

Buffalo-area manufacturing activity sped up in June. The Buffalo-Niagara Manufacturing index (or PMI®) rose to 62.0 in June from 52.9 in May. 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.

New Orders, Inventories, Vendor Deliveries, and Prices went up comparing to the previous month, while Production Buying Policy, Capital Buying Policy, and Employment decreased. Production Level and MROB stayed the same as the previous month.

The national PMI (52.6) is still lower than the local PMI. And the national PMI is gradually approaching the 2-year average level.

This month (seasonally adjusted)

Index Name	Index	Direction	Change in Index From Last Month
PMI	62.0	Increasing	Higher growth rate
Production	49.3	No Change	Same growth rate
New Orders	62.2	Increasing	Higher growth rate
Inventories	62.2	Increasing	Higher growth rate
Employment	47.8	Decreasing	Higher growth rate
Deliveries	88.5	Slower	More slowdown of deliveries
Prices	75.0	Increasing	Higher growth rate

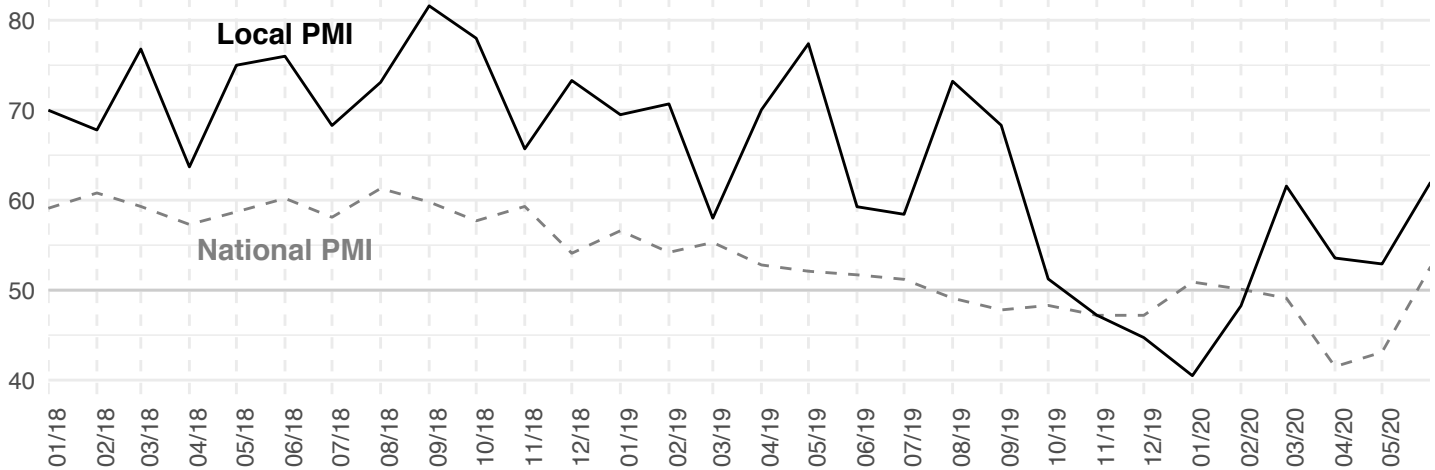


Figure 1: Local and National PMI over the last 2.5 years

Production Buying Policy

Days ahead production buying commitments among respondents went down to June's 52.5 from May's 60.0. The level is still higher than most levels for the past year.

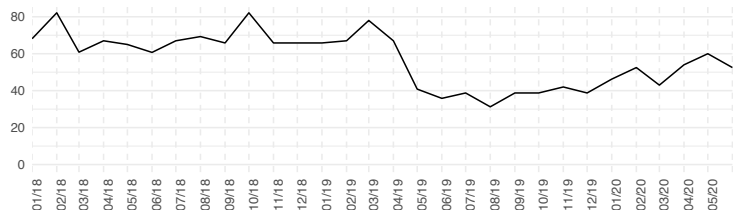


Figure 2: Production Buying Policy

Maintenance, Repair, and Operating Buying Policy

Maintenance, Repair, and Operating supplies on hand among respondents stayed the same in June from May's 23.8 days to 23.8 days, which is still slightly higher than the average levels in 2018 and 2019.

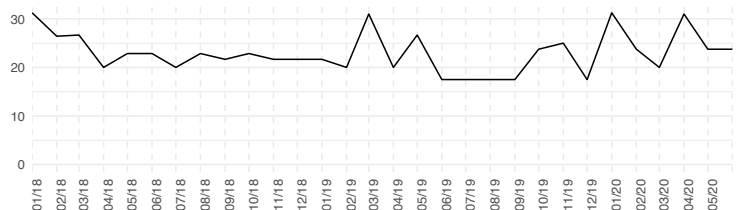


Figure 3: MRO Buying Policy

Capital Equipment Buying Policy

Manufacturers reported making capital equipment buying commitments an average of 90.0 days ahead in June, a drop from previous month's level.



Figure 4: Capital Buying Policy

Production Level

Month	Higher	Same	Lower	Index
Jun 2020	50.0%	0.0%	50.0%	50.0
May 2020	25.0%	50.0%	25.0%	50.0
Apr 2020	20.0%	0.0%	80.0%	20.0

The Production diffusion index is 50.0 in June, significantly the same as last month's 50.0, with 50% of respondents reporting lower production relative to the previous month. This level is still lower than most levels from the past two years.

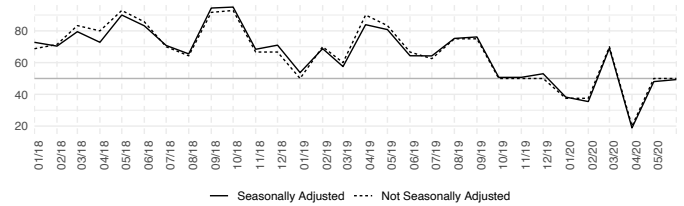


Figure 5: Production Diffusion Index

New Orders

Month	Higher	Same	Lower	Index
Jun 2020	50.0%	25.0%	25.0%	62.5
May 2020	50.0%	25.0%	25.0%	62.5
Apr 2020	80.0%	0.0%	20.0%	80.0

The non-seasonally-adjusted New Orders index was 62.5 in June, the same as May's 62.5.

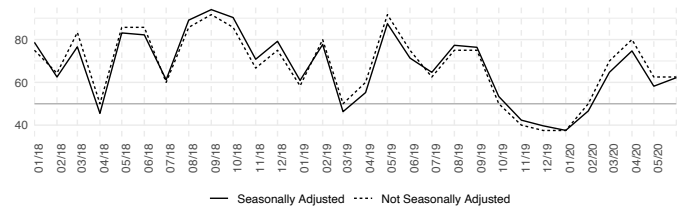


Figure 6: New Orders Diffusion Index

Inventories of Purchased Goods

Month	Higher	Same	Lower	Index
Jun 2020	50.0%	25.0%	25.0%	62.5
May 2020	50.0%	0.0%	50.0%	50.0
Apr 2020	40.0%	40.0%	20.0%	60.0

The Inventories of Purchased Goods index increased to 62.5 in June. 50% of the respondents reported a higher level of inventories.

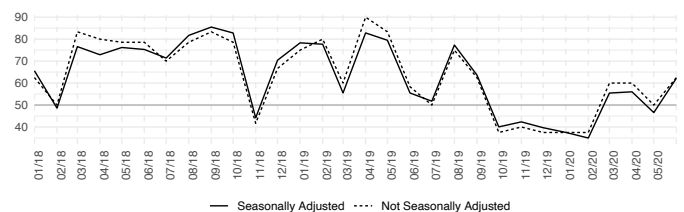


Figure 7: Purchased Inventories Diffusion Index

Employment Levels

Month	Higher	Same	Lower	Index
Jun 2020	25.0%	50.0%	25.0%	50.0
May 2020	25.0%	25.0%	50.0%	37.5
Apr 2020	0.0%	60.0%	40.0%	30.0

The non-seasonally adjusted Employment index climbed to 50.0 in June, which is higher than May's level of 37.5. The last two years have seen consistently-high employment growth both in the Buffalo region and nationally. However, the index starting to fluctuate around 50 since October 2019.

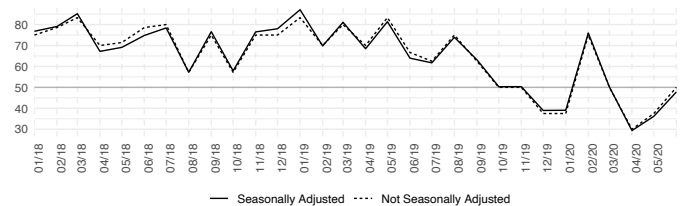


Figure 8: Employment Diffusion Index

Vendor Deliveries

Month	Slower	Same	Faster	Index
Jun 2020	75.0%	25.0%	0.0%	87.5
May 2020	50.0%	50.0%	0.0%	75.0
Apr 2020	80.0%	20.0%	0.0%	90.0

The Vendor Deliveries index was 87.5 in June, higher than last month's level. 75% of the respondents indicated that delivery times were slower than expected while 25% reported deliveries as expected.

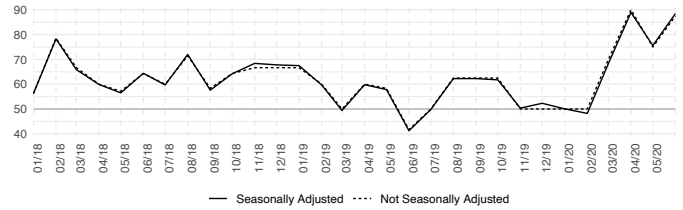


Figure 9: Vendor Deliveries Diffusion Index

Commodity Prices

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

Commodity Prices went higher with 50% of the respondents in June reported flat commodity prices, and 50% respondent reported higher than expected commodity prices.



Figure 10: Commodity Prices Diffusion Index