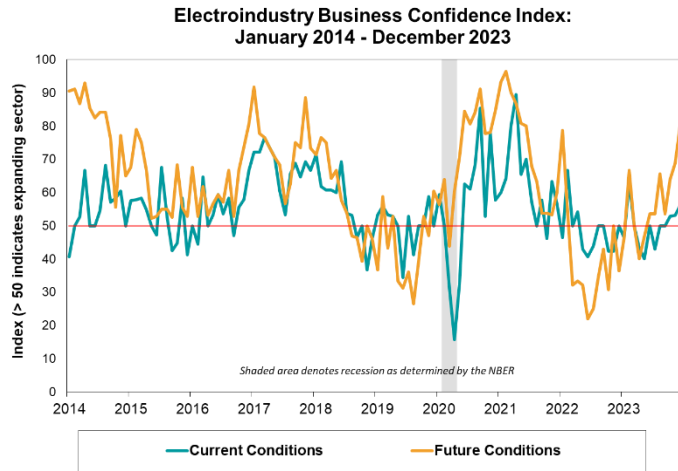


Current and future sentiment continue to improve

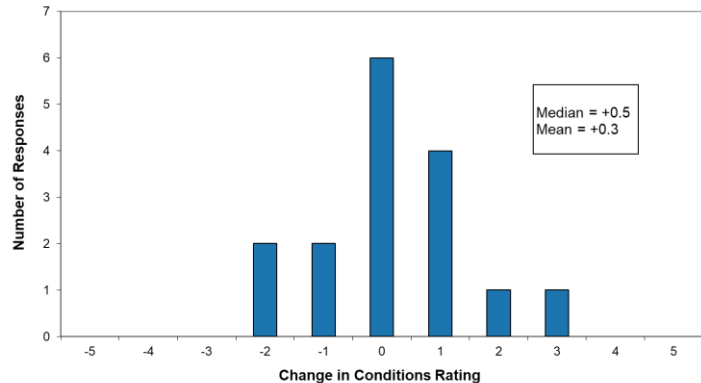


Moving from 53.1 in the prior month to 56.3 in the most recent reading, the current conditions component expanded in December, marking the third consecutive month in which it gained strength. Nearly a third of survey respondents reported “better” conditions in December, with 50 percent noting that the business environment remained “unchanged” from the previous month. Mixed, but largely positive, views of economic conditions were tempered somewhat

by reports of stagnant to slowing orders activity along with geopolitical concerns.









The median value of the reported magnitude of change in current conditions tipped into positive territory for the first time since February 2022 as it increased from 0.0 in November to +0.5 in December, while the mean ticked up to +0.3 from the prior month’s +0.2. *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: December 2023



Surging to the highest reading since the Spring of 2021, the future conditions component for December came in at 81.3, adding more than 12 points to November’s already robust 68.8. Seventy-five percent of responding panel members anticipated “better” conditions in six months, eclipsing the share of respondents that expected conditions to be “worse” or “unchanged.” Despite one note of caution about the deleterious effects of inflation and interest rates, sentiment reflected in the comments was upbeat, with one commenter specifically pointing to expected improvement in residential investment in the coming months.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
EBCI	56.3 	81.3 
% Better	31% 	75% 
% Worse	19% 	13% 
% Unchanged	50% 	13% 

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 December 11-22, 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.