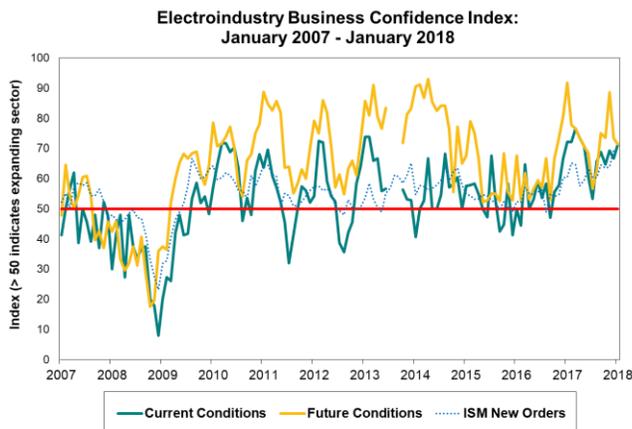


Positive Streak Continues as Current Conditions Component Remains above 50 for Sixteenth Month in a Row

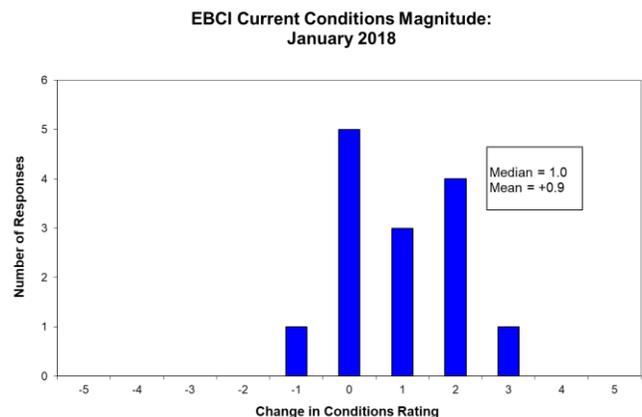


The current conditions component of the electroindustry business confidence index moved up from 66.7 in December to 71.4 this month. Fully one-half of the survey panel noted better conditions in January as the share of those indicating an unchanged business environment declined. Although the proportion of respondents reporting worse conditions edged up, one such member’s comment made it clear that January was worse only because the previous month was “amazing.” The expansionary reading of current conditions in January marked the 16th consecutive month this

component topped 50, making it the longest such stretch since before the last recession. It is worth nothing that this upbeat sentiment has yet to materialize in hard data for some segments of the electroindustry such as lighting and manufacturing-related equipment, which have experienced declining shipment numbers reported by the U.S. Census Bureau on a year-over-year basis for most of 2017.

The reported intensity of change in electroindustry business conditions increased according to one measure this month as the mean grew from 0.6 in December to 0.9 in January. The median value once again held steady at 1.0 this month. *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 conditions component edged down from last month’s 73.3 to match the current conditions number at 71.4. The underlying responses moved only incrementally with the share of better responses edging down, worse responses ticking up, and unchanged responses remaining the same as in December. Regardless of the slight decline, January’s results indicated considerable optimism for business conditions in six months.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	71.4	▲	71.4	▼
% Better	50%	▲	50%	▼
% Worse	10%	▲	10%	▲
% Unchanged	40%	▼	40%	▬

Number of Respondents =14

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>