

Buffalo-area manufacturing activity slowed down in January. The Buffalo-Niagara Manufacturing index (or PMI®) declined to 67.0 in January from 80.3 in December. 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, Capital Equipment Buying Policy, New Orders, and Commodity Prices went up comparing to the levels of the previous month, while Production Level, MORB, Employment Level, and Vendor Deliveries decreased. Meanwhile, Inventory of Purchased Goods stayed the same as before.

The national PMI (58.7) also decreased. However, the national PMI is still lower than the local PMI.

**This month (seasonally adjusted)**

Index Name	Index	Direction	Change in Index From Last Month
PMI	67.0	Increasing	Lower growth rate
Production	67.8	Increasing	Lower growth rate
New Orders	81.5	Increasing	Same growth rate
Inventories	48.9	No Change	Lower growth rate
Employment	70.0	Increasing	Lower growth rate
Deliveries	66.7	Slower	Less slowdown of deliveries
Prices	83.3	Increasing	Higher growth rate

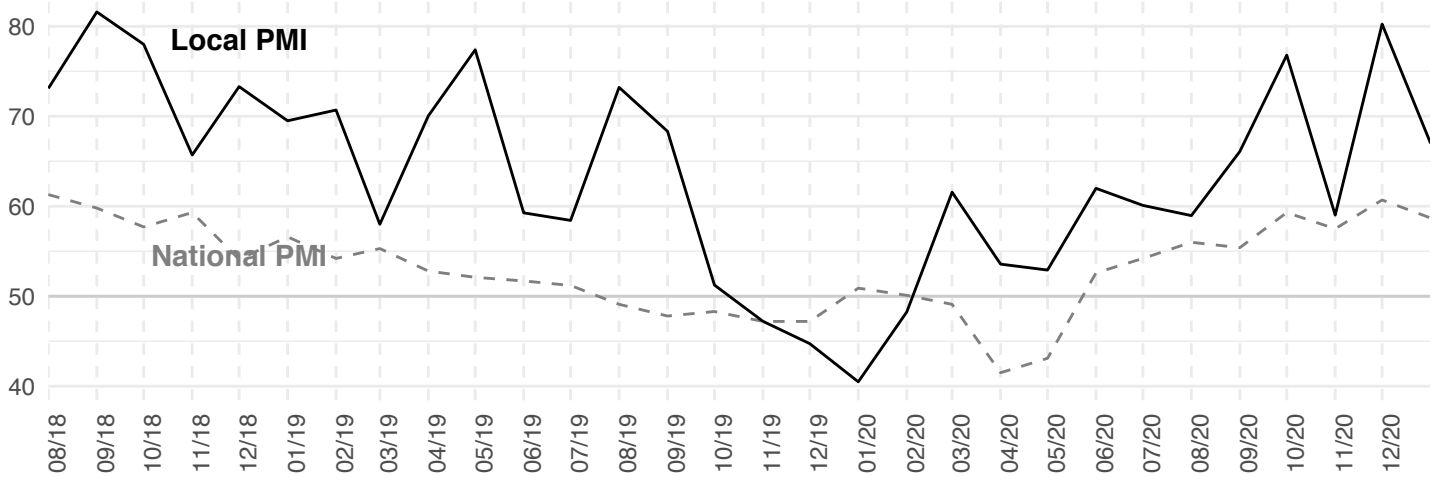


Figure 1: Local and National PMI over the last 2.5 years

**Production Buying Policy**

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

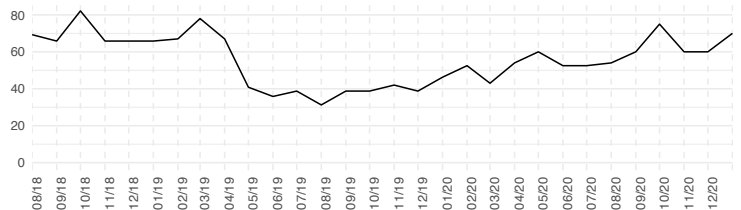


Figure 2: Production Buying Policy

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

Maintenance, Repair, and Operating supplies on hand among respondents rose sharply in January from December's 17.5 days to 31.7 days, which is around the average levels of 2019 and 2020.

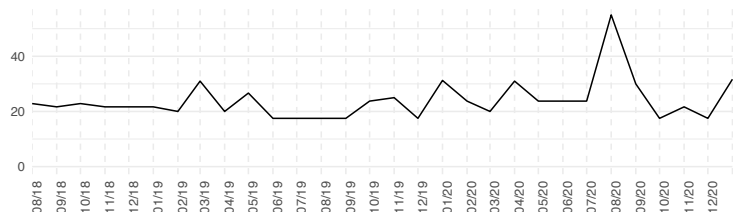


Figure 3: MRO Buying Policy

### Capital Equipment Buying Policy

Manufacturers reported making capital equipment buying commitments an average of 130.0 days ahead in January, a slight raise from the previous month's level.



Figure 4: Capital Buying Policy

### Production Level

Month	Higher	Same	Lower	Index
Jan 2021	33.3%	66.7%	0.0%	66.7
Dec 2020	50.0%	50.0%	0.0%	75.0
Nov 2020	33.3%	33.3%	33.3%	50.0

The Production diffusion index is 66.7 in January, lower than last month's 75.0, with 0% of respondents reporting lower production relative to the previous month.

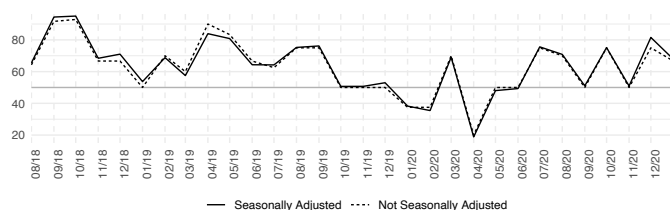


Figure 5: Production Diffusion Index

### New Orders

Month	Higher	Same	Lower	Index
Jan 2021	66.7%	33.3%	0.0%	83.3
Dec 2020	50.0%	50.0%	0.0%	75.0
Nov 2020	33.3%	33.3%	33.3%	50.0

The non-seasonally-adjusted New Orders index was 83.3 in January, higher than December's 75.0. Most respondents indicated increasing new orders.

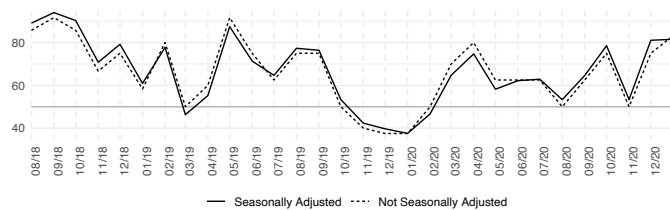


Figure 6: New Orders Diffusion Index

### Inventories of Purchased Goods

Month	Higher	Same	Lower	Index
Jan 2021	33.3%	33.3%	33.3%	50.0
Dec 2020	50.0%	50.0%	0.0%	75.0
Nov 2020	33.3%	66.7%	0.0%	66.7

The Inventories of Purchased Goods index dropped to 50.0 in January. About 33.3% of the respondents reported a higher level of inventories and no respondents reported a lower level of inventories.

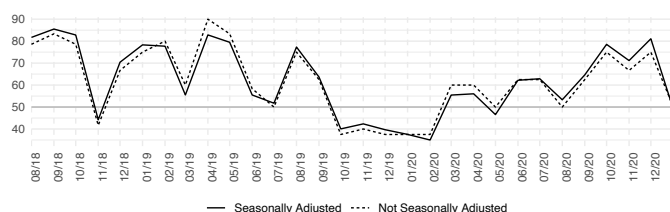


Figure 7: Purchased Inventories Diffusion Index

### Employment Levels

Month	Higher	Same	Lower	Index
Jan 2021	33.3%	66.7%	0.0%	66.7
Dec 2020	50.0%	50.0%	0.0%	75.0
Nov 2020	0.0%	100.0%	0.0%	50.0

The non-seasonally adjusted Employment index took a dip and fell to 66.7 in January from December's level of 75.0. The last two years have seen consistently-high employment growth both in the Buffalo region and nationally.

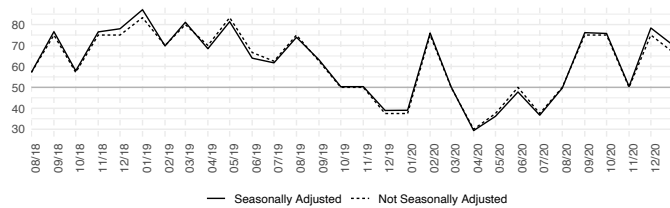


Figure 8: Employment Diffusion Index

### Vendor Deliveries

Month	Slower	Same	Faster	Index
Jan 2021	66.7%	0.0%	33.3%	66.7
Dec 2020	50.0%	50.0%	0.0%	75.0
Nov 2020	33.3%	66.7%	0.0%	66.7

The Vendor Deliveries index was 66.7 in January, lower 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 faster than expected.

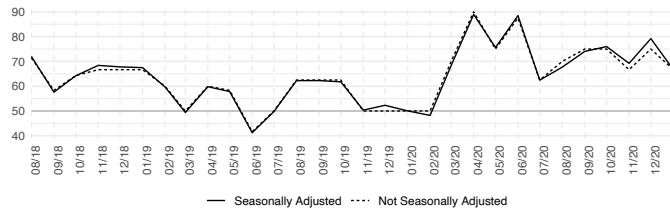


Figure 9: Vendor Deliveries Diffusion Index

### Commodity Prices

Month	Higher	Same	Lower	Index
Jan 2021	66.7%	33.3%	0.0%	83.3
Dec 2020	50.0%	50.0%	0.0%	75.0
Nov 2020	66.7%	33.3%	0.0%	83.3

Commodity Prices went up. Around 33.3% of the respondents in January reported flat commodity prices, and 66.7% respondent reported higher than expected commodity prices. Overall inflation has persisted for almost a year.

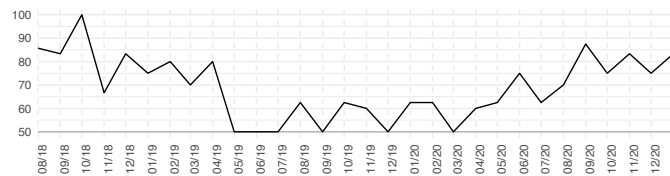


Figure 10: Commodity Prices Diffusion Index