The current conditions reading held steady at 50 this month, equaling September’s index value and once again teetering on the line indicating expansion. One noteworthy change in the distribution of responses was a decline in the share of those who reported worse conditions in October compared to last month. Some panel members expressed lingering concerns about the political and policy environment as well as the general direction of the economy. Despite such reservations, other commenters pointed to steady or even improved activity in their business sectors.

In keeping with the picture of relative stability painted by the current conditions component result, both the mean and median values of the reported intensity of change in electroindustry business conditions settled in at 0 in October. Last month’s distribution had skewed slightly negative. Panelists are asked to report intensity of change on a scale ranging from –5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).

For the first time since April of this year, the future conditions component reached expansion territory with an index score of 52.9 in October, well above last month’s 39.3 reading. A modest increase in the proportion of respondents expecting better conditions in six months helped fuel the move to an expansionary reading, but the main driver of that change was a sharp drop in the number of panelists foreseeing worse conditions ahead. However, an undercurrent of doubt from commenters remained, largely centered on the outsized influence politics may have on business confidence as the next presidential election approaches.
SURVEY RESULTS:

<table>
<thead>
<tr>
<th>Current Conditions (Compared to Previous Month)</th>
<th>Conditions Six Months From Now (Compared to Current Conditions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBCI</td>
<td>50.0</td>
</tr>
<tr>
<td>% Better</td>
<td>24%</td>
</tr>
<tr>
<td>% Worse</td>
<td>24%</td>
</tr>
<tr>
<td>% Unchanged</td>
<td>53%</td>
</tr>
</tbody>
</table>

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