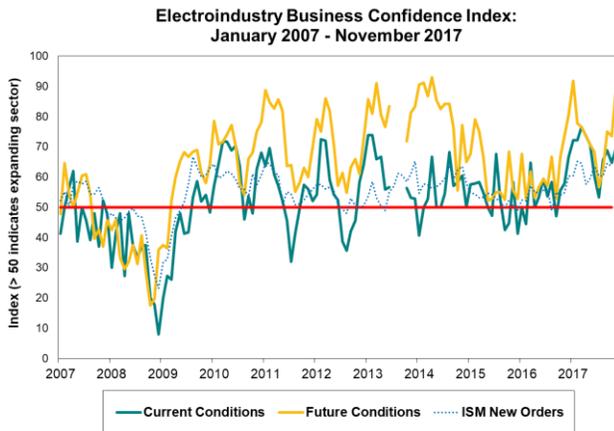


November 2017 NEMA Electroindustry Business Confidence Index

November 29, 2017

Modest Bump in Current Conditions Upstaged by Leap in Future Conditions Component



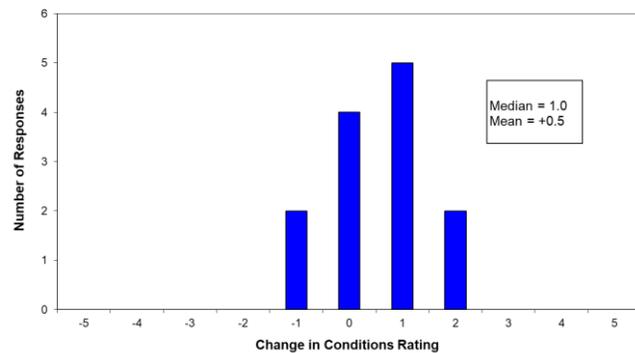
Confidence in the current conditions facing the electroindustry edged up in November as the share of respondents that reported worse conditions dropped markedly. The overall current conditions component increased from 64.7 to 69.2 in November. The increase in the topline measure was driven by a nearly 10 point decline in the percentage of respondents noting worse conditions.

The reported *intensity* of change in electroindustry business reflected the positive ambivalence of the current conditions

component. The median value moved from 0 in October to 1 this month, but the mean declined imperceptibly from 0.7 to 0.5 in November. *Panelists are asked to report intensity of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

Last month the proportion of the panel that expected worse conditions matched those expecting unchanged conditions. Those responses once again matched up in November, but both dropped by nearly 10 points from their October levels. The declines in those response categories boosted the share of respondents expecting better conditions. The net result of that shift in expectations moved the future conditions component from 73.5 in October to its current reading of 88.5.

EBCI Current Conditions Magnitude:
November 2017



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	69.2	▲	88.5	▲
% Better	46%	▼	85%	▲
% Worse	8%	▼	8%	▼
% Unchanged	46%	▲	8%	▼

Number of Respondents =13

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>