

ISM Index: Manufacturing Sector Expected To Fall

NEW YORK (AP) — A measure of the vitality of the manufacturing sector is expected to fall for the 13th straight month in February.

Wall Street economists surveyed by Thomson Reuters expect the index from the Institute for Supply Management, a trade group of purchasing executives, dropped to 33.8 last month from 35.6 in January.

A reading above 50 indicates growth, while one underneath 50 implies contraction. The index hit a 28-year low of 32.9 in December.

The report, which is based on a survey of members of the Tempe, Ariz.-based group, covers indicators including new orders, production, employment, inventories, prices, and export and import orders. It is scheduled to be released Monday at 10 a.m. EST.

The Commerce Department on Friday said the U.S. economy shrank at a 6.2 percent pace in the last three months of 2008, much worse than the initial estimate of 3.8 percent. It also marked the biggest contraction in more than 25 years as consumer and business spending shrank.

U.S. manufacturers are caught between rising unemployment at home and a global recession, both of which are slashing demand for domestic products and sinking American exports.

General Motors Corp. last week reported an annual loss of \$30.9 billion. The Detroit automaker, which shed 10,000 jobs in February alone, has said it may need up to \$30 billion from the government to keep it afloat.

Thousands more job cuts were announced last month by a variety of manufacturers, including Goodyear Tire & Rubber Co., welding products manufacturer Lincoln Electric Holdings Inc., flash memory maker Spansion Inc. and makeup company Estee Lauder Cos.

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