

# Purchasing Managers Index of Puerto Rico Manufacturing

## October 2018

Transmission of material in this release is embargoed

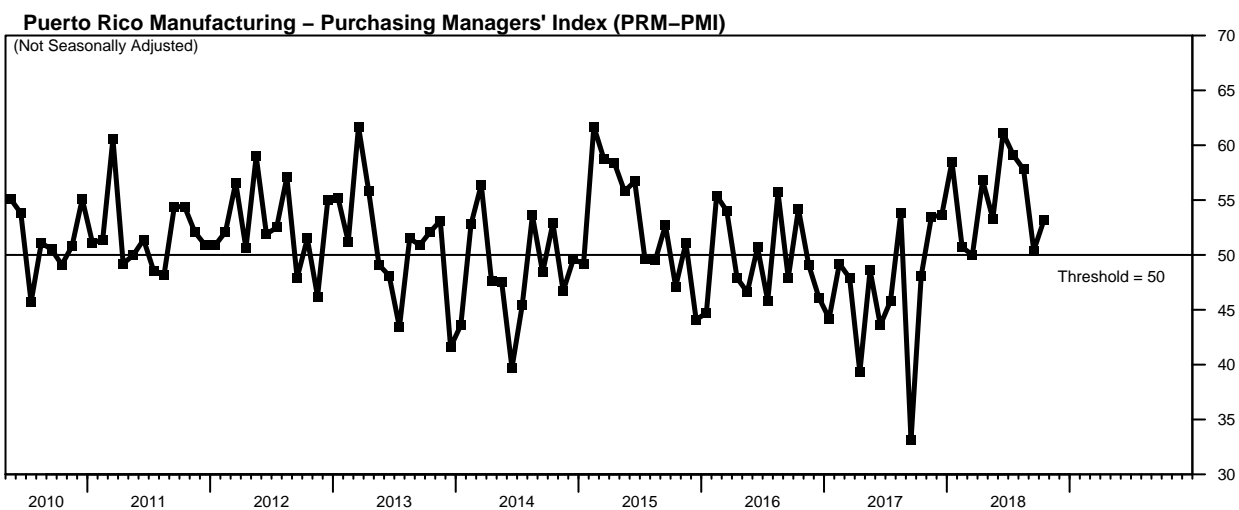
until 10:00 a.m. (AST) Monday, December 3, 2018

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<https://estadisticas.pr/encuestas/puerto-rico-manufacturing>

### PUERTO RICO MANUFACTURING PMI ROSE TO 53.2 IN OCTOBER

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector increased to 53.2 in October, remaining at or above the threshold of 50 for the twelfth consecutive month. A reading above the threshold level suggests an expansion in the manufacturing sector with respect to the previous month. The Own Inventories sub-index edged down to 56.0, but remained at or above the threshold level for the eighth consecutive month. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 62 of the 102 months since the survey was first undertaken. The PRM-PMI is currently available only on a Non-Seasonally Adjusted (NSA) basis which means that seasonal fluctuations can affect its performance.



**Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): October 2018**

	Better	Same	Worse	PMI		
Órdenes nuevas	24	48	28	48	Lower	New orders
Producción	36	44	20	58	Higher	Production
Empleo	16	64	20	48	Lower	Employment
Entregas de suplidores	20	72	8	56	Slower	Supplier deliveries
Inventarios de su empresa	32	48	20	56	Higher	Own inventories
<b>Puerto Rico Manufacturing – Purchasing Managers Index (NSA)</b>				<b>53.2</b>	<b>Expansion</b>	

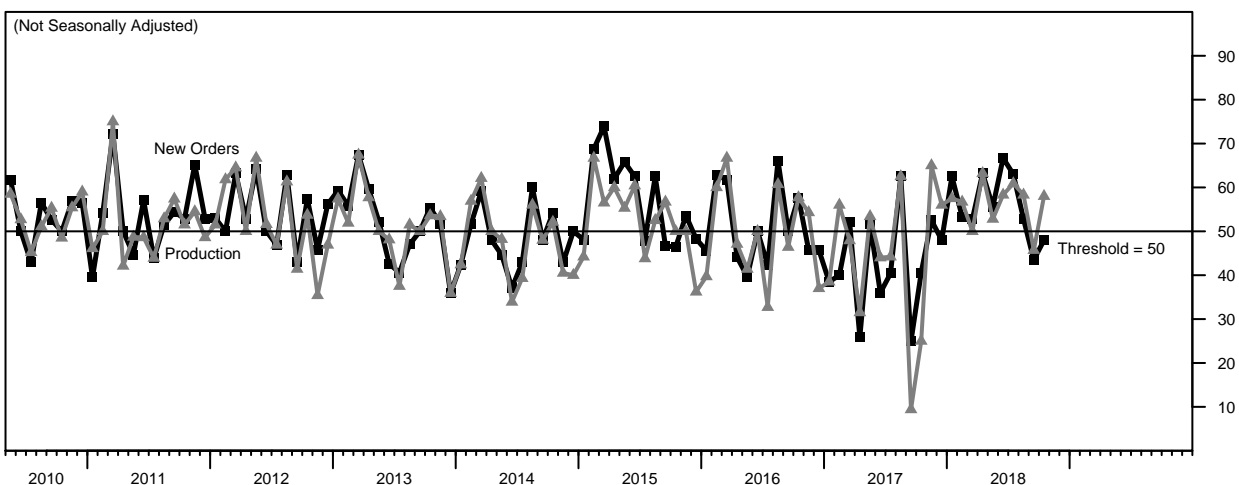
Note: Not Seasonally Adjusted (NSA)

## New Orders

In October, the New Orders PMI (NSA) rose to 48.0, but remained below the threshold level for the second consecutive month. A reading below 50 indicates that on a Non-Seasonally adjusted (NSA) basis, new orders at manufacturing establishments in October were lower than in September.

## Production

The Production PMI (NSA) leapt over the threshold to 58.0 in October. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in October was higher than in September.

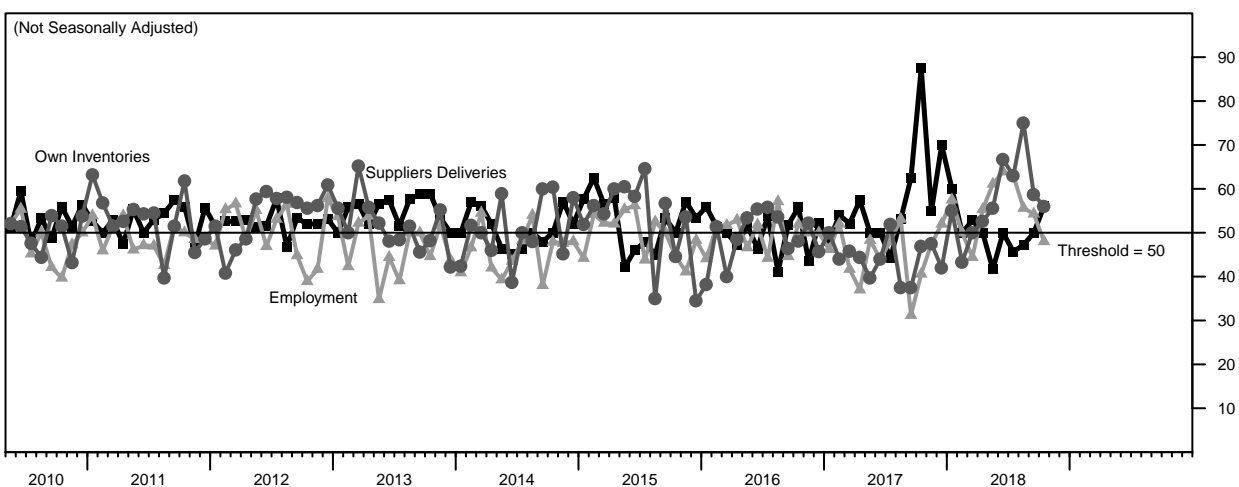


## Employment

In October, the Employment PMI (NSA) edged down to 48.0, falling below the threshold level. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in October was lower than in September.

## Supplier Deliveries

The Supplier Deliveries PMI (NSA) moved up to 56.0 in October, remaining at or above the threshold level for the second consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in October was slower than in September, suggesting a higher demand for intermediate goods.



## Own Inventories

In October, the Own Inventories PMI (NSA) edged down to 56.0, but remained at or above the threshold level for the eighth consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in October were higher than in September.

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### Methodological note

The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) is the result of a collaborative project between the Puerto Rico Manufacturers Association and the Puerto Rico Institute of Statistics. The PRM-PMI measures short-run business conditions in Puerto Rico's manufacturing sector, and provides a broad-based metric for the productive side of Puerto Rico's economy. It is currently in a testing phase to ensure a reliable methodology. The methodology is similar to PMI surveys conducted elsewhere. The survey questionnaire is available at <https://estadisticas.pr/encuestas/puerto-rico-manufacturing>. The participants include manufacturing establishments with 50 or more employees with membership in the Puerto Rico Manufacturers Association. Currently, results are presented on a Non-Seasonally Adjusted (NSA) basis. In the future, with sufficient data points, a seasonally adjusted version of the PRM-PMI will be prepared, which will smooth away the influence of seasonal fluctuations.

The PRM-PMI is calculated as the simple average of 5 sub-indexes, representing different business conditions in manufacturing establishments: New Orders PMI, Production PMI, Employment PMI, Supplier Deliveries PMI, Own Inventories PMI. The sub-indexes are computed using a diffusion index methodology. In specific, for any given month with respect to the previous month, participants are asked to answer whether the business condition of the establishment: (1) improved, (2) remained the same, or (3) deteriorated. Diffusion indexes are calculated as the percentage of responses that indicate the business condition improved plus half of the percentage of responses that indicate the business condition remained the same. The survey also includes questions on other business conditions. The diffusion indexes that correspond to these questions are currently under evaluation.

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### Publication calendar

The monthly PRM-PMI report is published at 10:00 a.m. on the first business day of the month. In specific, the table below shows the expected publication dates of the PRM-PMI report during calendar year 2018:

Reference month	Publication date
Nov-17	January 2, 2018
Dec-17	February 1, 2018
Jan-18	March 1, 2018
Feb-18	April 2, 2018
Mar-18	May 1, 2018
Apr-18	June 1, 2018

Reference month	Publication date
May-18	July 2, 2018
Jun-18	August 1, 2018
Jul-18	September 4, 2018
Aug-18	October 1, 2018
Sep-18	November 1, 2018
Oct-18	December 3, 2018