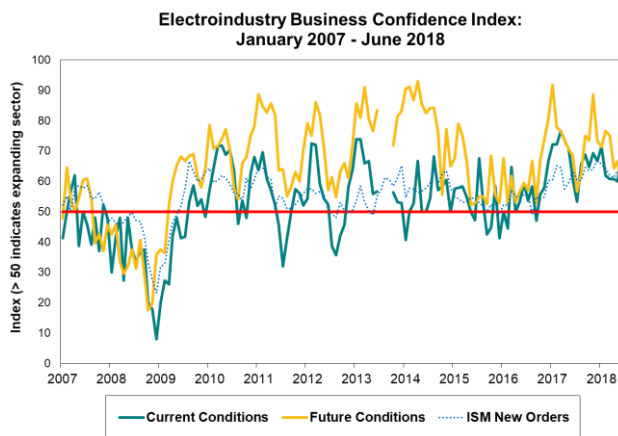


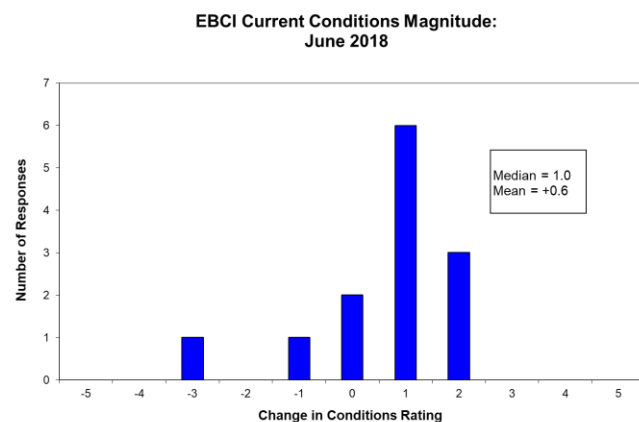
Current and Future Components Move in Opposite Directions as Policy Uncertainty Ramps up Again



A nine point jump brought June's current conditions component to its highest reading since January of this year. Although a larger share of respondents noted worse conditions this month than last, those reporting better conditions constituted a majority in June, helping to bring the overall score to 69.2. The solid topline number was tempered by respondent comments that pointed to an undercurrent of uncertainty along with sector specific struggles brought about by trade actions and the tax bill.

The reported intensity of change in electroindustry business conditions increased compared to last month's measure. The mean value edged up to from 0.5 in May to 0.6 this month, and the median value moved from 0 to 1 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).

While the current conditions measure expanded by just over 9 points, the future conditions component contracted by an opposite and nearly equal amount, dropping from 66.7 in May to 57.7 this month. The proportion of panel members that reported expecting worse conditions doubled while the share of those expecting better conditions in six months edged lower. Member comments ranged from optimism about pent-up demand to concern about a potential recession driven by trade policy and the results of an overheating economy.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	69.2	▲	57.7	▼
% Better	54%	▲	46%	▼
% Worse	15%	▲	31%	▲
% Unchanged	31%	▼	23%	▼

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>