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# New Order Activity Causes Optimism for Manufacturers

MANUFACTURING

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Factory activity shrank less than forecast this month as gains in new orders and production signaled that manufacturing may be stabilizing. The Institute for Supply Management said that its manufacturing index climbed to 49.5, the highest reading since September, from a prior reading of 48.2. While the index remained below the 50 level which is the dividing line between contraction and expansion, the stronger reading suggests that the headwinds which have been pummeling U.S. factories since mid-2014 are starting to fade. For the first time since August, at least half of the industries expanded in February, with 9 of 18 showing growth. Makers of wood products, textiles, furniture and chemicals were among the top performers. "Perhaps we found bottom and a turning point," said ISM chairman Bradley Holcomb. "I think we're set up for things in the right direction, and I say that largely on the basis of new orders."

On a non-statistical basis, we at Schneider Downs have heard from several of our manufacturing clients that they are hopeful as order backlog rises.

If you'd like to learn more about the thoughts and opinions of our manufacturing clients, we invite you to [download our summary of the Schneider Downs 2015 Manufacturing Survey](#).

*Thanks to our friends at The Private Bank for sharing statistics used in this article.*

## You've heard our thoughts... We'd like to hear yours

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