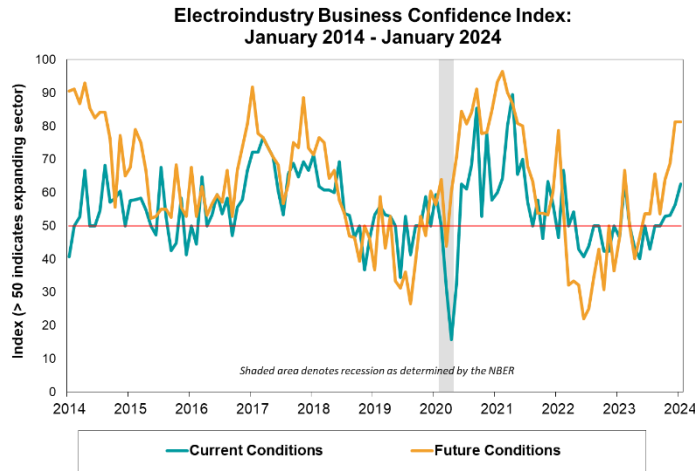


The future continues to look bright to EBCI panel

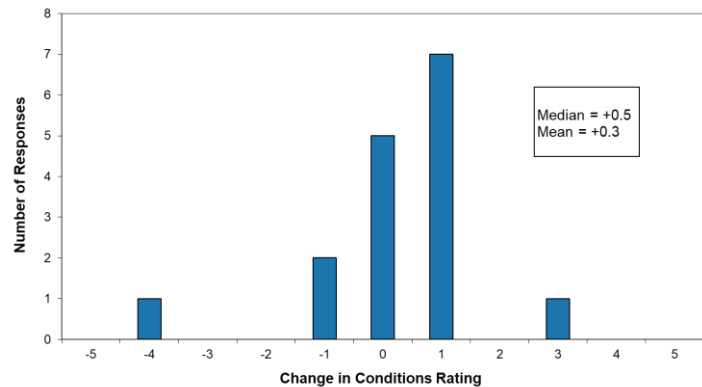


A sharp falloff in the share of respondents reporting “worse” conditions helped propel the current conditions component to 62.5 points in January, up from the previous month’s 56.3. Having expanded for four consecutive months, the current conditions reading stands at its highest point since February 2023. Although the quantitative score was firmly in expansionary territory, and accelerating, panel member comments were lukewarm, largely reflecting

stability rather than strong growth. Alluding to the mixed, but generally improving business environment, one respondent noted that, “the residential market is the only concern at this point...”









The distribution of responses regarding the reported magnitude of change in current conditions changed somewhat from last month but the scores did not budge as the mean held steady at +0.3 and the median hovered at +0.5. *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: January 2024



Only six percent of respondents expected to see “worse” conditions in six months, but a sizable increase in the share of those anticipating that conditions will remain “unchanged” helped lock in the topline future conditions component at 81.3, which equaled the previous month’s reading. With a note of caution about the potential downside risk of the presidential election season, most commenters were upbeat about the look ahead. Some of the comments noted expectations for lower inflation and interest rates, noticeable entry of government funding into key markets, and channel inventory reductions.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
EBCI	62.5 	81.3 
% Better	31% 	69% 
% Worse	6% 	6% 
% Unchanged	63% 	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 January 11-26, 2024.

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.