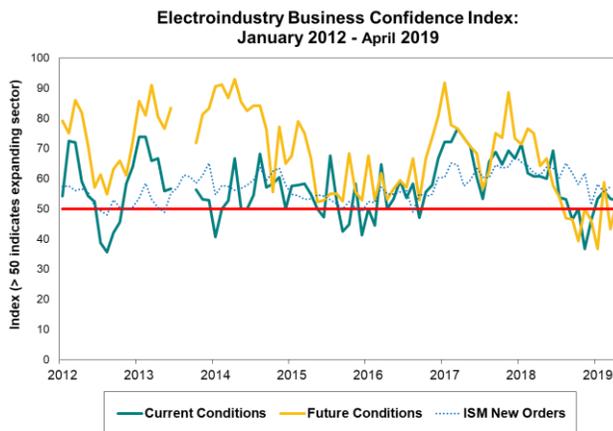


Current and Future Conditions Components Reflect Optimism

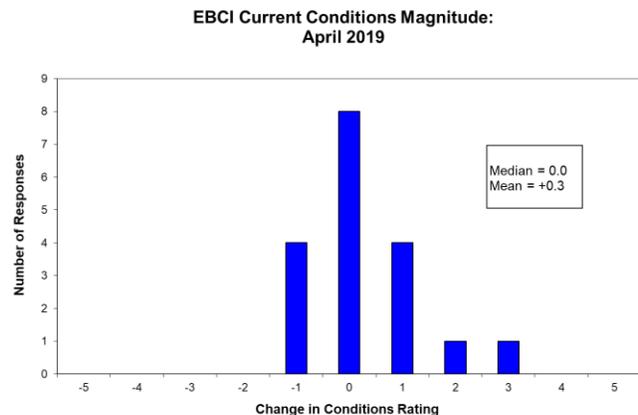


Much like last month, confidence in business conditions remained in positive territory despite edging down from the previous reading. Even in the face of a half-point slide from 53.3 in March to 52.8 this month, the current component stayed above 50 for now the fourth consecutive month. The share of those reporting unchanged conditions increased over last month, while the proportion of panel members that noted either better or worse conditions decreased. Comments largely reflected the lukewarm numerical result, as perhaps the most representative remark

suggested that “business seems to be good but not great.”

Both the mean and median values of the reported intensity of change in electroindustry business conditions held firm at +0.3 and 0 this month, respectively. *Panelists are asked to report intensity of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

A sharp increase in the share of respondents expecting better conditions pushed the future conditions component up nearly 10 points to 52.8 in April. The six-months-ahead reading has been volatile in 2019, reversing course relative to the presumed expansion value of 50 with each new measurement. The end of winter weather, potential for resolving the trade impasse with China, and a general sense of continued strength in the economy underpinned the more positive outlook.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	52.8	▼	52.8	▲
% Better	22%	▼	33%	▲
% Worse	17%	▼	28%	▲
% Unchanged	61%	▲	39%	▼

Number of Respondents =18

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>