

Buffalo-area manufacturing activity slowed down dramatically in April. The Buffalo-Niagara Manufacturing index (or PMI®) declined to 53.6 in April from 61.6 in March continuously due to the influence of Covid-19. The PMI® is a weighted average of a set of sub-indices calculated from a survey of local supply executives administered by ISM-Buffero, Inc., and values of 50.0 or greater are generally consistent with increased business activity relative to the prior month.

Production, Employment and Deliveries all went down relative to the previous month, while New Orders, Inventories, Prices, MRO, and Capital Buying Policy headed up.

The national PMI (41.5) is significantly lower than the local PMI. And the national PMI is still lower than the 2-year average level.

This month (seasonally adjusted)

Index Name	Index	Direction	Change in Index From Last Month
PMI	53.6	Increasing	Lower growth rate
Production	18.8	Decreasing	Lower growth rate
New Orders	74.7	Increasing	Higher growth rate
Inventories	56.0	Increasing	Same growth rate
Employment	29.4	Decreasing	Lower growth rate
Deliveries	88.9	Slower	More slowdown of deliveries
Prices	60.0	Increasing	Higher growth rate

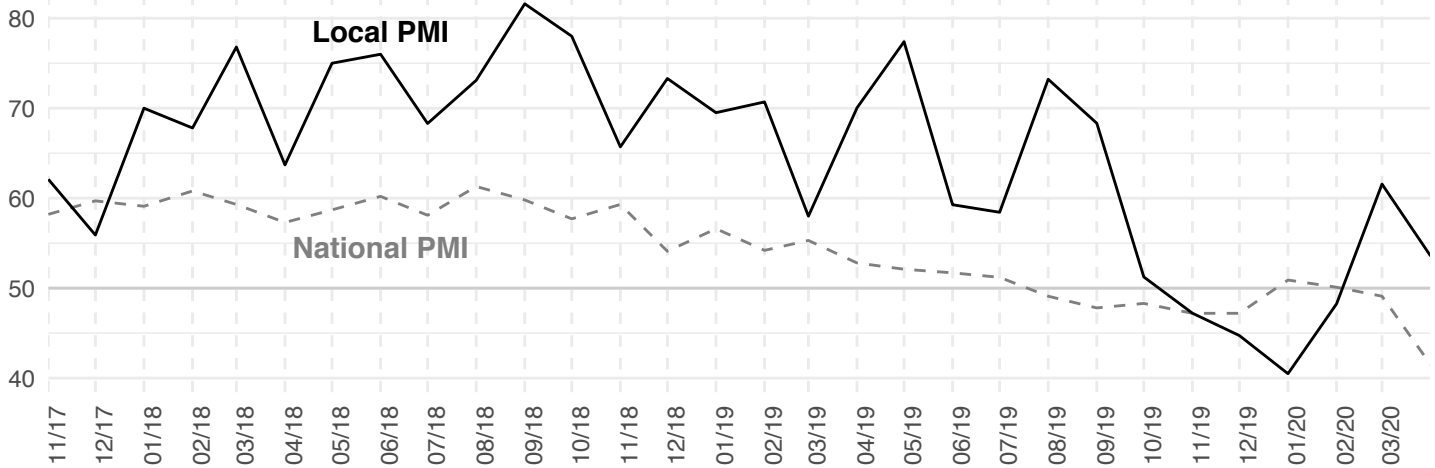


Figure 1: Local and National PMI over the last 2.5 years

Production Buying Policy

Days ahead production buying commitments among respondents went up to April's 54.0 from March's 43.0. The level is higher than most levels for the past year.

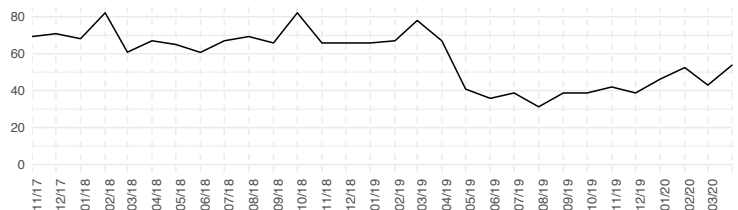


Figure 2: Production Buying Policy

Maintenance, Repair, and Operating Buying Policy

Maintenance, Repair, and Operating supplies on hand among respondents increased in April from March's 20.0 days to 31.0 days, which is also higher than the average levels in 2018 and 2019.

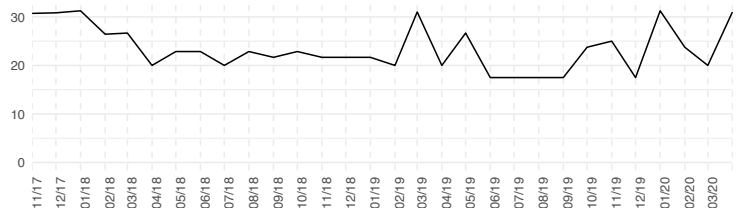


Figure 3: MRO Buying Policy

Capital Equipment Buying Policy

Manufacturers reported making capital equipment buying commitments an average of 188.0 days ahead in April, much higher than previous month's level.

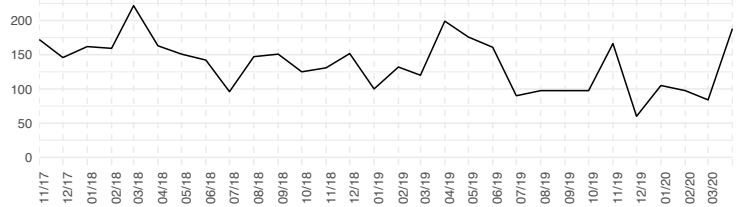


Figure 4: Capital Buying Policy

Production Level

Month	Higher	Same	Lower	Index
Apr 2020	20.0%	0.0%	80.0%	20.0
Mar 2020	60.0%	20.0%	20.0%	70.0
Feb 2020	25.0%	25.0%	50.0%	37.5

The Production diffusion index is 20.0 in April, tremendously lower than last month's 70.0, with 80% of respondents reporting lower production relative to the previous month. This level is also drastically lower than past two years' levels.

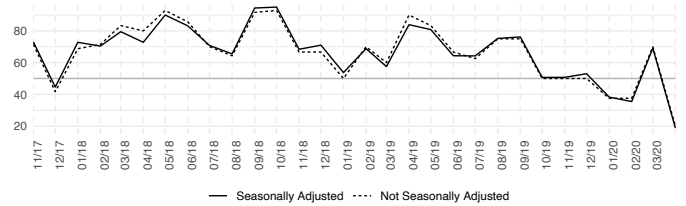


Figure 5: Production Diffusion Index

New Orders

Month	Higher	Same	Lower	Index
Apr 2020	80.0%	0.0%	20.0%	80.0
Mar 2020	60.0%	20.0%	20.0%	70.0
Feb 2020	25.0%	50.0%	25.0%	50.0

The non-seasonally-adjusted New Orders index was 80.0 in April, up from March's 70.0.

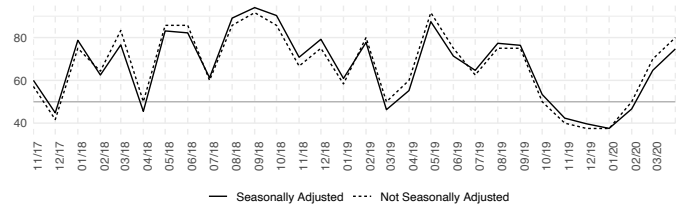


Figure 6: New Orders Diffusion Index

Inventories of Purchased Goods

Month	Higher	Same	Lower	Index
Apr 2020	40.0%	40.0%	20.0%	60.0
Mar 2020	40.0%	40.0%	20.0%	60.0
Feb 2020	25.0%	25.0%	50.0%	37.5

The Inventories of Purchased Goods index stayed the same at 60.0 in April. Again, only 20% of the respondents reported a lower level of inventories.

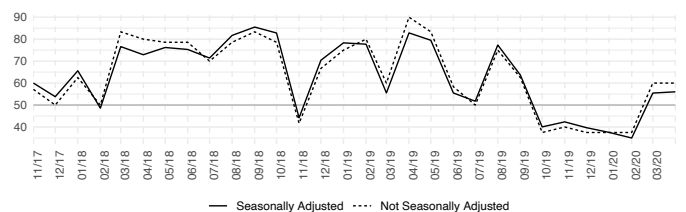


Figure 7: Purchased Inventories Diffusion Index

Employment Levels

Month	Higher	Same	Lower	Index
Apr 2020	0.0%	60.0%	40.0%	30.0
Mar 2020	20.0%	60.0%	20.0%	50.0
Feb 2020	50.0%	50.0%	0.0%	75.0

The non-seasonally adjusted Employment index was 30.0 in April, which is another big drop from March's level of 50.0. The last two years have seen consistently-high employment growth both in the Buffalo region and nationally.

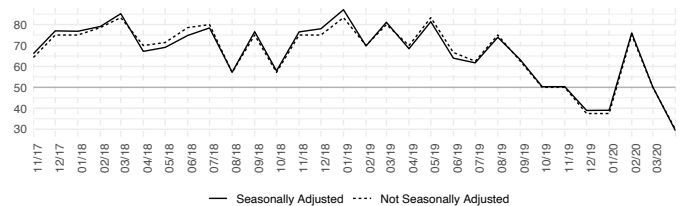


Figure 8: Employment Diffusion Index

Vendor Deliveries

Month	Slower	Same	Faster	Index
Apr 2020	80.0%	20.0%	0.0%	90.0
Mar 2020	40.0%	60.0%	0.0%	70.0
Feb 2020	0.0%	100.0%	0.0%	50.0

The Vendor Deliveries index was 90.0 in April, higher than last month's. 20% of the respondents indicated that delivery times were as expected while 80% reported slower deliveries than expected.

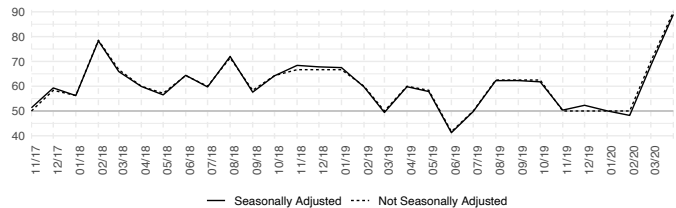


Figure 9: Vendor Deliveries Diffusion Index

Commodity Prices

Month	Higher	Same	Lower	Index
Apr 2020	20.0%	80.0%	0.0%	60.0
Mar 2020	20.0%	60.0%	20.0%	50.0
Feb 2020	25.0%	75.0%	0.0%	62.5

Commodity Prices went higher with 80% of the respondents in April reported flat commodity prices, and 20% respondent reported higher than expected commodity prices. This inflation has persisted for three years but finally showing sign of coming down.

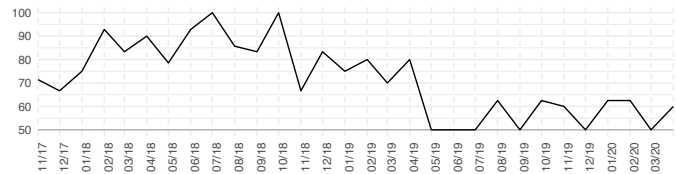


Figure 10: Commodity Prices Diffusion Index