

Buffalo-area manufacturing activity slowed down in November. The Buffalo-Niagara Manufacturing index (or PMI®) declined to 59.0 in November from 76.8 in October. 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, Employment Levels, Vendor Deliveries, and Production Level went down comparing to the previous month's levels, while Commodity Prices, MORB and Capital Buying Policy increased.

The national PMI (57.5) also decreased. However, the national PMI is higher than the local PMI. And the national PMI stays at around the 2-year average level.

This month (seasonally adjusted)

Index Name	Index	Direction	Change in Index From Last Month
PMI	59.0	Increasing	Lower growth rate
Production	50.9	No Change	Lower growth rate
New Orders	53.4	Increasing	Lower growth rate
Inventories	71.1	Increasing	Lower growth rate
Employment	50.5	No Change	Lower growth rate
Deliveries	69.2	Slower	Less slowdown of deliveries
Prices	83.3	Increasing	Higher growth rate

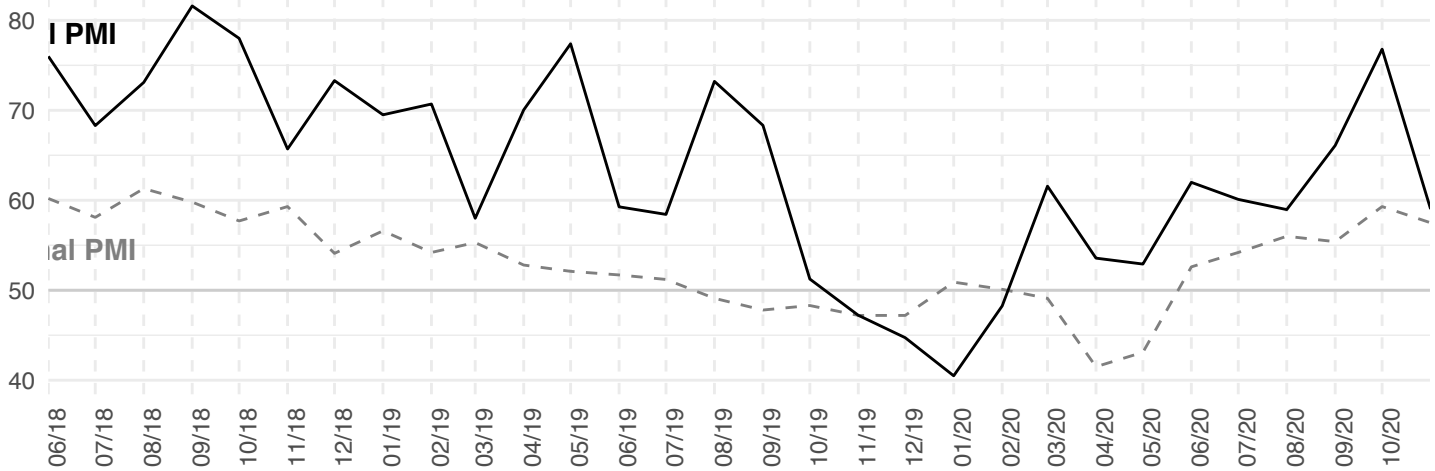


Figure 1: Local and National PMI over the last 2.5 years

Production Buying Policy

Days ahead production buying commitments among respondents decreased to November's 60.0 from October's 75.0. The level has been on an upward trend since May of 2019.

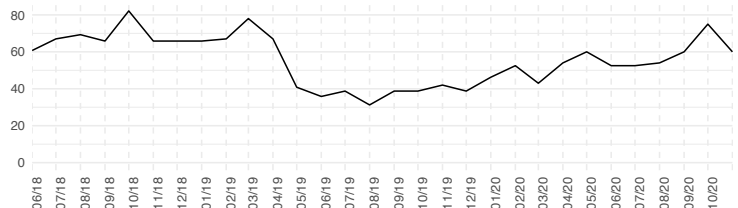


Figure 2: Production Buying Policy

Maintenance, Repair, and Operating Buying Policy

Maintenance, Repair, and Operating supplies on hand among respondents rose a little in November from October's 17.5 days to 21.7 days, which is around the average levels of 2018 and 2019.

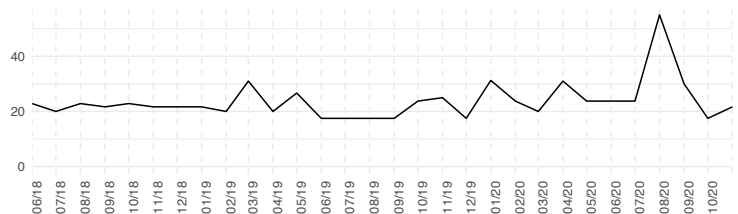


Figure 3: MRO Buying Policy

Capital Equipment Buying Policy

Manufacturers reported making capital equipment buying commitments an average of 201.7 days ahead in November, a sharp increase from the previous month's level.

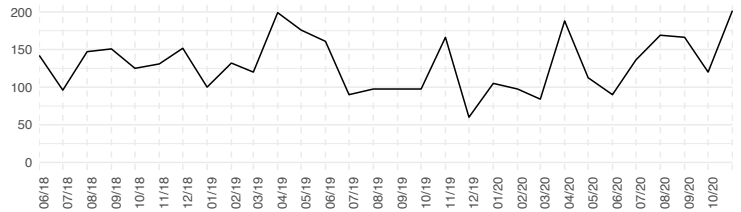


Figure 4: Capital Buying Policy

Production Level

Month	Higher	Same	Lower	Index
Nov 2020	33.3%	33.3%	33.3%	50.0
Oct 2020	50.0%	50.0%	0.0%	75.0
Sep 2020	25.0%	50.0%	25.0%	50.0

The Production diffusion index is 50.0 in November, lower than last month's 75.0, with 33.3% of respondents reporting lower production relative to the previous month.

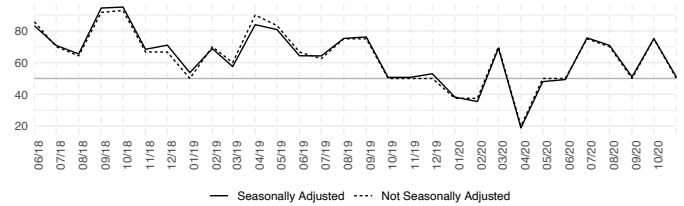


Figure 5: Production Diffusion Index

New Orders

Month	Higher	Same	Lower	Index
Nov 2020	33.3%	33.3%	33.3%	50.0
Oct 2020	50.0%	50.0%	0.0%	75.0
Sep 2020	50.0%	25.0%	25.0%	62.5

The non-seasonally-adjusted New Orders index was 50.0 in November, lower than October's 75.0.

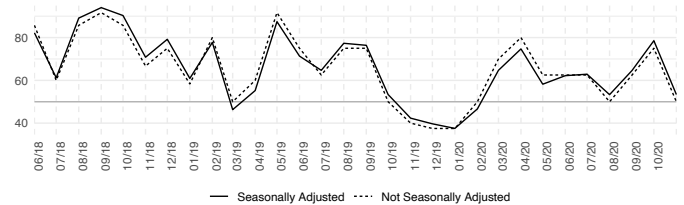


Figure 6: New Orders Diffusion Index

Inventories of Purchased Goods

Month	Higher	Same	Lower	Index
Nov 2020	33.3%	66.7%	0.0%	66.7
Oct 2020	50.0%	50.0%	0.0%	75.0
Sep 2020	50.0%	25.0%	25.0%	62.5

The Inventories of Purchased Goods index dropped to 66.7 in November. About 33.3% of the respondents reported a higher level of inventories and no respondents reported a lower level of inventories.

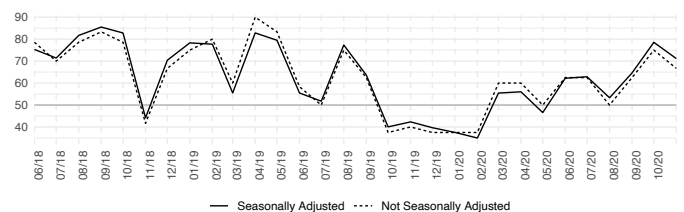


Figure 7: Purchased Inventories Diffusion Index

Employment Levels

Month	Higher	Same	Lower	Index
Nov 2020	0.0%	100.0%	0.0%	50.0
Oct 2020	50.0%	50.0%	0.0%	75.0
Sep 2020	50.0%	50.0%	0.0%	75.0

The non-seasonally adjusted Employment index decreased to 50.0 in November from October's level of 75.0. 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 November 2019.

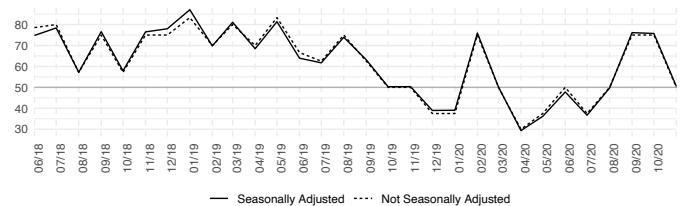


Figure 8: Employment Diffusion Index

Vendor Deliveries

Month	Slower	Same	Faster	Index
Nov 2020	33.3%	66.7%	0.0%	66.7
Oct 2020	50.0%	50.0%	0.0%	75.0
Sep 2020	50.0%	50.0%	0.0%	75.0

The Vendor Deliveries index was 66.7 in November, lower than last month's level. Around 33.3% of the respondents indicated that delivery times were slower than expected while 66.7% reported deliveries as expected.

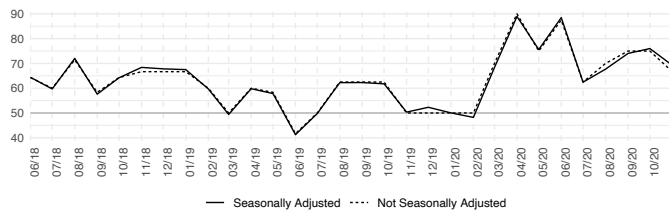


Figure 9: Vendor Deliveries Diffusion Index

Commodity Prices

Month	Higher	Same	Lower	Index
Nov 2020	66.7%	33.3%	0.0%	83.3
Oct 2020	50.0%	50.0%	0.0%	75.0
Sep 2020	75.0%	25.0%	0.0%	87.5

Commodity Prices went up, and 33.3% of the respondents in November reported flat commodity prices, and 66.7% respondent reported higher than expected commodity prices.

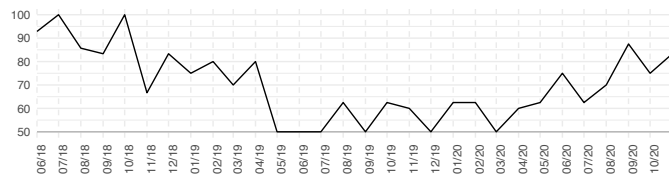


Figure 10: Commodity Prices Diffusion Index