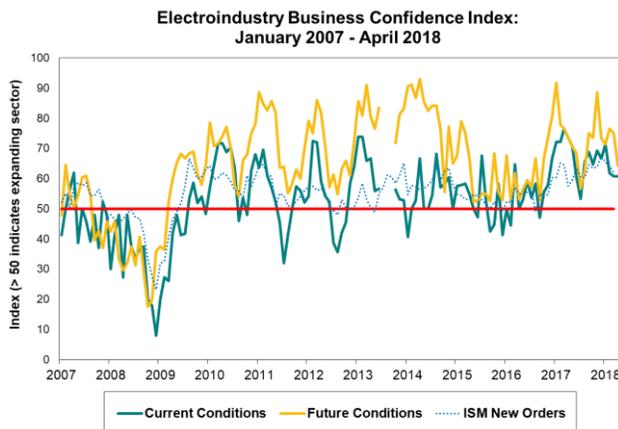


April 2018 NEMA Electroindustry Business Confidence Index

April 30, 2018

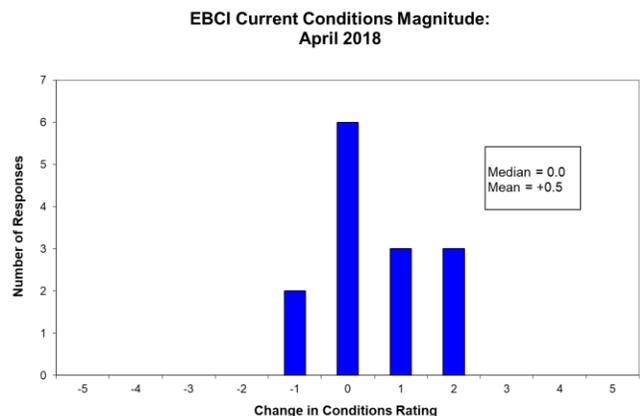
Current Conditions Unchanged While Future Component Loses Some Luster



Current conditions facing the electroindustry held steady in April at an index value of 60.7, matching last month's reading exactly. The share of respondents reporting better conditions increased somewhat, but so did the share of those indicating worse conditions. Recent Census Bureau data point to a slight decline in the value of shipments in the broad electrical equipment sector even as orders activity ticked up, a situation touched upon in one respondent's comment.

The reported intensity of change in electroindustry business conditions remained unchanged from last month, with the mean value remaining at 0.5 in April. Similarly, the median value stayed at 0 for the third consecutive 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 view six months out remains expansionary at 64.3, but this level marks a reduction in optimism from March's future component score of 75.0. The qualitative input from survey participants does not allude to any creeping pessimism – quite the contrary, in fact. Nevertheless, the proportion of panel members expecting better conditions declined this month while indications of unchanged or worse conditions both gained share compared to March.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
EBCI	60.7 	64.3 
% Better	29% 	36% 
% Worse	7% 	7% 
% Unchanged	64% 	57% 

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>