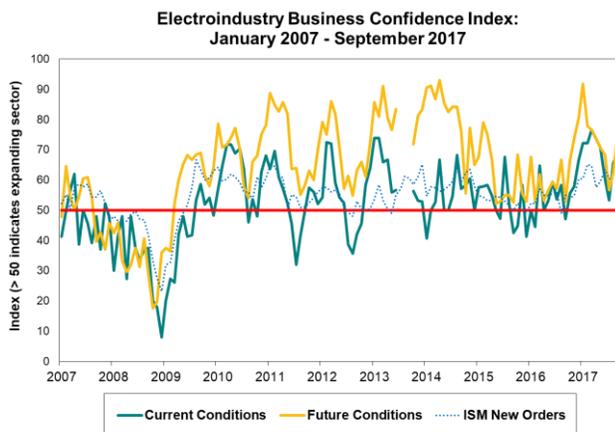


# September 2017 NEMA Electroindustry Business Confidence Index

September 27, 2017

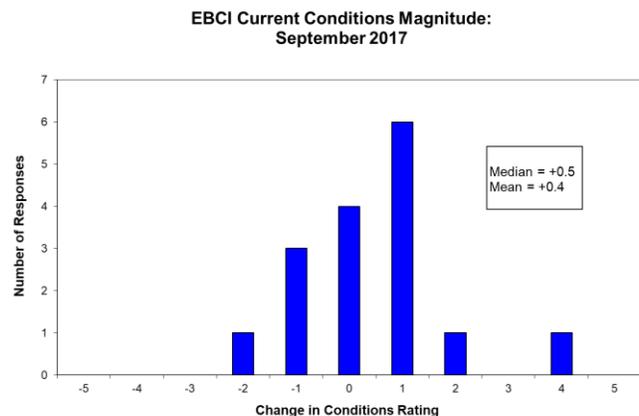
## Confidence in Electroindustry Business Conditions Expands as Third Quarter Closes



NEMA’s Business Confidence current conditions index improved for the second month in a row, with September’s value edging up three points to 68.8. The higher score is attributable exclusively to sentiment shifting away from “unchanged.” The share of panel members that reported better conditions edged up six points to 50 percent in September while the proportion that saw unchanged conditions was six percentage points fewer than in August. The segment of respondents noting “worse” conditions remained stable at 13 percent.

The reported *intensity* of change in the electroindustry business conditions has shifted in a positive direction after several months of flat or even declining results. The median value now stands at 0.5, up from 0.0 last month, and the mean value is three-tenths of a point higher than last month at 0.4 in September. *Panelists are asked to report intensity of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

The future index’s expansion in September was even more pronounced than its current conditions counterpart. Moving from 62.5 in August to 75.0 this month, the topline measure benefitted from a 19 point jump in expected “better” conditions and a six point decline in anticipated “worse” conditions. Respondents noted they expected an increase in new orders related to reconstruction in storm damaged regions. Additionally, the share of respondents that foresaw “unchanged” conditions in six months was down from 38 percent last month to 25 percent in September.



## SURVEY RESULTS:

	<b>Current Conditions</b> (Compared to Previous Month)		<b>Conditions Six Months From Now</b> (Compared to Current Conditions)	
EBCI	68.8	▲	75.0	▲
% Better	50%	▲	63%	▲
% Worse	13%	▬	13%	▼
% Unchanged	38%	▼	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.

## 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.

NOTE: The chart of NEMA EBCI scores uses ISM New Orders Index values for comparison purposes. The current month Manufacturing ISM® *Report On Business*® may be found here:

<https://www.instituteforsupplymanagement.org/ismreport/mfgrob.cfm>