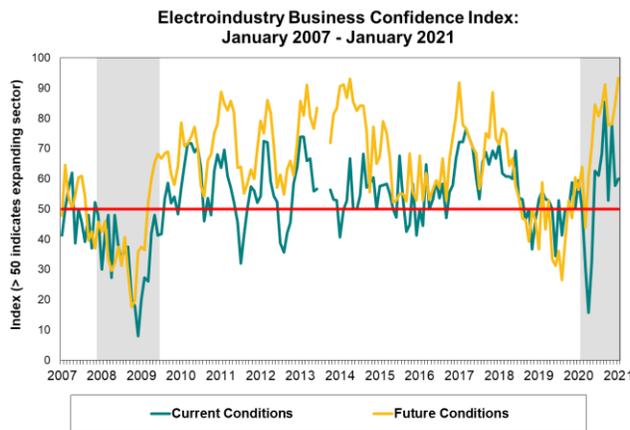


Broad-based optimism as future component reaches all-time high

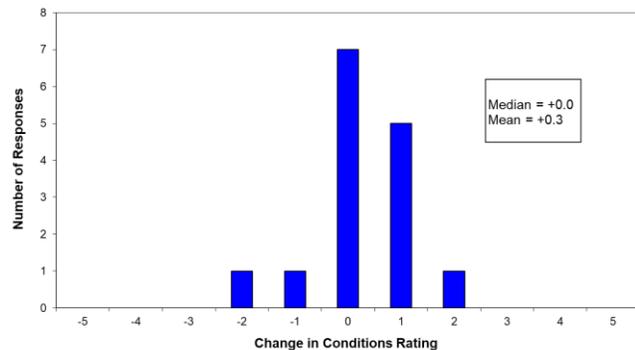


The re-imposition of some business restrictions in response to an early-January surge in COVID-19 related hospitalizations, combined with a slower-than-expected vaccine rollout, reined in the panel’s expectations, which otherwise appeared poised to charge ahead. Alongside a slight reduction in the share of respondents reporting worse conditions, a majority of respondents reported an unchanged business environment in January, pushing the current conditions component to 60.0, a nearly imperceptible increase over December’s 57.7 reading.

The median reported magnitude of change in current electroindustry business conditions held steady at 0 this month, and the mean magnitude of change ticked up by a couple tenths of a point from +0.1 last month to +0.3 in January. *Panelists are asked to report the magnitude of change on a scale ranging from – 5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

Bearing in mind that the diffusion methodology underlying the EBCI measures the breadth of business confidence rather than its magnitude, expectations for improved conditions in six months were held nearly universally among our panelists as the future conditions index hit an all-time high reading of 93.3 in January, compared to an already robust 84.6 from last month. None of the respondents indicated worse conditions ahead. Commentary largely suggested that in six months the economy will be reaping the benefits of a receding pandemic and concomitant stability.

EBCI Current Conditions Magnitude: January 2021



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	60.0	▲	93.3	▲
% Better	33%	▲	87%	▲
% Worse	13%	▼	0%	▼
% Unchanged	53%	▼	13%	▼

Number of Respondents =15

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.

Please note that survey responses were collected from the period of January 10-22, 2021.

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.