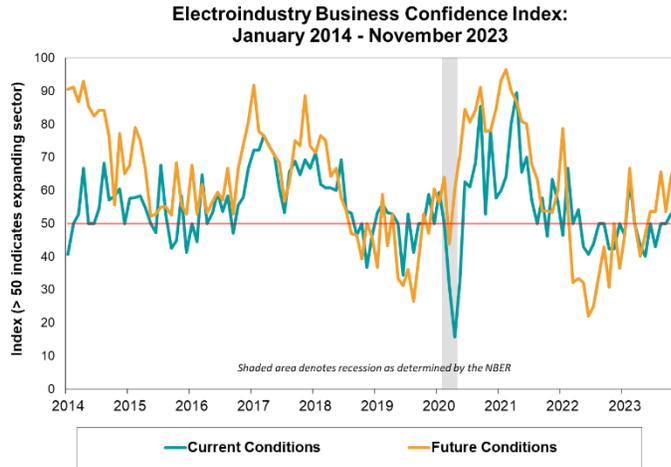


Future conditions component hits nearly two-year high

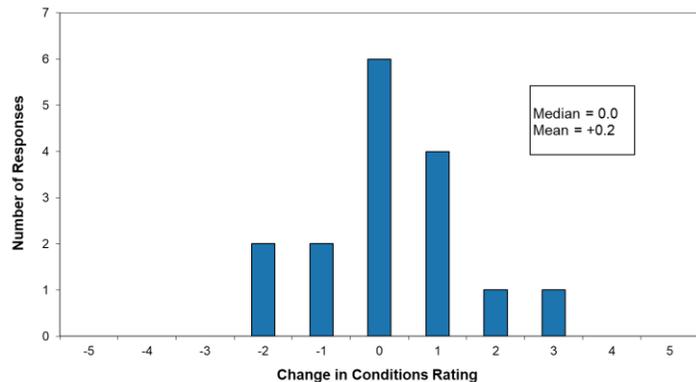


The current conditions index not only remained in expansive territory, but it also strengthened marginally, ticking up from 52.8 in the prior month to 53.1 in November. One-quarter of responding panel members reported “better” conditions in November compared to October’s environment. Although the share of responses noting “unchanged” conditions dropped, it still remained the majority experience. Some comments pointed to continued robustness, but the

overall tenor of the commentary may be best summarized by one member’s note suggesting “Slowing in some segments, steady in others. Not growing heading into the end of the year.”

For the seventh month in a row, the median value of the reported magnitude of change in current conditions remained at 0.0, but the mean flipped from -0.2 to +0.2 in November. *Panelists are asked to report the magnitude of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

EBCI Current Conditions Magnitude: November 2023



Expectations for conditions six months ahead improved once again, as the November future component added nearly 5 points to reach 68.8, its highest reading since January 2022. More than half of the survey respondents anticipate “better” conditions ahead, although nearly 20 percent are less sanguine as they foresee conditions becoming “worse.” One commenter specifically identified the residential market as likely to improve in the coming months, while another cautioned that increased interest rates may lead to a softening of demand.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	53.1	▲	68.8	▲
% Better	25%	▲	56%	▲
% Worse	19%	▲	19%	▲
% Unchanged	56%	▼	25%	▼

Number of Respondents = 16

Values reflect the percentage of respondents expecting "Better" conditions, plus one-half of the percentage of respondents expecting "Unchanged" conditions.

A score of 50 or higher suggests conditions appropriate to expansion of the electroindustry sector.

Please note that survey responses were collected from the period of November 14-27, 2023.

EBCI METHODOLOGY:

The EBCI indexes are based on the results of a monthly survey of senior managers at NEMA member companies and are designed to gauge the business environment of the electroindustry in North America (defined here as the United States and Canada).

The survey contains the following questions:

1. How would you rate current economic conditions in North America, as they affect your business, compared to the previous month?
 - a. Using the following scale, please describe the magnitude of change in economic conditions in North America this month compared to economic conditions last month? [Scale structured as follows: 5 (improved significantly), 4, 3, 2, 1, 0 (stayed the same), -1, -2, -3, -4, -5 (deteriorated significantly)]
2. How do you expect economic conditions in North America, as they affect your business, to have changed six months from now?

Respondents are asked to indicate whether conditions are better, worse, or unchanged. The survey also provides space for respondents to comment on current conditions. These comments are included below the table containing the index levels.

The index value is the percentage of respondents expecting "Better" conditions, plus one-half of the percentage of respondents expecting "Unchanged" conditions, which follows the methodology used by the Institute for Supply Management (ISM; formerly the National Association of Purchasing Management) in the construction of their manufacturing index.