TEMPE, AZ -- US manufacturing executives reported business rose in September following three consecutive months of slight contraction. The overall economy grew for the 40th consecutive month, the **Institute for Supply Management** added.

The PMI index of manufacturing growth rose 1.9 percentage points from August to 51.5%, indicating a return to expansion after contracting for three consecutive months. The New Orders Index was 52.3%, up 5.2 percentage points from August, indicating growth in new orders after three consecutive months of contraction. The Production Index, while up 2.3 points to 49.5%, remained below the 50% threshold, indicating a contraction in production for the second time since May 2009. The Employment Index increased by 3.1 percentage points, registering 54.7%. The Prices Index increased 4 percentage points to 58%.

Comments from the panel reflect a mix of optimism over new orders beginning to pick up, and continued concern over soft global business conditions and an unsettled political environment."

Of the 18 manufacturing industries, 11 reported growth in September. Among those reporting contraction was Computer & Electronic Products.

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	Percentage Point Change	Direction	Rate of Change	Trend(a) (Months)
PMI	51.5	49.6	+1.9	
New Orders	52.3	47.1	+5.2	
Production	49.5	47.2	+2.3	

Employment	54.7	51.6	+3.1
Supplier Deliveries	50.3	49.3	+1.0

Slowing

From Faster

1

Inventories	50.5	53.0	-2.5
Customers' Inventories	49.5	49.0	+0.5

Prices	58.0	54.0	+4.0
Backlog of Orders	44.0	42.5	+1.5
Exports	48.5	47.0	+1.5
Imports	49.5	49.0	+0.5

OVERALL ECONOMY

Manufacturing Sector

Growing	Faster	40

Growing

From Contracting

1

(a) Number of months moving in current direction