

Buffalo-area manufacturing activity slowed down in February. The Buffalo-Niagara Manufacturing index (or PMI®) declined to 52.7 in February from 67.0 in January. 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 Buying Policy, New Orders, Inventories, and MORB went down compared to the levels of the previous month, while Vendor Deliveries, Commodity Prices, and Capital Buying Policy rose. Meanwhile, Employment Levels and Production Level stayed the same as before.

The national PMI (60.8) increased slightly. And for the first time since February 2020, the national PMI is higher than the local PMI.

**This month (seasonally adjusted)**

Index Name	Index	Direction	Change in Index From Last Month
PMI	52.7	Increasing	Lower growth rate
Production	67.3	Increasing	Same growth rate
New Orders	31.7	Decreasing	Lower growth rate
Inventories	15.9	Decreasing	Lower growth rate
Employment	67.9	Increasing	Lower growth rate
Deliveries	80.6	Slower	More slowdown of deliveries
Prices	100.0	Increasing	Higher growth rate

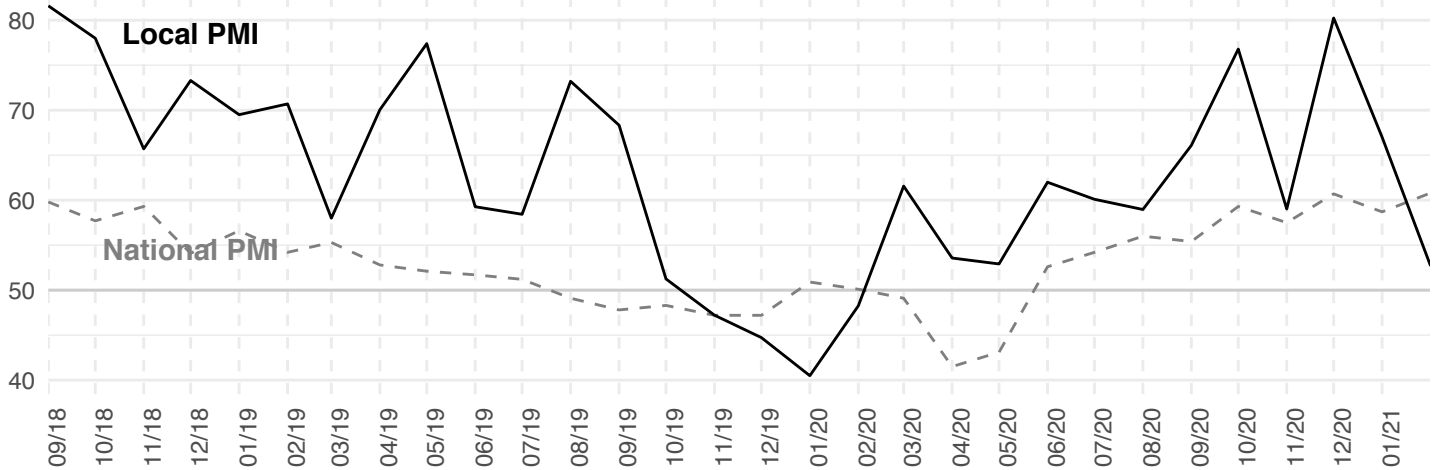


Figure 1: Local and National PMI over the last 2.5 years

**Production Buying Policy**

Days ahead production buying commitments among respondents decreased at February's 60.0 from January's 70.0. Overall the level has been on an upward trend since May of 2019.

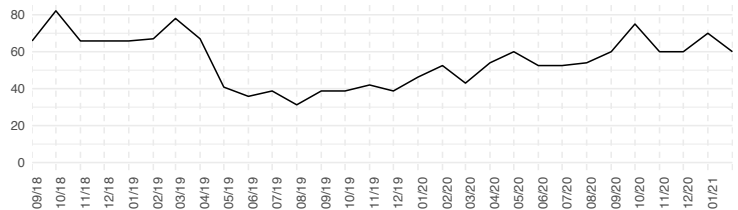


Figure 2: Production Buying Policy

**Maintenance, Repair, and Operating Buying Policy**

Maintenance, Repair, and Operating supplies (MORB) on hand among respondents fell in February from January's 31.7 days to 21.7 days, which is around the average levels of 2019 and 2020.

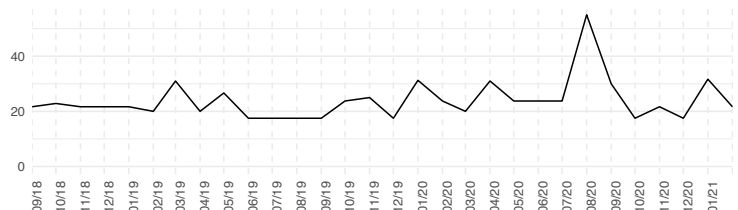


Figure 3: MRO Buying Policy

### Capital Equipment Buying Policy

Manufacturers reported making capital equipment buying commitments an average of 253.3 days ahead in February, a big jump from the previous month's level.

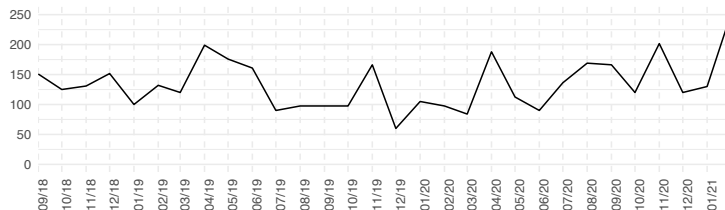


Figure 4: Capital Buying Policy

### Production Level

Month	Higher	Same	Lower	Index
Feb 2021	33.3%	66.7%	0.0%	66.7
Jan 2021	33.3%	66.7%	0.0%	66.7
Dec 2021	50.0%	50.0%	0.0%	75.0

The Production diffusion index is 66.7 in February, the same as last month's 66.7, with 0% of respondents reporting lower production relative to the previous month.

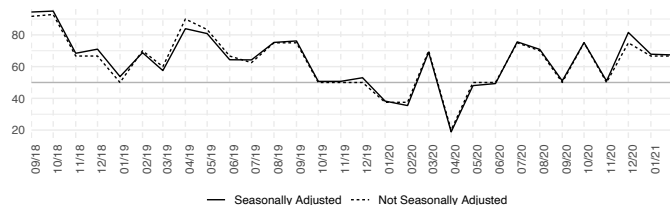


Figure 5: Production Diffusion Index

### New Orders

Month	Higher	Same	Lower	Index
Feb 2021	0.0%	66.7%	33.3%	33.3
Jan 2021	66.7%	33.3%	0.0%	83.3
Dec 2021	50.0%	50.0%	0.0%	75.0

The non-seasonally-adjusted New Orders index dropped dramatically to 33.3 in February from January's 83.3. And 0% respondents indicated increasing new orders.

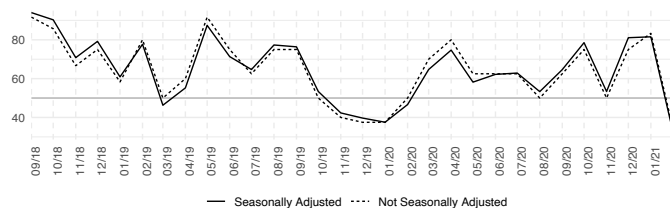


Figure 6: New Orders Diffusion Index

### Inventories of Purchased Goods

Month	Higher	Same	Lower	Index
Feb 2021	0.0%	33.3%	66.7%	16.7
Jan 2021	33.3%	33.3%	33.3%	50.0
Dec 2021	50.0%	50.0%	0.0%	75.0

The Inventories of Purchased Goods index fell significantly to 16.7 in February. No respondents reported a higher level of inventories and 66.7% respondents reported a lower level of inventories.

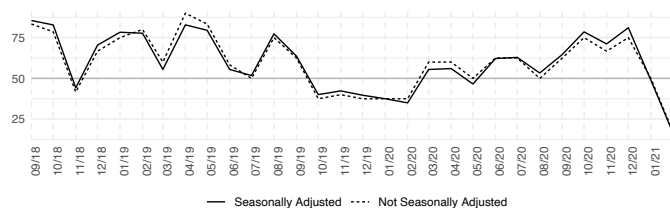


Figure 7: Purchased Inventories Diffusion Index

### Employment Levels

Month	Higher	Same	Lower	Index
Feb 2021	33.3%	66.7%	0.0%	66.7
Jan 2021	33.3%	66.7%	0.0%	66.7
Dec 2021	50.0%	50.0%	0.0%	75.0

The non-seasonally adjusted Employment index is 66.7 in February, the same as January's level of 66.7. The last two years have seen consistently-high employment growth both in the Buffalo region and nationally.

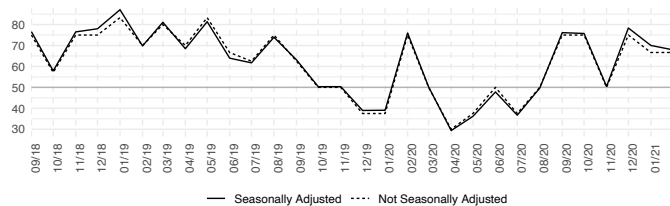


Figure 8: Employment Diffusion Index

### Vendor Deliveries

Month	Slower	Same	Faster	Index
Feb 2021	66.7%	33.3%	0.0%	83.3
Jan 2021	66.7%	0.0%	33.3%	66.7
Dec 2021	50.0%	50.0%	0.0%	75.0

The Vendor Deliveries index was 83.3 in February, higher than last month's level. Around 66.7% of the respondents indicated that delivery times were slower than expected while the other the rest of the respondents reported deliveries as expected.

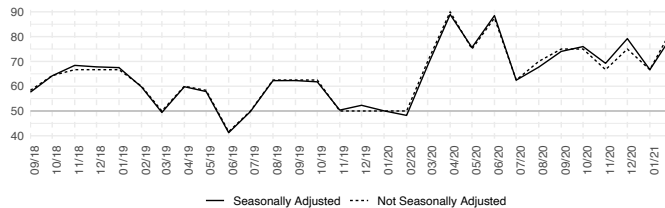


Figure 9: Vendor Deliveries Diffusion Index

### Commodity Prices

Month	Higher	Same	Lower	Index
Feb 2021	100.0%	0.0%	0.0%	100.0
Jan 2021	66.7%	33.3%	0.0%	83.3
Dec 2021	50.0%	50.0%	0.0%	75.0

Commodity Prices rose. All respondents in February reported higher commodity prices. Overall inflation has persisted for a year.

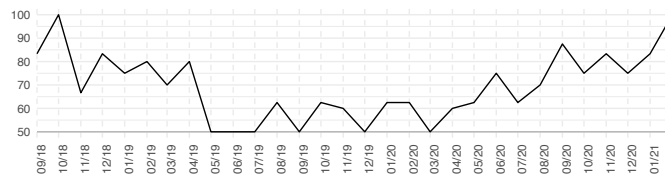


Figure 10: Commodity Prices Diffusion Index