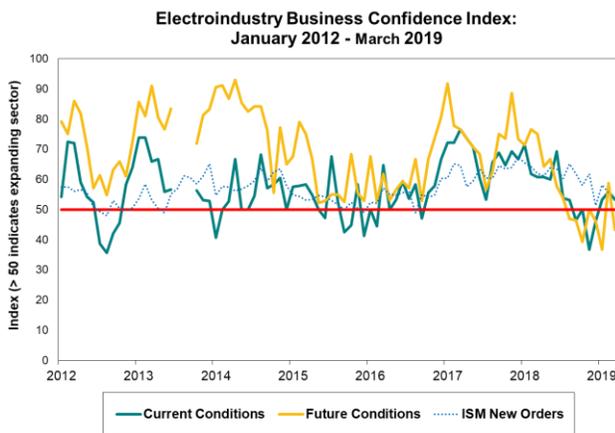


March 2019 NEMA Electroindustry Business Confidence Index

March 27, 2019

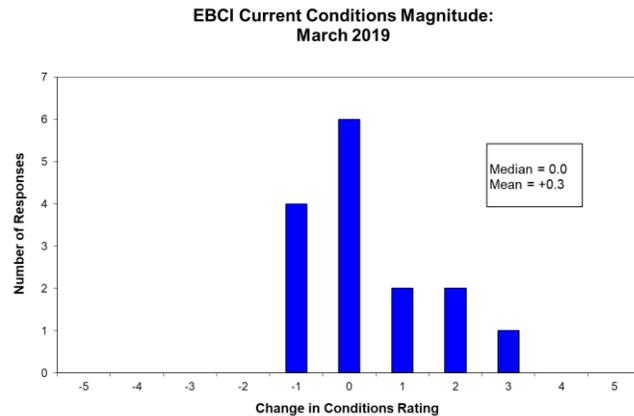
Current Conditions Continued to Improve in March, According to Electroindustry Panel



Despite a slight drop, from 55.9 last month to 53.3 in March, the current conditions component remained in expansionary territory. The share of manufacturers that noted unchanged conditions increased as reports of both better and worse conditions declined. Although no glaring concerns surfaced, some comments cited policy uncertainty, especially related to tariffs, as well as the desire that federal policymakers turn their attention to the nation's infrastructure needs.

The mean value of the reported intensity of change in electroindustry business conditions edged up from +0.1 in February to +0.3 this month, as responses formed more of a normal distribution centered on a median of 0 with a long tail toward the positive end of the scale. *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 continued its gyrations about the expansion demarcation line of 50. March's retreat to 43.3 from 58.8 in February marks the sixth time in eight months that the look-ahead measure fell below 50. As with the current component responses, the share of those that foresee unchanged conditions increased, while better and worse expectations declined. A solid majority of respondents now sees unchanged conditions in six months, but the proportion expecting better conditions pulled back sharply. One commenter directly noted an expected slowing of growth ahead, while others based anticipations on some resolution of political and policy uncertainties.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	53.3	▼	43.3	▼
% Better	27%	▼	13%	▼
% Worse	20%	▼	27%	▼
% Unchanged	53%	▲	60%	▲

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>