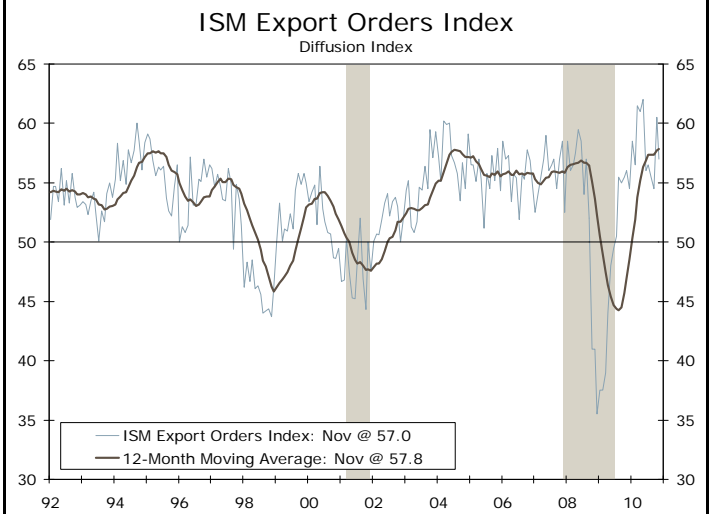
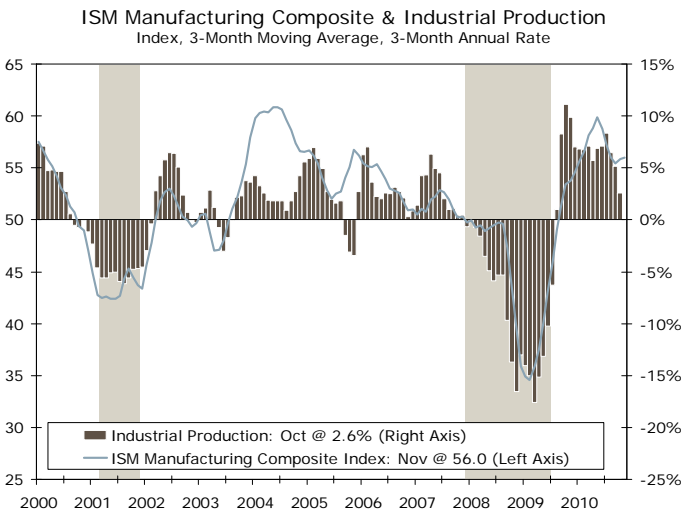
November's ISM came in at 56.6 with continued growth signals from production, orders and employment. Export orders remain strong. Prices paid suggest input cost pressures, especially from metals.

Sustained Growth for the Manufacturing Sector

- Production, employment, orders and inventories all suggest that manufacturing firms continue to experience and plan for a sustained economic expansion. No double-dip is evident here.
- Orders continue to show traction. There is no signal of a significant slowdown. Nine industries reported a gain in orders with improvement in such core sectors as primary metals, computers & electronic products, machinery and plastics.

Export Orders Solid, Prices Paid High

- Export orders remained in expansion mode for the 17th straight month. Nine industries showed improvement suggesting that U.S. manufacturing can compete globally.
- However, the prices paid index remains high suggesting input price pressures. Corrugated containers were up in price for the ninth straight month. Base metals such as copper, steel and aluminum continue to show price increases.



Source: Institute for Supply Management and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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