

## ISM INDEX OF THE US MANUFACTURING



US manufacturing expanded in the month of November at the fastest pace in almost five months, buttressing the other reports from this week that signal that the economy is picking up as 2011 comes to an end. The Tempe, which is an Arizona-based group, said on Thursday that the Institute for Supply Management's factory index to 52.7 last month from 50.8 in October. Readings above 50 indicates expansion, and the economists that were surveyed by Bloomberg News projected a gain to 51.8. Other data showed that construction spending climbed for a third month in October and jobless claims increased. The manufacturing figure was punctuated by gains in orders and production in the same month that consumer confidence rebounded and companies increased their payrolls. Corporate purchases of new equipment and stronger holiday spending may help sustain US factories after reports from Thursday showed the industry shrank in China and in Europe. "We are an oasis," said Chris Low, who is the chief economist at FTN Financial in New York. "The rest of the world might slow when the US slows, but the US doesn't necessarily slow down when the rest of the world slows." Stocks declined after the biggest three-day gain in the Standard & Poor's 500 Index since March of 2009. At the close in New York, the S&P 500 fell 0.2 percent to 1,244.59. The yield on the benchmark 10-year Treasury note rose to 2.10 percent from 2.07 percent on Wednesday. James Bullard, who is the president of the Federal Reserve Bank of St. Louis, said that recent economic reports point to stronger economic growth, and policy makers shouldn't rush to ease further. "The data has come in stronger than expected, so I think the logical thing now is to wait and see," said Bullard in an interview in New York at the Bloomberg Hedge Fund Conference hosted by Bloomberg Link. "See if we continue to get a good read on the holiday season and start out the New Year strong or weak, and also assess the situation in Europe and see how that feeds back to the United States." The figures from the Conference Board showed on November 29 that consumer confidence in the month of November posted the biggest monthly gain since April of 2003. According to a report on Wednesday from ADP Employer Services, the private employment rose 206,000 last month, the strongest increase this year. While the US economy may be picking up, global growth is cooling and remains a risk to the American manufacturers. A purchasing managers' index that was compiled by the China Federation of Logistics and Purchasing dropped in the month of November, to the weakest level since February of 2009. Other separate reports showed slowing retail sales and an industrial slump in Australia, which relies on China as its biggest export consumer.

<https://blog.granted.com/>