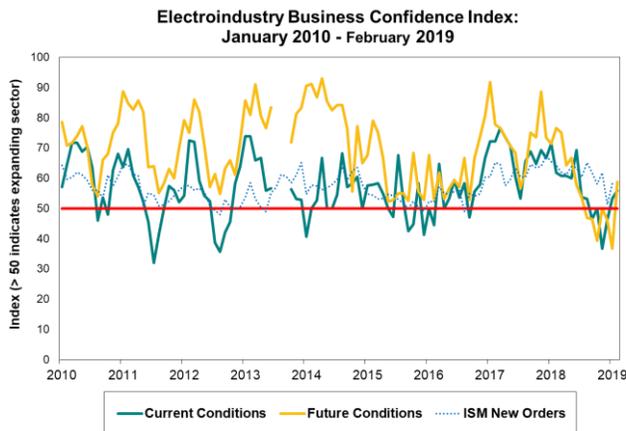


February 2019 NEMA Electroindustry Business Confidence Index

February 27, 2019

Electroindustry Panel Sees Improved Conditions

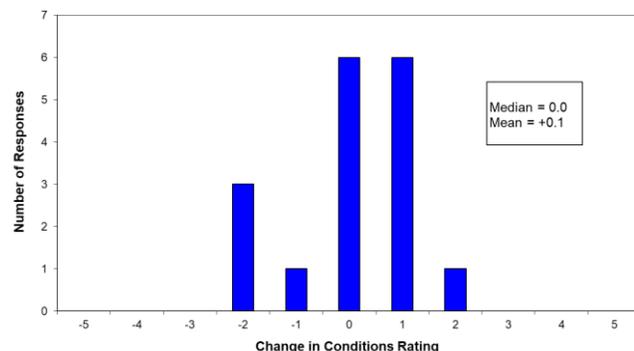


In edging up to 55.9 in February from 53.3 last month, the EBCI current conditions component moved further into expansionary territory and solidified a shift away from a handful of sub-50 readings late in 2018. Fewer respondents perceived a plateau this month, as the share of the panel that reported unchanged conditions declined. Although the share of those who indicated worse conditions ticked up, the proportion of those who saw better conditions outpaced them. Healthy activity on respondents' books and some good economic

news were only somewhat tempered by continued concern about instability from policymakers.

The mean value of the reported intensity of change in electroindustry business conditions remained unchanged at +0.1 this month. Likewise, the median value also held firm, making February the third consecutive month in which this measure equaled 0. *Panelists are asked to report intensity of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

EBCI Current Conditions Magnitude:
February 2019



The future conditions measure reversed course dramatically in February, adding 22.1 points to last months' 36.7 value. The resulting 58.8 reading not only brings the six-months-ahead metric back into positive territory, it also marks the greatest expectation of better conditions since the survey from May 2018. Respondents expecting better conditions formed a near majority this month, as the share of those who foresee worse or unchanged conditions declined. Some commenters noted the potential for weakness because of trade and other policy uncertainties, while others cited strengthening orders activity despite potential trouble spots ahead.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	55.9	▲	58.8	▲
% Better	35%	▲	47%	▲
% Worse	24%	▲	29%	▼
% Unchanged	41%	▼	24%	▼

Number of Respondents =17

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>