

The Manufacturing PMI® registered 52.4 percent in February. The overall economy continued in expansion for the 16th month. (A Manufacturing PMI® above 47.5 percent, over a period of time, generally indicates an expansion of the overall economy.)

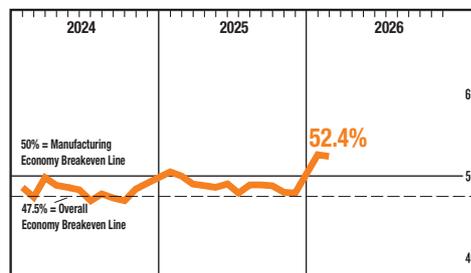
The New Orders Index expanded for the second straight month after four straight readings in contraction, registering 55.8 percent, down 1.3 percentage points compared to January's figure of 57.1 percent. The February reading of the Production Index (53.5 percent) is 2.4 percentage points lower than January's reading of 55.9 percent. The Prices Index remained in expansion (or "increasing" territory), registering 70.5 percent, an 11.5-percentage point jump from January's reading of 59 percent and its highest reading since June 2022 (78.5 percent). The Backlog of Orders Index registered 56.6 percent, up 5 percentage points compared to the 51.6 percent recorded in January and its highest reading since May 2022 (58.7 percent). The Employment Index registered 48.8 percent, up 0.7 percentage point from January's figure of 48.1 percent.

The 12 manufacturing industries reporting growth in February — listed in order — are: Printing & Related Support Activities; Textile Mills; Primary Metals; Nonmetallic Mineral Products; Chemical Products; Machinery; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Transportation Equipment; Plastics & Rubber Products; Miscellaneous Manufacturing†; and Computer & Electronic Products. **ISM**

†Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

MANUFACTURING PMI® at 52.4%

The U.S. manufacturing sector expanded in February for the second time since January 2025, registering 52.4 percent, a 0.2-percentage point decrease compared to January's reading of 52.6 percent. Of the five subindexes that directly factor into the Manufacturing PMI®, three (New Orders, Production and Supplier Deliveries) are in expansion territory, the same as in January. The Employment and Inventories indexes stayed in contraction, though both improved compared to January.



Manufacturing at a Glance

INDEX	Feb Index	Jan Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	52.4	52.6	-0.2	Growing	Slower	2
New Orders	55.8	57.1	-1.3	Growing	Slower	2
Production	53.5	55.9	-2.4	Growing	Slower	4
Employment	48.8	48.1	+0.7	Contracting	Slower	29
Supplier Deliveries	55.1	54.4	+0.7	Slowing	Faster	3
Inventories	48.8	47.6	+1.2	Contracting	Slower	10
Customers' Inventories	38.8	38.7	+0.1	Too Low	Slower	17
Prices	70.5	59.0	+11.5	Increasing	Faster	17
Backlog of Orders	56.6	51.6	+5.0	Growing	Faster	2
New Export Orders	50.3	50.2	+0.1	Growing	Faster	2
Imports	54.9	50.0	+4.9	Growing	From Unchanged	1
Overall Economy				Growing	Slower	16
Manufacturing Sector				Growing	Slower	2

*Number of months moving in current direction. ISM® Manufacturing PMI® Report data have been seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.



Commodities Reported

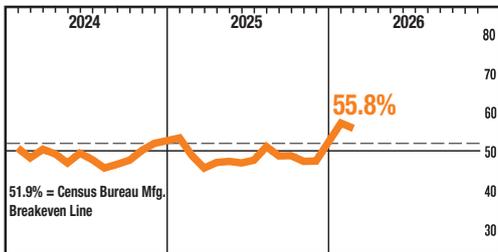
Commodities Up in Price: Aluminum (27); Brass (3); Copper (8); Copper Based Products (3); Critical Minerals (4); Electronic Components (2); Gold; Labor (2); Natural Gas; Polypropylene; Precious Metals (2); Resins; Silver; Steel (4); Steel — Hot Rolled (2); Steel — Stainless; Steel Products (3); and Tungsten Products.

Commodities Down in Price: Freight.

Commodities in Short Supply: Electrical Components (8); Electronic Components (12); Memory (2); and Rare Earth Components (4).

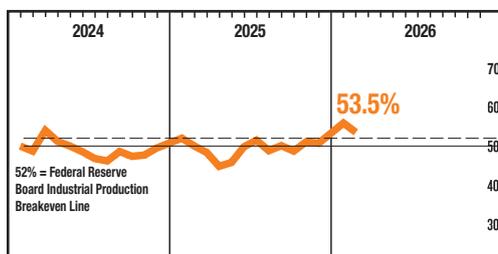
Manufacturing PMI®

Analysis by **Susan Spence, MBA**, Chair of the Institute for Supply Management® Manufacturing Business Survey Committee



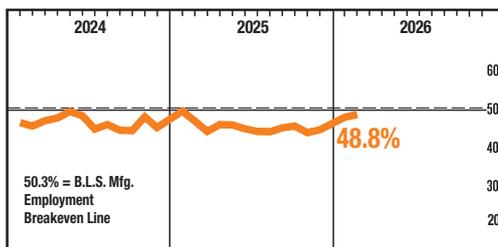
New Orders

ISM's New Orders Index registered 55.8 percent. The 12 manufacturing industries that reported growth in new orders in February, in order, are: Printing & Related Support Activities; Nonmetallic Mineral Products; Computer & Electronic Products; Chemical Products; Primary Metals; Wood Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Machinery; Fabricated Metal Products; Transportation Equipment; and Miscellaneous Manufacturing[‡].



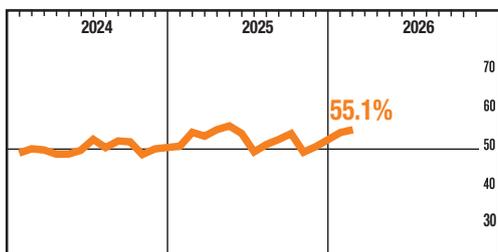
Production

The Production Index registered 53.5 percent. The nine industries reporting growth in production during the month of February — listed in order — are: Printing & Related Support Activities; Primary Metals; Chemical Products; Miscellaneous Manufacturing[‡]; Machinery; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; and Computer & Electronic Products.



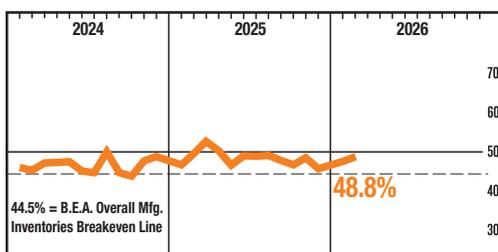
Employment

ISM's Employment Index registered 48.8 percent. Of the 18 manufacturing industries, seven reported employment growth in February in the following order: Printing & Related Support Activities; Nonmetallic Mineral Products; Fabricated Metal Products; Primary Metals; Transportation Equipment; Machinery; and Miscellaneous Manufacturing[‡].



Supplier Deliveries

The Supplier Deliveries Index registered 55.1 percent. The 11 manufacturing industries reporting slower supplier deliveries in February, in order, are: Textile Mills; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Primary Metals; Paper Products; Nonmetallic Mineral Products; Fabricated Metal Products; Machinery; Chemical Products; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing[‡].



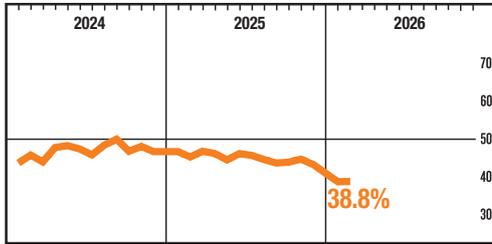
Inventories

The Inventories Index registered 48.8 percent. Of 18 manufacturing industries, the nine reporting higher inventories in February — in the following order — are: Textile Mills; Plastics & Rubber Products; Wood Products; Paper Products; Transportation Equipment; Nonmetallic Mineral Products; Electrical Equipment, Appliances & Components; Chemical Products; and Miscellaneous Manufacturing[‡].

[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

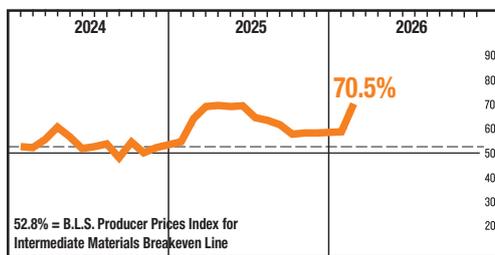
Manufacturing PMI[®]

Analysis by **Susan Spence, MBA**, Chair of the Institute for Supply Management[®] Manufacturing Business Survey Committee



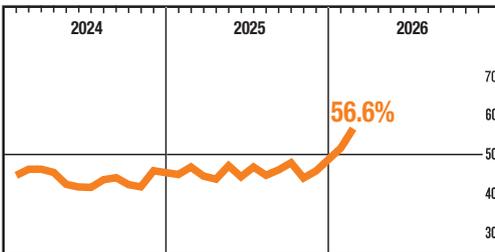
Customers' Inventories

ISM's Customers' Inventories Index registered 38.8 percent. The only industry that reported customers' inventories as too high in February is Textile Mills. The 14 industries reporting customers' inventories as too low in February, in order, are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Wood Products; Transportation Equipment; Chemical Products; Furniture & Related Products; Machinery; Food, Beverage & Tobacco Products; Computer & Electronic Products; Miscellaneous Manufacturing[‡]; and Plastics & Rubber Products.



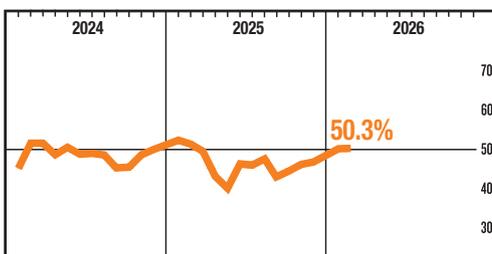
Prices

The ISM Prices Index registered 70.5 percent. In February, the 14 industries that reported paying increased prices for raw materials, in order, are: Primary Metals; Petroleum & Coal Products; Electrical Equipment, Appliances & Components; Nonmetallic Mineral Products; Computer & Electronic Products; Plastics & Rubber Products; Fabricated Metal Products; Miscellaneous Manufacturing[‡]; Transportation Equipment; Furniture & Related Products; Machinery; Food, Beverage & Tobacco Products; Chemical Products; and Paper Products.



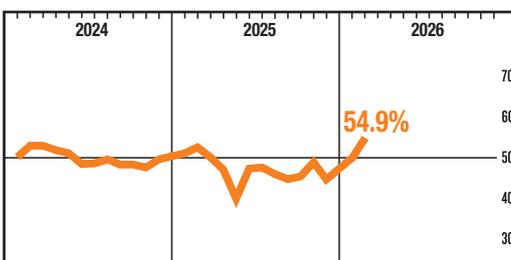
Backlog of Orders

ISM's Backlog of Orders Index registered 56.6 percent. The 11 industries reporting higher backlogs in February — listed in order — are: Wood Products; Nonmetallic Mineral Products; Fabricated Metal Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; Transportation Equipment; Plastics & Rubber Products; Primary Metals; Chemical Products; Electrical Equipment, Appliances & Components; and Machinery.



New Export Orders

ISM's New Export Orders Index registered 50.3 percent. Of the 18 manufacturing industries, the six that reported growth in new export orders in February, in order, are: Nonmetallic Mineral Products; Textile Mills; Machinery; Chemical Products; Fabricated Metal Products; and Electrical Equipment, Appliances & Components.



Imports

ISM's Imports Index registered 54.9 percent. Eight industries reported higher imports in February — in the following order — are: Wood Products; Miscellaneous Manufacturing[‡]; Computer & Electronic Products; Chemical Products; Food, Beverage & Tobacco Products; Primary Metals; Transportation Equipment; and Fabricated Metal Products.

[‡]Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **ISM® Manufacturing PMI® Report** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; and Petroleum & Coal Products.

The **ISM® Services PMI® Report** (formerly the Non-Manufacturing ISM® *Report On Business*®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Panel (formerly Non-Manufacturing Business Survey Committee) is diversified by the North American Industry Classification System (NAICS), based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services, and Dating Services). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 47.5 percent, over a period of time, indicates that the overall economy, or gross

domestic product (GDP), is generally expanding; below 47.5 percent, it is generally declining. The distance from 50 percent or 47.5 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 48.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.1 percent, it is generally declining. The distance from 50 percent or 48.1 percent is indicative of the strength of the expansion or decline. With some of the indicators within the ISM® Manufacturing PMI® Report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The ISM® *PMI® Report* surveys are sent out to Manufacturing and Services Business Survey Panel respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

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