

## November 2018 ISM MF Index, Oct. Construction Spending

### U.S. Manufacturing Conditions Improved in November

- The ISM Manufacturing Index for November improved to a strong 59.3 percent.
- Construction Spending in October was little changed, down by 0.1 percent.

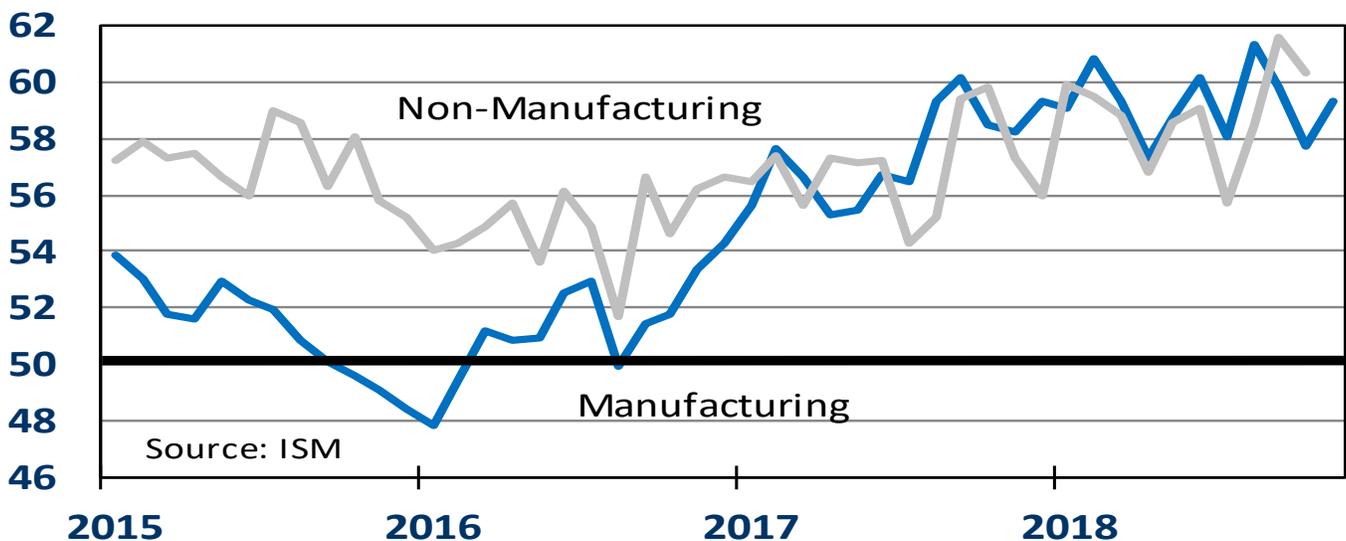
The ISM Manufacturing Index increased from 57.7 in October to 59.3 in November. A reading above 50 is a positive indicator for manufacturing, while a reading near 60 shows very good conditions. Nine out of ten sub-indexes were positive for the month, including new orders, production and employment. The only sub-index below the break-even 50 mark was customers inventories, which still look slim at 41.5. Thirteen out of eighteen industries reported expansion in November, including computers and electronics, plastics and rubber, textiles and electrical equipment. The three industries reporting contraction were printing, nonmetallic minerals and primary metals. Anecdotal comments remain focused on the drag from trade tariffs and from labor shortages.

Total construction spending for the month of October was little changed, down by just 0.1 percent for the month. Private residential construction spending dipped by 0.5 percent as new single-family construction faded. Over the year ending in October, private residential construction spending increased by a modest 1.8 percent. Private nonresidential construction eased by 0.3 percent for the month but was up by 6.4 percent over the year. Construction spending on lodging facilities was up almost 18 percent over the year and office construction was up by 16 percent. Those gains were countered by a 9.6 percent decline in spending on religious projects and a 5 percent decline in spending on communication projects over the 12 months period. Total public construction spending was up by 0.8 percent for the month and was up by 8.5 percent over the previous 12 months.

**Market Reaction:** U.S. equity markets open with gains from trade discussions and firmer oil prices. The yield on 10-Year Treasury bonds is up to 3.00 percent. NYMEX crude oil is up to \$52.52/barrel. Natural gas futures are down to \$4.37/mmbtu.

## MF Index Firm in November

### ISM-MF and ISM Non-MF Indexes



To subscribe to our publications or for questions, contact us at [ComericaEcon@comerica.com](mailto:ComericaEcon@comerica.com). Archives are available at <http://www.comerica.com/insights>. Follow us on Twitter: @Comerica\_Econ.

The articles and opinions in this publication are for general information only, are subject to change, and are not intended to provide specific investment, legal, tax or other advice or recommendations. The information contained herein reflects the thoughts and opinions of the noted authors only, and such information does not necessarily reflect the thoughts and opinions of Comerica or its management team. We are not offering or soliciting any transaction based on this information. We suggest that you consult your attorney, accountant or tax or financial advisor with regard to your situation. Although information has been obtained from sources we believe to be reliable, neither the authors nor Comerica guarantee its accuracy, and such information may be incomplete or condensed. Neither the authors nor Comerica shall be liable for any typographical errors or incorrect data obtained from reliable sources or factual information.