

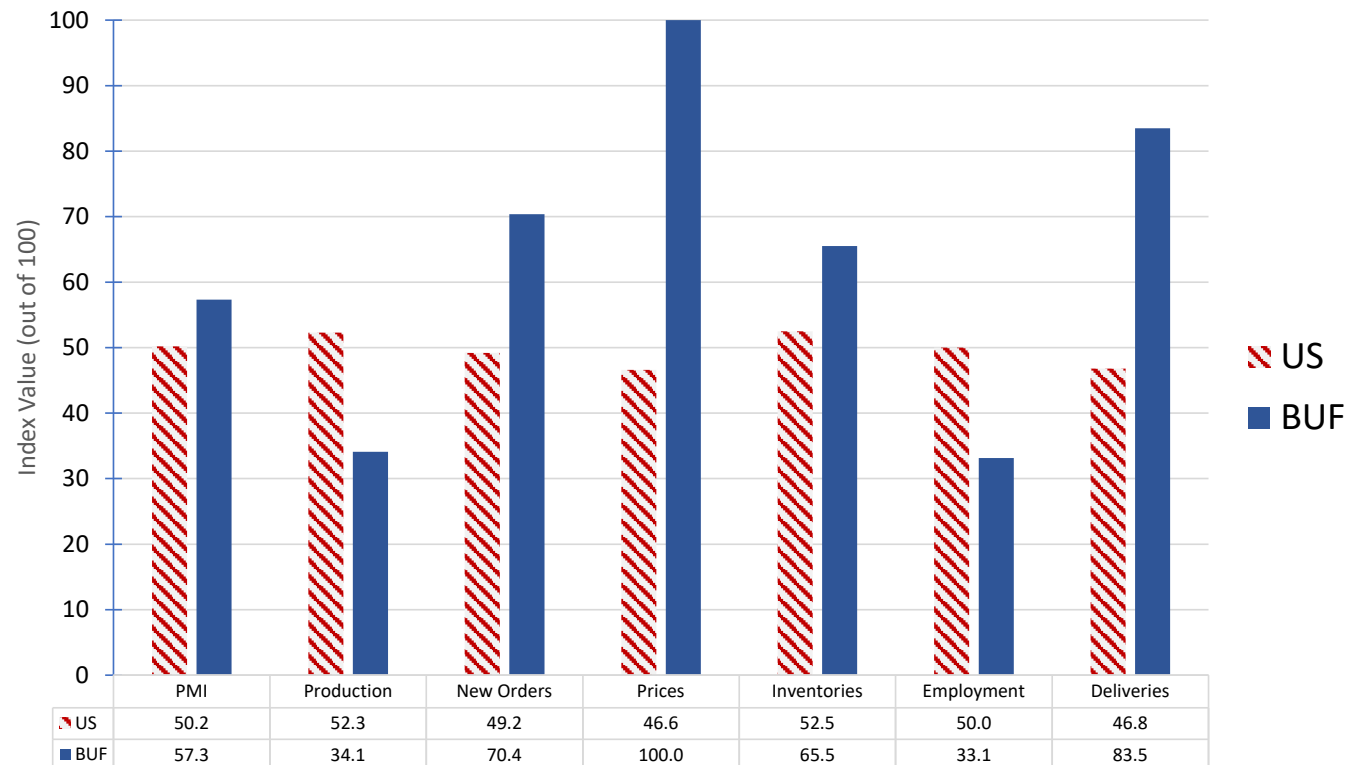
Buffalo ISM PMI Report October 2022

Prepared on November 22, 2022 as a joint initiative of
ISM-Buffalo
Niagara University Holzschuh College of Business

National and Local October 2022 Overall PMI

- The seasonally adjusted manufacturing PMI for Buffalo in October 2022 was 57.3.
- This is comparable to the nationwide manufacturing PMI of 50.2 over the same time period.
- With either figure lying at or just slightly above the threshold index value of 50, the national and local manufacturing sectors experienced only marginal expansion in October 2022.
- However, based on the slower growth rate in the national PMI data, it would not be surprising if forthcoming PMI values (particularly in early 2023) were consistent with a contraction in the manufacturing sector.

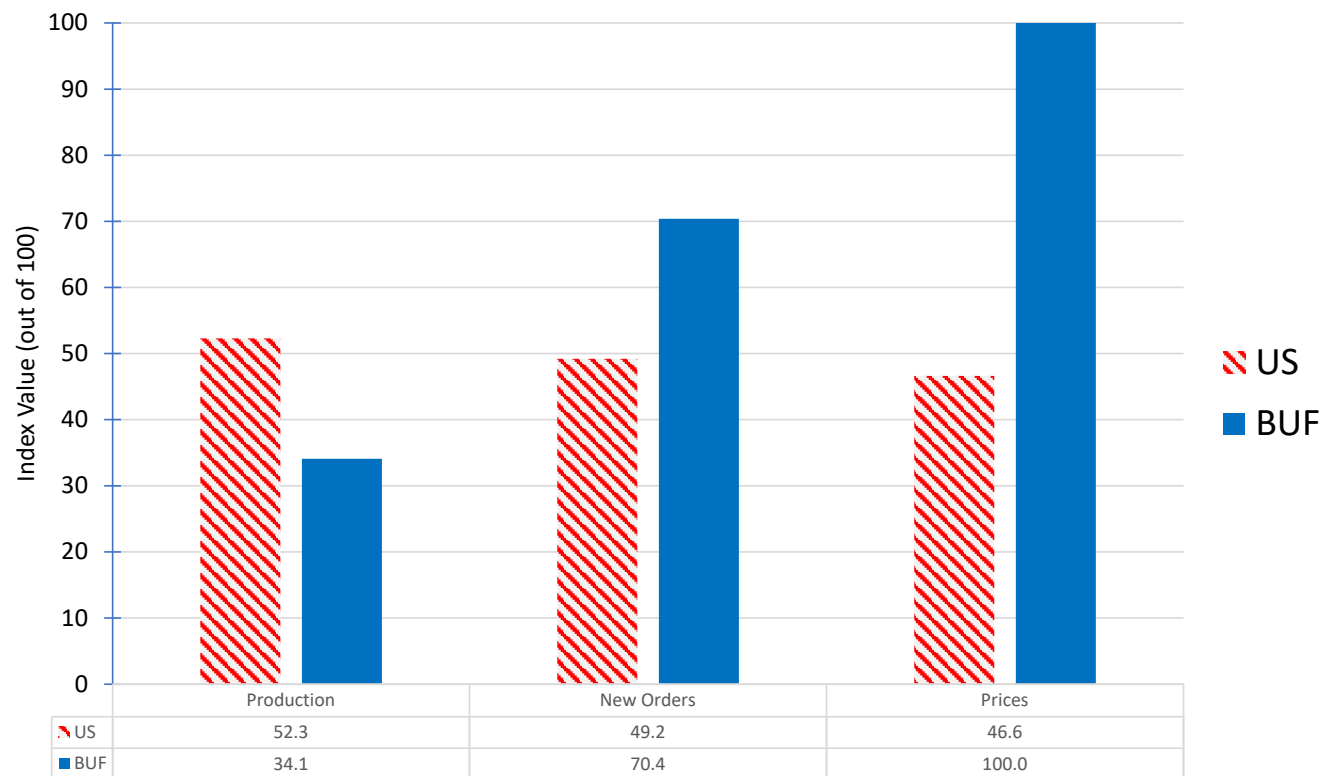
October 2022 Overall Manufacturing PMI and PMI Subindices for the US and Buffalo Manufacturing Sectors



Production, New Orders and Prices Subindices

- Focusing on the subcomponents of the overall PMI, national manufacturing data implied marginal changes to production, new orders and raw material prices.
- Unlike the overall PMI, the local subindices values were incongruent with the national subindices.
 - **New orders expanded in Buffalo:** All Buffalo ISM survey respondents indicated that new orders either remained level or increased in October 2022.
 - **Production contracted in Buffalo:** 1 in 3 respondents indicated a contraction in their production.
 - **Raw material prices continue to rise in Buffalo:** All respondents to the ISM Buffalo survey indicated an increase in material costs.

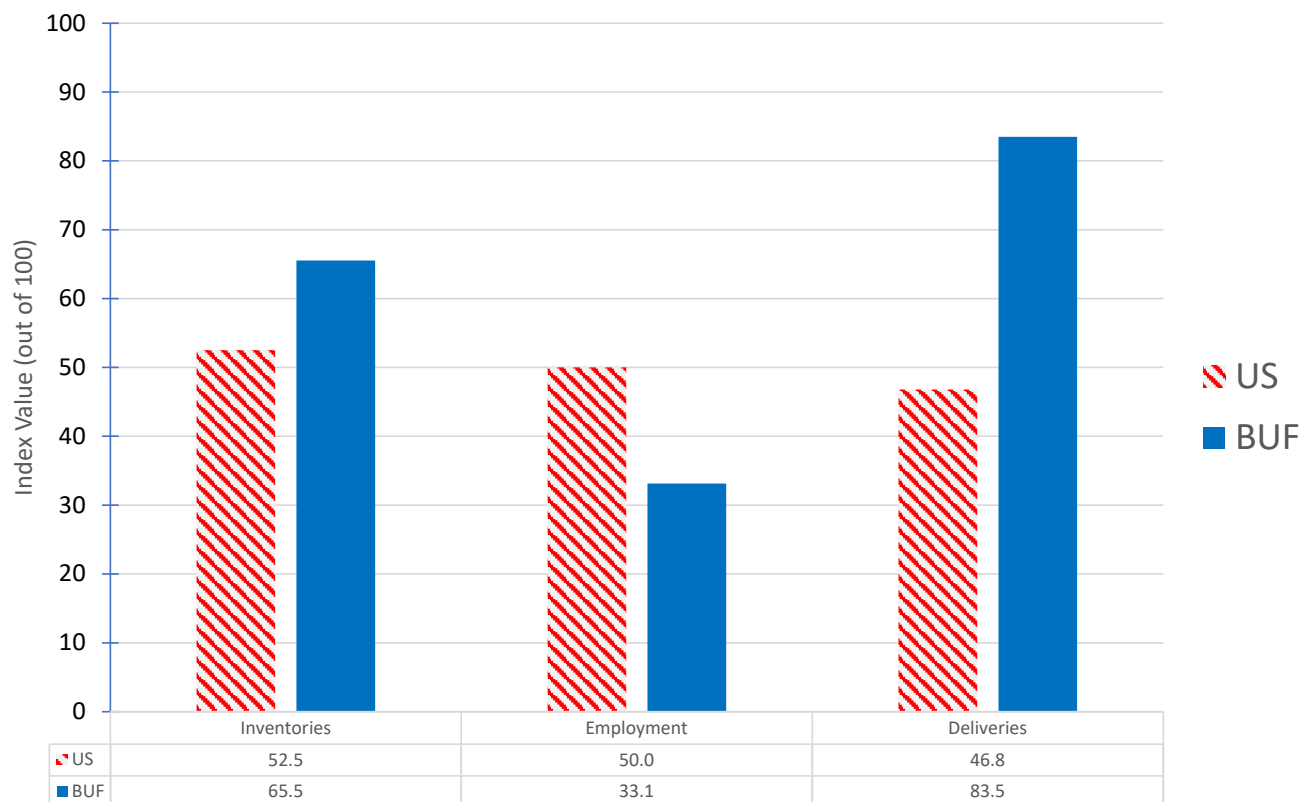
October 2022 Production, New Orders and Prices Subindices for the US and Buffalo Manufacturing Sectors



Inventories, Employment, and Delivery Subindices

- The remaining subindices (inventories, employment, supplier deliveries) indicate little change from the previous month, though all improved nationally relative to their September 2022 values
- Looking at the Buffalo subindices values:
 - **Inventory accumulation expanded in Buffalo:** All Buffalo ISM survey respondents indicated that either expanded or remained the same in October 2022.
 - **Manufacturing employment contracted in Buffalo:** 1 in 3 respondents indicated a reduction in employment while all remaining participants indicated no change.
 - **Supplier deliveries were faster in Buffalo:** 2 in 3 respondents indicated an increase in the speed of supplier deliveries in October 2022, well above the national subindex value.

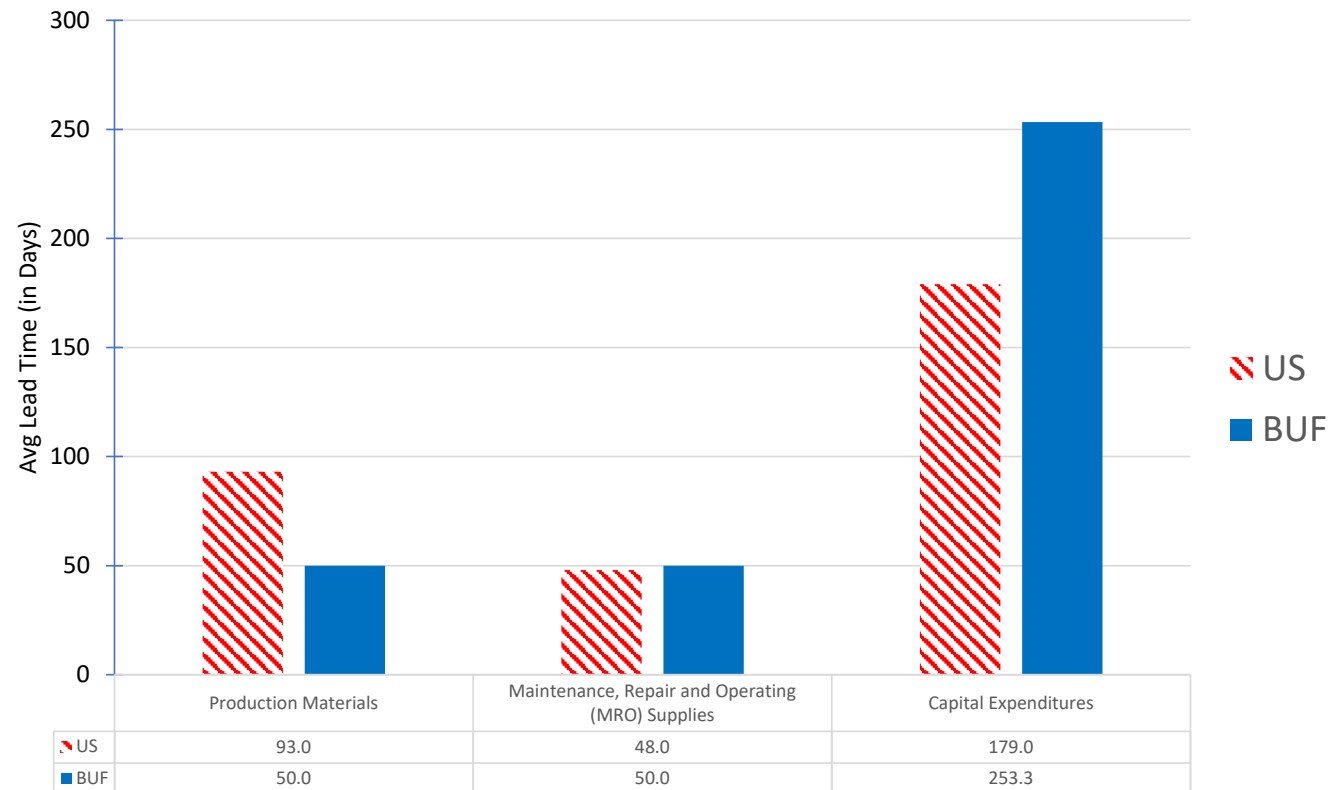
October 2022 Inventories, Employment, and Delivery Subindices for the US and Buffalo Manufacturing Sectors



Buying Policy Average Lead Times

- **Average lead time for production materials**
 - US average was 93 days in October 2022, which was approximately unchanged from September 2022.
 - The local Buffalo average was 50 days, below the national average.
- **Average lead time for MRO (maintenance, repair, and operating supplies)**
 - US average was 48 days in October 2022, which was unchanged from September 2022.
 - The local Buffalo average of 50 days is roughly equivalent to the national average.
- **Average lead time for capital investments**
 - US average was 179 days in October 2022, which was approximately unchanged from September 2022.
 - The local Buffalo average, at 253 days for capital expenditures, indicates a considerably longer lead time for local manufacturer capital improvements.

October 2022 Buying Policy Avg. Lead Times for the US and Buffalo Manufacturing Sectors



Additional Materials and Questions

- Please reach out to Krieg Tidemann at ktidemann@niagara.edu with questions regarding this report or the Buffalo PMI index values.
- Additional information on national manufacturing trends can be accessed directly from the national [ISM Manufacturing PMI report](#) for October 2022.