

## CMC UPDATE: ISM Manufacturing Index Pulls Back in July - Tariffs Registering

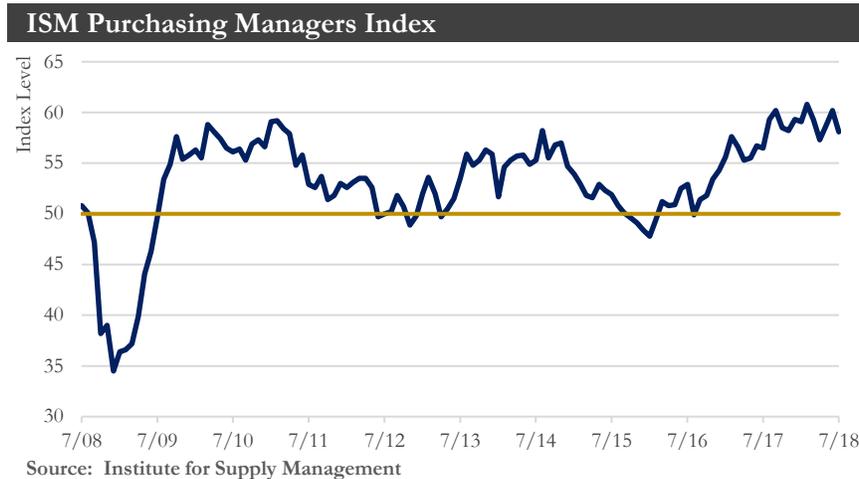
Abdur Chowdhury, Ph.D. Chief Economist

August 1, 2018

After two consecutive months of increases, the Institute for Supply Management (ISM) manufacturing index pulled back by 2.1 percentage points to 58.1 in July. The move reflected declines in new orders and production. Of the 18 manufacturing industries reporting, 17 recorded growth in July while primary metal manufacturing reported a decline.

Capacity constraints are becoming an increasingly pressing issue for the American economy. In addition, a tight labor market is a constraint on economic growth, in line with an unemployment rate below 4%.

Manufacturers continue to feel the squeeze of the tit-for-tat tariff measures. Concerns about being able to pass the rising costs due to tariffs on to final consumers has resulted in tightening profit margins for a growing number of firms.



Dr. Abdur Chowdhury is a Professor of Economics at Marquette University, the Chief Economist at Capital Market Consultants, Inc. (CMC) and a member of the Federal Reserve Board of Chicago's Academic Advisory Council. CMC provides capital market, investment manager and economic research to financial professionals (for more information about Capital Market Consultants, Inc. see our website at [www.cmarkc.com](http://www.cmarkc.com)).

\*\*\*\*\*

The opinions expressed herein are those of Capital Market Consultants, Inc. and may not reflect the opinions of other advisory firms or their affiliates. The information herein has been obtained from sources believed to be reliable, but we cannot assure its accuracy or completeness. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Any reference to past performance is not to be implied or construed as a guarantee of future results.

This email and any files transmitted with it are privileged and confidential. This email is intended solely for the use of the individual(s) or entity to which it is addressed. If you do not wish to receive CMC News Alerts please notify the sender. If you are not the named addressee, then any dissemination, distribution, and copying is strictly prohibited. Please notify the sender immediately, by email, if you have received this email in error and delete the message from your system. The sender does not accept liability for any errors or omissions in the content of this message that arise as a result of email transmission.