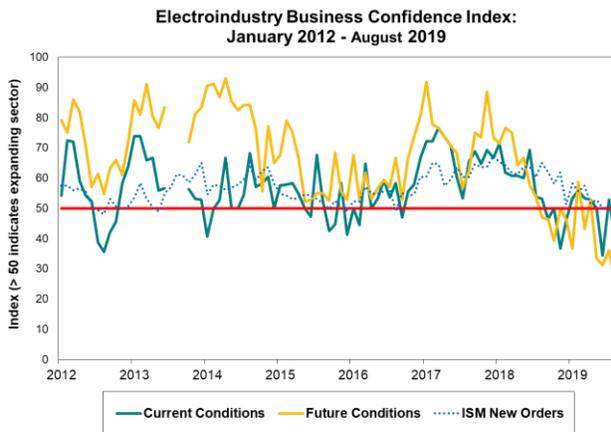
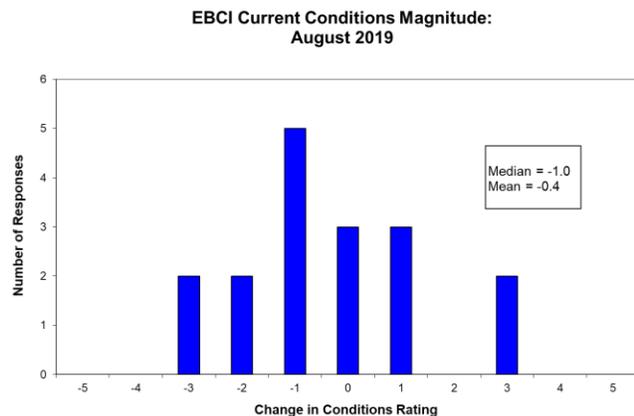


## Current and Future Conditions Components Contract in August



The nearly 12 point decline in the current conditions component, which now stands at 41.2 for August, was largely driven by a drop in the share of respondents that reported better conditions, coupled with an increase of similar magnitude in the proportion that noted unchanged conditions. The current component's relapse to a reading of less than 50 was accompanied by continuing concerns about the uncertain nature of trade and tariff policy intermixed with reports of strong markets in some sectors.

The mean value of the reported intensity of change in electroindustry business conditions once again slipped into the negative, dipping to -0.4 this month after having recovered to 0.0 in July. The median value also declined as it fell from 0.0 last month to -1.0 in August. Notwithstanding a handful of positive ratings, the distribution of intensity scores has shifted noticeably to the left. *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 measure contracted from 36.1 last month to 26.5 in August. This latest reading marked the fourth consecutive month in which the future component languished below 50. Unlike the current component score, the six-months ahead look fell further entirely because of an increase in the share of panelists who expect worse conditions. Commenters expressed concern about general slowing, or even recession, with some again citing lack of policy clarity, especially regarding trade, as a key driver of expectations. Meanwhile, some held out hope for a resolution to the ongoing trade spat with China.

## SURVEY RESULTS:

	<b>Current Conditions</b> (Compared to Previous Month)		<b>Conditions Six Months From Now</b> (Compared to Current Conditions)	
EBCI	41.2	▼	26.5	▼
% Better	18%	▼	12%	▼
% Worse	35%	▲	59%	▲
% Unchanged	47%	▲	29%	▼

Number of Respondents =17

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>