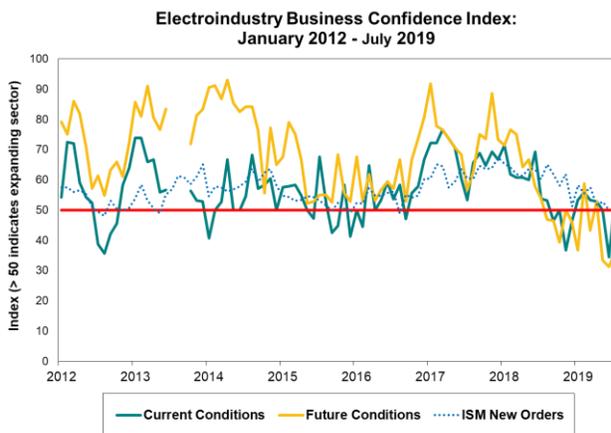


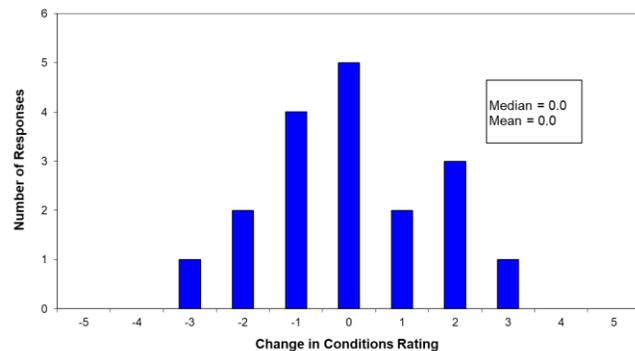
## Current Conditions Component Rebounds in July, Future Measure Still Underwater



As one commenter noted, with “[n]o real explanation” readily available for the better than expected business conditions reported by the EBCI panel, the current conditions component leapt by more than 18 points from last month’s level to move back into expansion territory at 52.8 points in July. Although trade policy continued to weigh on business confidence, and weakness in the industrial sector was noted as well, a preponderance of panelists reported better conditions this month, and the share of those indicating worse conditions dropped sharply.

The mean value of the reported intensity of change in electroindustry business conditions recovered from last month’s foray into negative territory, edging back to 0.0 in July from -0.7 last month. Likewise, the median value bounced back from -0.5 in June to 0.0 this month. Post-recession, the median measure has most often settled on 0, so this reading marks a return to type, for one month at least. *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:  
July 2019



The future conditions component for July ticked up by nearly 5 points to 36.1, leaving it well below the 50-point growth threshold and marking the third consecutive monthly reading in the 30s. The respective shares of respondents expecting better conditions and of those expecting worse conditions declined compared to June’s responses while the percentage of panel members foreseeing unchanged conditions in six months expanded sharply. Politics and other, unspecified, headwinds affected the look ahead for some commenters, even as one noted an expectation for continued improvement in the economy.

## SURVEY RESULTS:

	<b>Current Conditions</b> (Compared to Previous Month)		<b>Conditions Six Months From Now</b> (Compared to Current Conditions)	
EBCI	52.8	▲	36.1	▲
% Better	39%	▲	17%	▼
% Worse	33%	▼	44%	▼
% Unchanged	28%	▲	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>