

Buffalo-area manufacturing activity slowed down in March. The Buffalo-Niagara Manufacturing index (or PMI[®]) increased sharply to 86.8 in March from 52.7 in February. 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.

MORB, Production Level, New Orders, Inventories, and Employment Levels increased compared to last month, while Capital Equipment Buying Policy, Vendor Deliveries, and Commodity Prices went down.

The national PMI (64.7) rose to its highest level since October 2018.

This month (seasonally adjusted)

Index Name	Index	Direction	Change in Index From Last Month
PMI	86.8	Increasing	Higher growth rate
Production	75.8	Increasing	Higher growth rate
New Orders	97.4	Increasing	Higher growth rate
Inventories	97.4	Increasing	Higher growth rate
Employment	89.5	Increasing	Higher growth rate
Deliveries	73.8	Slower	Less slowdown of deliveries
Prices	87.5	Increasing	Lower growth rate

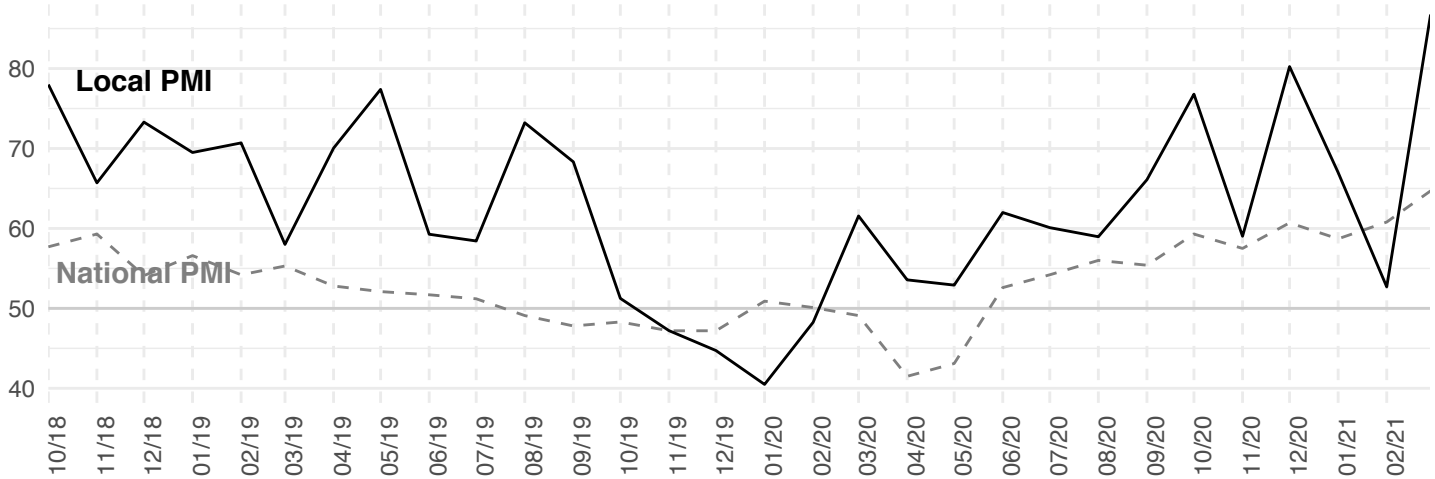


Figure 1: Local and National PMI over the last 2.5 years

Production Buying Policy

Days ahead production buying commitments among respondents decreased at March's 52.5 from February's 60.0. Overall the level has been on an upward trend since May of 2019.

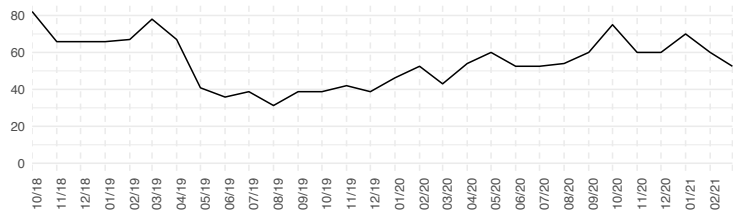


Figure 2: Production Buying Policy

Maintenance, Repair, and Operating Buying Policy

Maintenance, Repair, and Operating supplies (MORB) on hand among respondents rose in March from February's 21.7 days to 23.8 days, which is around the average levels of 2019 and 2020.

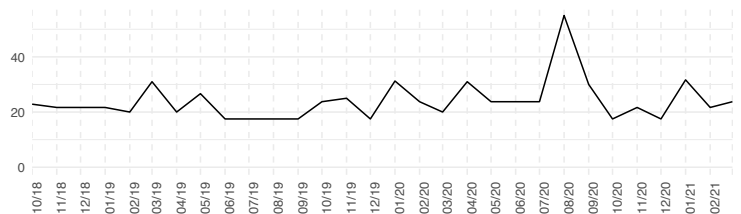


Figure 3: MRO Buying Policy

Capital Equipment Buying Policy

Manufacturers reported making capital equipment buying commitments an average of 158.8 days ahead in March, a big drop from the previous month's level.

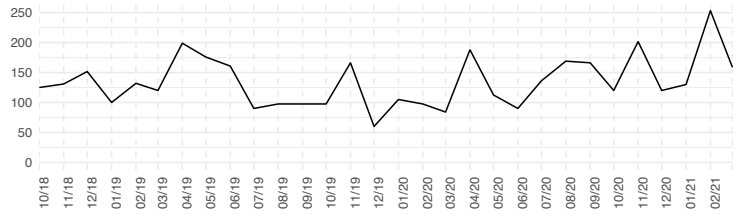


Figure 4: Capital Buying Policy

Production Level

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

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

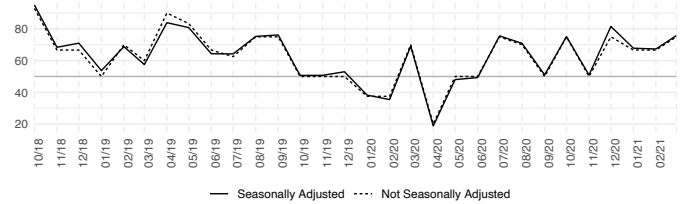


Figure 5: Production Diffusion Index

New Orders

Month	Higher	Same	Lower	Index
Mar 2021	100.0%	0.0%	0.0%	100.0
Feb 2021	0.0%	66.7%	33.3%	33.3
Jan 2021	66.7%	33.3%	0.0%	83.3

The non-seasonally-adjusted New Orders index increased dramatically to 100.0 in March from February's 33.3. And 100% respondents indicated increasing new orders.

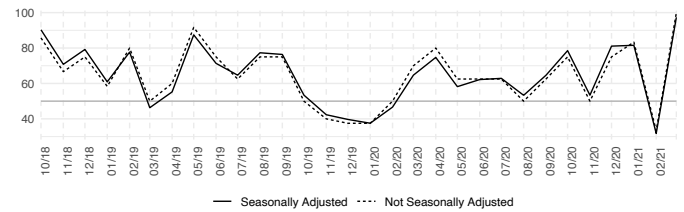


Figure 6: New Orders Diffusion Index

Inventories of Purchased Goods

Month	Higher	Same	Lower	Index
Mar 2021	100.0%	0.0%	0.0%	100.0
Feb 2021	0.0%	33.3%	66.7%	16.7
Jan 2021	33.3%	33.3%	33.3%	50.0

The Inventories of Purchased Goods index rose significantly to 100.0 in March. 100% respondents reported a higher level of inventories and no respondents reported a lower level of inventories.

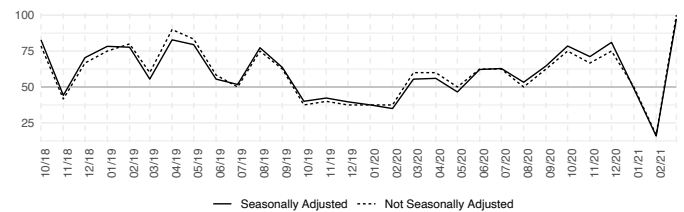


Figure 7: Purchased Inventories Diffusion Index

Employment Levels

Month	Higher	Same	Lower	Index
Mar 2021	75.0%	25.0%	0.0%	87.5
Feb 2021	33.3%	66.7%	0.0%	66.7
Jan 2021	33.3%	66.7%	0.0%	66.7

The non-seasonally adjusted Employment index is 87.5 in March, higher than February's level of 66.7. The last two years have seen consistently-high employment growth both in the Buffalo region as well as nationally.

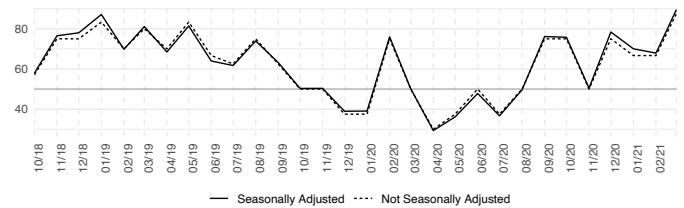


Figure 8: Employment Diffusion Index

Vendor Deliveries

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

The Vendor Deliveries index was 75.0 in March, lower than last month's level. Around 50% of the respondents indicated that delivery times were slower than expected while the rest of the respondents reported deliveries as expected.

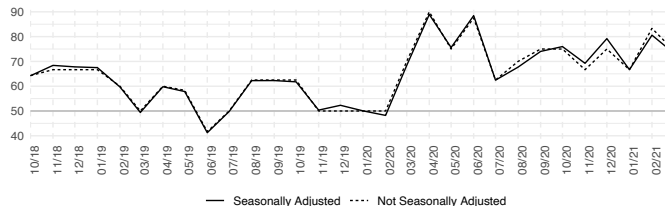


Figure 9: Vendor Deliveries Diffusion Index

Commodity Prices

Month	Higher	Same	Lower	Index
Mar 2021	75.0%	25.0%	0.0%	87.5
Feb 2021	100.0%	0.0%	0.0%	100.0
Jan 2021	66.7%	33.3%	0.0%	83.3

Commodity Prices dropped. 75% respondents in March reported higher commodity prices. Overall the inflation level has been on an upward trend since March 2020.

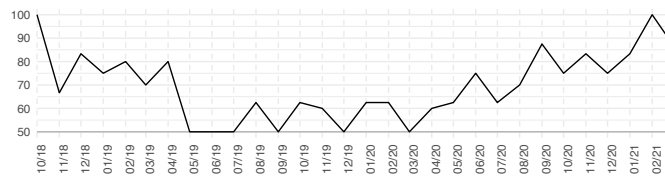


Figure 10: Commodity Prices Diffusion Index