Protege9 Manufacturing Report - May 2026

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ISM Manufacturing Report – May 2026

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The Protege9 Manufacturing Report is a monthly analytical publication produced by Protege9 Group. Each edition systematically processes the Institute for Supply Management (ISM) Manufacturing Report on Business® (RoB) data to deliver structured, sector-level intelligence for professionals seeking to understand current manufacturing conditions in the United States. The report is structured around five core components, each building upon the last to move from raw survey data toward sector-level context and stock screening.

Report Components

01

ISM Manufacturing RoB data

The report is anchored to the ISM Manufacturing Report on Business®, a widely referenced monthly survey of purchasing and supply executives across U.S. manufacturing industries. Protege9 Group ingests the published headline indices — including the overall PMI, New Orders, Production, Employment, Supplier Deliveries, and Inventories — along with the verbatim respondent commentary attributed to each reporting sector. This forms the primary data foundation for all subsequent analysis.

02

Analysis & data processing

Raw ISM data is subject to structured analytical processing by the Protege9 research team. Month-over-month index movements are calculated and contextualised, respondent commentary is categorised by sentiment and thematic content, and cross-sector patterns are identified. This layer of processing transforms publicly available survey outputs into a coherent analytical narrative, surfacing the dominant themes — such as geopolitical headwinds, tariff dynamics, or demand bifurcation — that characterise each reporting cycle.

03

Protege9 industry sentiment scoring Full report

Each ISM-reporting industry is evaluated through the Protege9 Industry Sentiment framework, a proprietary quantitative model developed internally by Protege9 Group. The model synthesises index-level performance, directional momentum, and respondent tone into a composite score, from which each sector is assigned a signal classification: Bullish (≥65), Neutral (55–64), Cautious (45–54), or Bearish (≤44). This ranking system provides a standardised, comparable view of relative sector conditions across the manufacturing landscape.

04

Representative stock screening Full report

For sectors recording a Protege9 Sentiment Score above 55, a quantitative screening exercise is conducted against Protege9's internal stock database to identify three representative U.S.-listed equities per sector. The selection criteria are entirely quantitative in nature; no qualitative judgement on individual companies is applied. The resulting list is intended solely to illustrate the types of publicly traded companies with operational exposure to sectors exhibiting stronger sentiment conditions — and serves as a starting point for independent research, not a curated investment list.

05

Quick Bite — company in focus Full report

Each edition concludes with a focused analytical note on one company from the screened universe that Protege9 Group identifies as warranting closer examination in the current cycle. The Quick Bite draws on publicly available financial data, company filings, and observable business developments to construct a concise analytical profile. The intent is to illustrate how sector-level manufacturing conditions may intersect with individual company dynamics — not to make a directional call or investment case.

ISM Manufacturing Report – May 2026

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MANUFACTURING AT A GLANCE

The ISM Manufacturing PMI® rose to 54.0 in May 2026 (+1.3 vs April), marking the fourth consecutive month of expansion and the strongest reading since early 2025. New Orders led the advance at 56.8 (+2.7), signaling robust forward demand momentum. Production held firm at 54.3 (+0.9). Supplier Deliveries remained elevated at 60.6, reflecting ongoing logistics stress from Middle East disruptions. Employment contracted for a 31st straight month at 48.6, though the pace of contraction eased. Inventories edged to 49.9, remaining in contraction territory.

Overall PMI
54.0
+1.3 vs Apr
Growing

New Orders
56.8
+2.7 vs Apr
Growing

Production
54.3
+0.9 vs Apr
Growing

Employment
48.6
+2.2 vs Apr
Contracting

Supplier Deliveries
60.6
0.0 vs Apr
Slowing

Inventories
49.9
+0.9 vs Apr
Contracting

KEY THEME FROM RESPONDENTS

Iran Conflict and Energy Cost
7 of 10 reporting sectors flagged the Iran conflict as a direct headwind. Oil, diesel and feedstock prices are escalating sharply, squeezing margins across. Chemical Products, Transportation Equipment, Food & Beverage, and Electrical Equipment.

Supply Chain Disruption
Hormuz closure and Red Sea rerouting are lengthening lead times and creating container delays. Transportation Equipment and Miscellaneous Manufacturing flagged critical shortages in semiconductors and raw materials, with active risk mitigation underway.

Tariff Uncertainty
Procurement decisions remain clouded by tariff ambiguity. Fabricated Metals and Chemical Products cite rising domestic raw material costs, while Food & Beverage flagged unresolved tariff refund entitlements on imported goods where they are not the importer of record.

Mixed Demand Signals
Machinery reported unexpected demand strength from the construction market. Computer & Electronic Products benefits from data centre build-out. Fabricated Metals and Food & Beverage, however, report customers committing only on very short-term horizons.

ISM MAMUFACTURING RANKING OVERVIEW

Broad-based manufacturing expansion continued in May 2026, with 16 of 17 ISM industries reporting growth and only one in contraction. Applying the Protege9 Industry Sentiment ranking system, 6 industries are rated Bullish, 11 Cautious, and 1 Bearish — reflecting a generally positive but uneven backdrop.

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Overall PMI Growing

54.0

▲ +1.3 vs Apr

Overall PMI – 54.0 (Growing)
The headline composite index. A reading above 50 signals expansion in the manufacturing sector overall. At 54.0, it marks the fourth straight month of growth, the strongest reading since early 2025.

New orders Growing

56.8

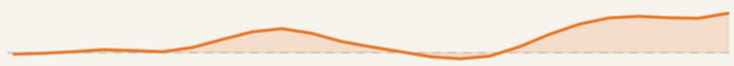
▲ +2.7 vs Apr

New Orders – 56.8 (Growing)
Measures demand coming into factories. It's the most forward-looking component – a rising reading means manufacturers can expect more production activity ahead. At 56.8, demand momentum is the strongest of all sub-indexes.

Production Growing

54.3

▲ +0.9 vs Apr

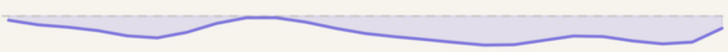


Production – 54.3 (Growing)
Tracks actual output on the factory floor. It confirms that factories are translating incoming orders into real activity, not just sitting on backlogs.

Employment Contracting

48.6

▲ +2.2 vs Apr

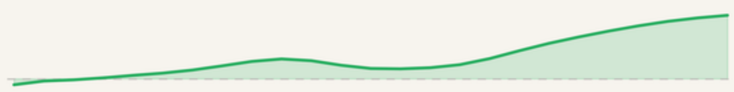


Employment – 48.6 (Contracting)
Measures hiring and headcount at manufacturers. Below 50 means the sector is still shedding workers or cutting hours, now for 31 consecutive months – though the pace is easing, which is a cautiously positive sign.

Supplier deliveries Slowing

60.6

— 0.0 vs Apr

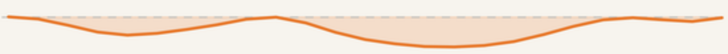


Supplier Deliveries – 60.6 (Slowing)
Unlike the others, a higher reading here means things are getting worse, not better – it signals that suppliers are taking longer to deliver. At 60.6, delivery times are stretched, pointing to supply chain stress driven largely by Middle East disruptions.

Inventories Contracting

49.9

▲ +0.9 vs Apr



Inventories – 49.9 (Contracting)
Tracks the level of raw materials and finished goods held by manufacturers. Below 50 means stockpiles are being drawn down. Combined with strong new orders, this could signal restocking demand ahead – a potential tailwind for production.

Above 50 = Expanding

Below 50 = Contracting

New Orders, Production, Employment and Inventories are seasonally adjusted.

Source: ISM Manufacturing PMI® Report

Buy full report