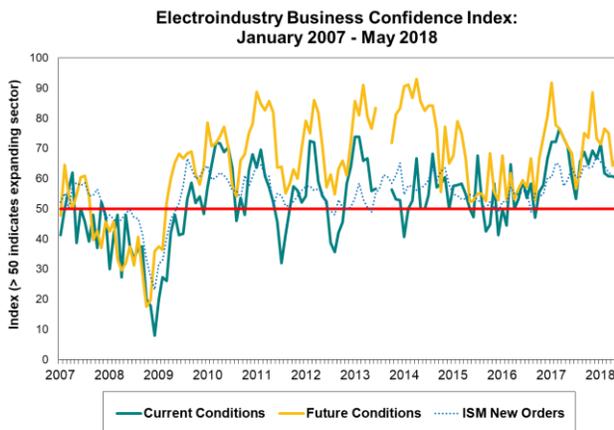


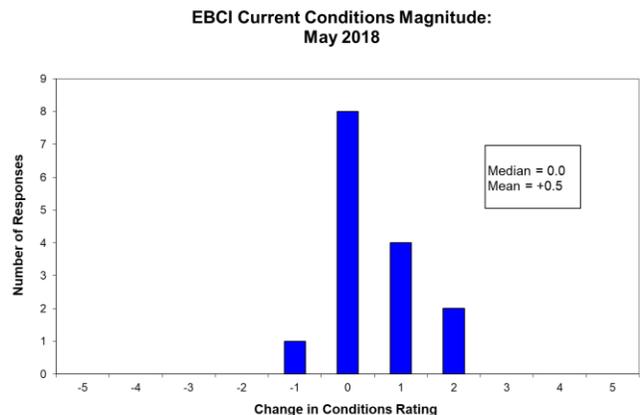
## Future Component Sees Modest Bounce as Current Conditions Indicator Remains Nearly Unchanged



The current conditions component of the EBCI remained essentially flat in May, ticking down by statistically imperceptible 0.7 points from April to a value of 60.0 this month. The share of respondents that reported better conditions edged down by a slight percentage while those who noted unchanged conditions edged up by a similarly small margin. Panel member commentary largely supported the numerical results, with mostly positive remarks about activity levels shaded by trade and raw material cost concerns.

The reported intensity of change in electroindustry business conditions remained unchanged from last month, with the mean value remaining at 0.5 in May. Similarly, the median value stayed at 0 for the fourth 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).*

Qualitative input from our panel members about their expectations for conditions six months out was uniformly upbeat, though not overly exuberant, as the future conditions component expanded from 64.3 last month to 66.7 in May. The proportion of responses expecting worse conditions increased substantially compared to last month's results, but the share of panel members who expected better conditions grew by an even larger percentage, thereby lifting the topline number.



## SURVEY RESULTS:

	<b>Current Conditions</b> (Compared to Previous Month)		<b>Conditions Six Months From Now</b> (Compared to Current Conditions)	
EBCI	60.0	▼	66.7	▲
% Better	27%	▼	53%	▲
% Worse	7%	▬	20%	▲
% Unchanged	67%	▲	27%	▼

Number of Respondents =15

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>