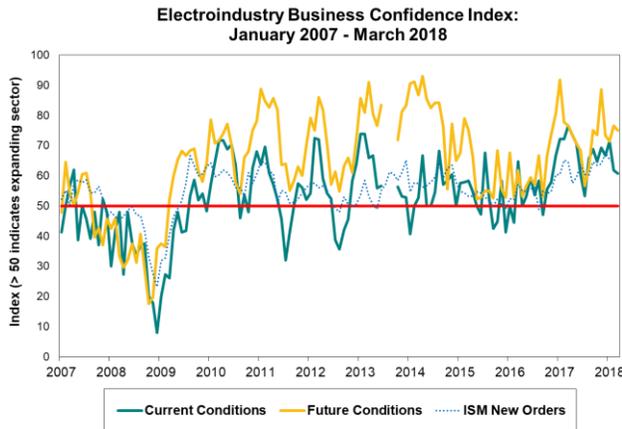


March 2018 NEMA Electroindustry Business Confidence Index

March 28, 2018

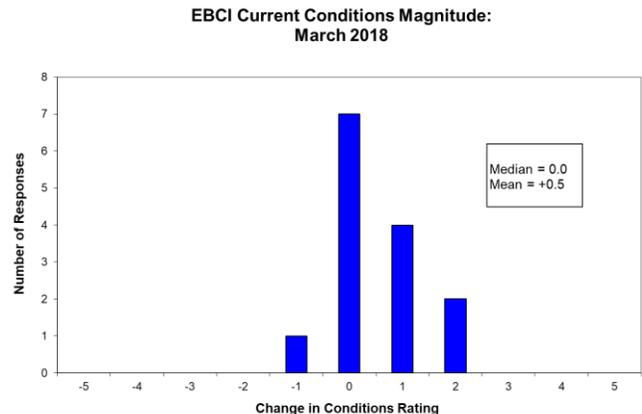
Business Conditions Seen as Steady and Strong



Although the year has started more slowly than some of the panel would prefer, there were no complaints about the current conditions facing the electroindustry this month—literally no complaints. With not even a single response indicating worse conditions, the current conditions component ticked down imperceptibly from 61.8 to 60.7 as most panel members noted unchanged conditions. Census Bureau reporting on electroindustry shipments shows some improvement so far this quarter, which lends support to the expansionary level of current conditions suggested by the survey results.

The reported intensity of change in electroindustry business conditions remained essentially flat, with the mean value edging down to 0.5 in March after logging in at 0.6 last month. The median value did not budge from 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 component also declined minimally to 75.0 in March after reaching 76.5 last month. As with the current conditions measure, none of our respondents expects to see worse conditions in six months, and half the panel anticipates that conditions will remain unchanged. Citing solid economic fundamentals and some degree of pent up demand, panel members largely expect a positive next few months.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	60.7	▼	75.0	▼
% Better	21%	▼	50%	▼
% Worse	0%	▼	0%	▼
% Unchanged	79%	▲	50%	▲

Number of Respondents =14

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>