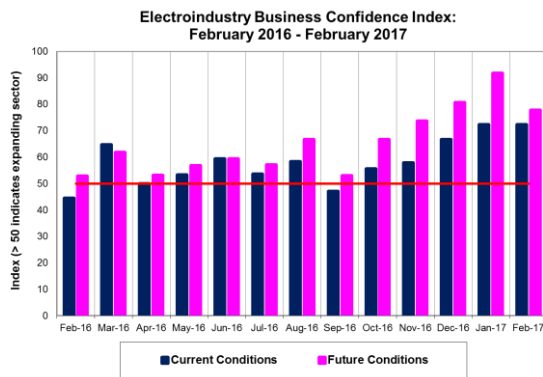


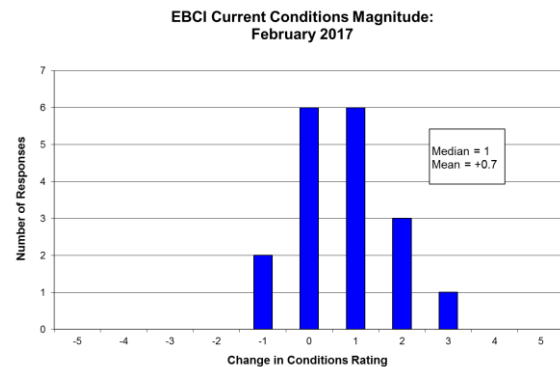
February 2017 NEMA Electroindustry Business Confidence Index

February 22, 2017

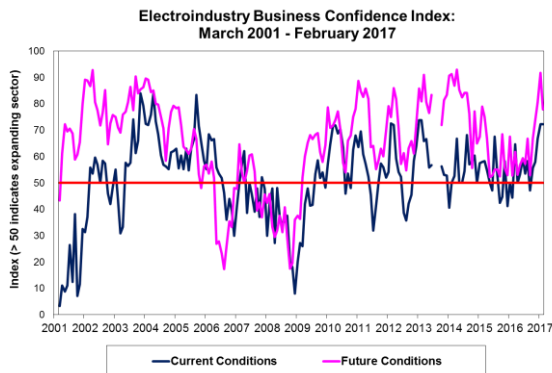
Mixed Views on Policy and Economic Environment Leave Current Conditions Index Unchanged from January



At an aggregate level business confidence remained unchanged in February, hitting the same 72.2 mark as in January. A sense of wait-and-see has crept into some of the comments, resulting in 11 point drops in the percentage of respondents reporting both better and worse conditions, along with a 22 point increase in the share of those who see current conditions as unchanged. Despite the internal churning, the current conditions index remains quite firmly in the expansionary range.



The survey's measure of the *intensity* of change in electroindustry business conditions continued to move further into positive territory, as the mean rating increased from +0.6 last month to +0.7 in February. The median score remained at 1, where it landed last month following many months at 0. 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 index had reached stratospheric levels last month, nearly matching an all-time high with an aggregate score of 91.7. That number has come down by 13.9 points to 77.8 in February, which still reflects a robust level of confidence in conditions six months from now. The most significant shift in the underlying data comes from the 16 percentage point decline, from 83 percent in January to 67 percent now, in those expecting conditions to be better. Also, 11 percent of our panelists now expect worse conditions, up from zero with that expectation last month.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
EBCI	72.2	77.8
% Better	50%	67%
% Worse	6%	11%
% Unchanged	44%	22%

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 (formerly the National Association of Purchasing Management) in the construction of their manufacturing index.