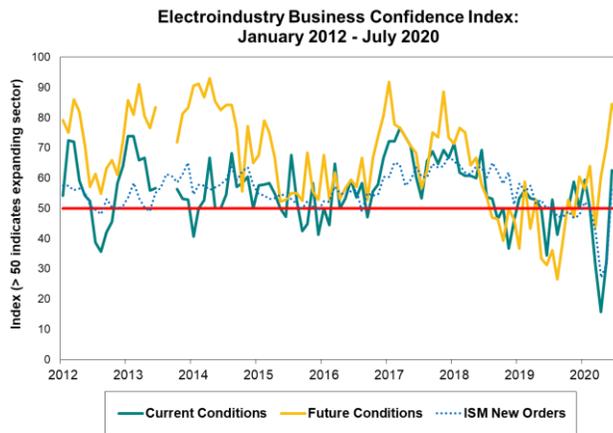


July 2020 NEMA Electroindustry Business Confidence Index

July 30, 2020

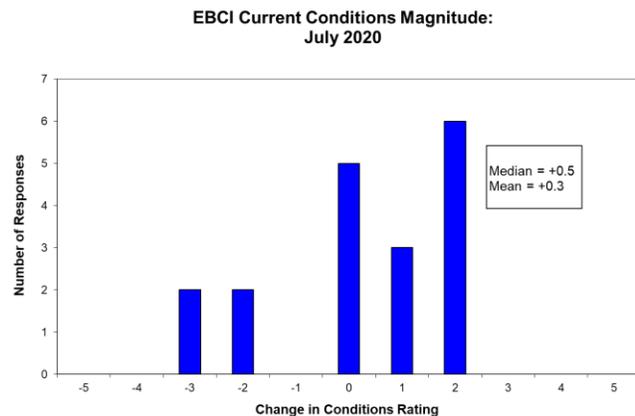
Business conditions indexes remained elevated in July



Ticking down a nearly-imperceptible 1.4 points, the current conditions component remained firmly in expansion territory at 61.1 in July. The share of respondents that reported unchanged conditions increased, while those indicating better conditions edged back slightly. Some sectors of the electroindustry continued to note robust activity, but many comments suggested a plateau of sorts at an elevated level compared to the pandemic trough. Further expansion may be constrained because of continued uncertainty about the course of the virus and responses to it.

The mean reported intensity of change in electroindustry business conditions held steady at +0.3 in July. However, the median score slipped to +0.5 this month compared to a +1 reading in June. *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 also eased back slightly in July but continued to register well into the expansionary range at 80.6. An increase in those expecting worse conditions in six months just edged out the share of respondents anticipating better conditions, driving the 3.8 point decline in the top line number. Commenters largely focused on their expectations that, in six months, the U.S. election season will be over, and we should have greater clarity regarding the course of the pandemic.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	61.1	▼	80.6	▼
% Better	39%	▼	78%	▼
% Worse	17%	▼	17%	▲
% Unchanged	44%	▲	6%	■

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.

Please note that survey responses were collected from the period of July 10-24, 2020.

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>