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CMC UPDATE: ISM Manufacturing Index Slips Back into Contraction Territory

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The ISM Manufacturing Index slipped back into contractionary territory in April, dipping to 49.2, from 50.3 in March. Even so, 9 of 16 industries reported growth in April – the same as in March. Demand softness was reflected by the new orders and new export orders sub-indices both flipping back into contraction. The backlog of orders index dropped slightly further into contractionary territory. Output also moderated but remained in positive territory. Consistent with the resurgence in inflation seen in other measures, the prices paid sub-index rose.

The path towards recovery for the manufacturing sector has been bumpy, and April's dip may prove to be a blip on a continuing uptrend given overall strength in the U.S. economy.

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