

NEWS RELEASE

The Cutting Tool Market Report



a joint statistical program
AMT and USCTI

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U.S. Cutting Tool Orders Up 10.2% In October from September

October 2019 U.S. cutting tool consumption totaled \$216.1 million, according to the U.S. Cutting Tool Institute (USCTI) and AMT – The Association For Manufacturing Technology. This total, as reported by companies participating in the Cutting Tool Market Report collaboration, was up 10.2 percent from September's \$196 million and down 3.3 percent when compared with the \$223.5 million reported for October 2018. With a year-to-date total of \$2.1 billion, 2019 is down 0.1 percent when compared with 2018. Please note there were revisions to September 2019.

These numbers and all data in this report are based on the totals reported by the companies participating in the CTMR program. The totals here represent the majority of the U.S. market for cutting tools.

According to Bret Tayne, President of USCTI, “The modest decline in the cutting tool market that was forecast by IHS and others seems to have come to fruition. However, it is heartening to see that October improved over the prior month. We are also seeing improvement in some other recent indicators, such as the recent manufacturing employment increase in November and some of the Federal Reserve Bank Regional Updates, as well as some anecdotal evidence of a stronger finish to 2019.”

“October’s cutting tool data was an increase over September’s result, but this largely reflects seasonality. October performance has only fallen below September once since 2012 (in 2016). Rather, October was the sixth consecutive month with a year-over-year decline, undoing a strong start to the year and bringing 2019 below 2018 on a cumulative year-to-date basis. This is consistent with PMI results which indicate weakness in manufacturing in general, and with slowing car sales and continuing issues with the Boeing 737. Automotive and aerospace are the two largest demanders of cutting tool products. It is encouraging that October’s decline was the smallest of the past three months, and may indicate that a trough is nearing. Trade frictions appear to be easing, and Boeing is expected to increase production in the first quarter of

(more)

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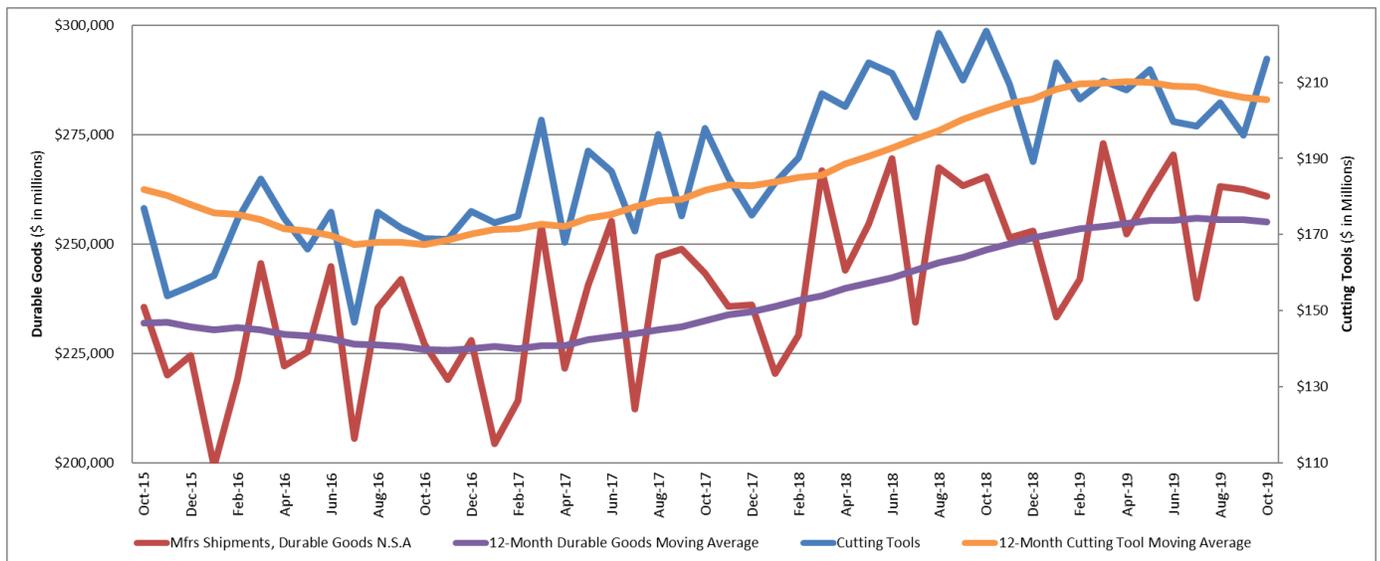
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2020. It is premature to expect a resumption of growth, but 2020 looks to offer some improvement,” said Scott Hazelton, Managing Director of Economics & Country Risk at IHS Markit.

The Cutting Tool Market Report is jointly compiled by AMT and USCTI, two trade associations representing the development, production, and distribution of cutting tool technology and products. It provides a monthly statement on U.S. manufacturers’ consumption of the primary consumable in the manufacturing process – the cutting tool. Analysis of cutting tool consumption is a leading indicator of both upturns and downturns in U.S. manufacturing activity, as it is a true measure of actual production levels.

Historical data for the Cutting Tool Market Report is available dating back to January 2012. This collaboration of AMT and USCTI is the first step in the two associations working together to promote and support U.S.-based manufacturers of cutting tool technology.

The graph below includes the 12-month moving average for the durable goods shipments and cutting tool orders. These values are calculated by taking the average of the most recent 12 months and plotting them over time.



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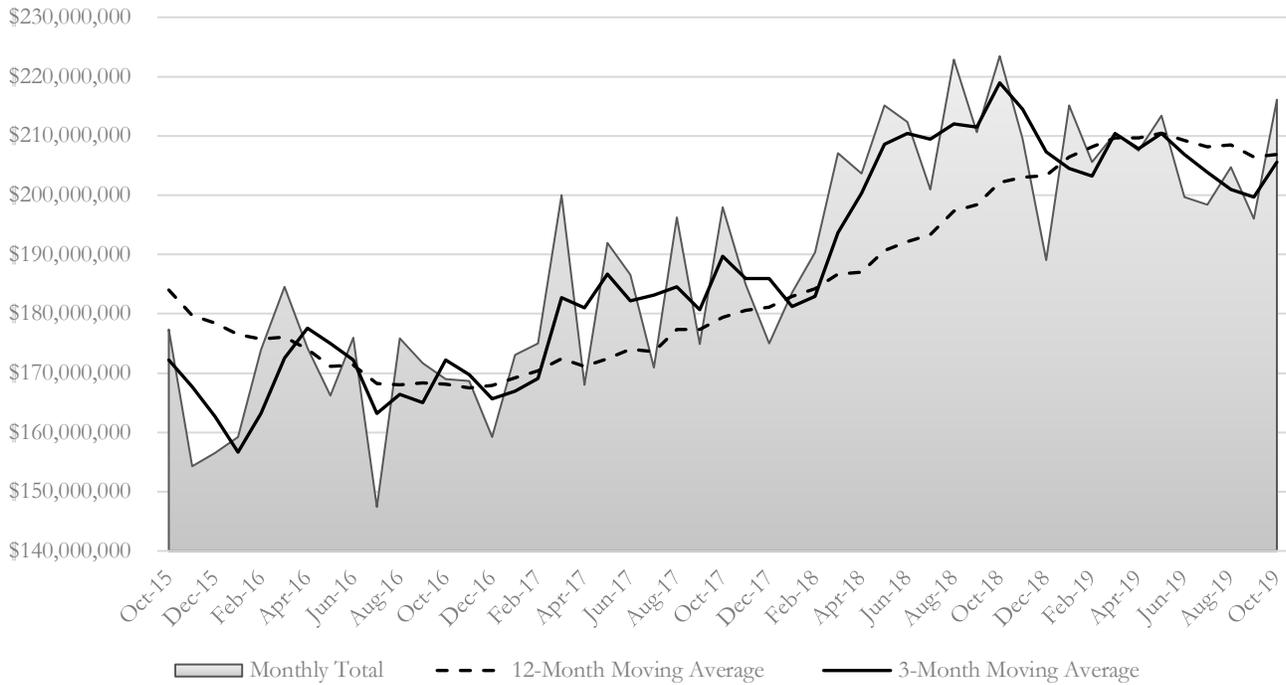


Monthly U.S. Cutting Tools



Orders

August 2014 Through August 2019



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(CTMR data is also available at www.AMTonline.org.)

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AMT – The Association For Manufacturing Technology represents U.S.-based builders and distributors of manufacturing technology – the advanced machinery, devices, and digital equipment that U.S. manufacturing relies on to be productive, innovative, and competitive. Located in McLean, VA, near the nation’s capital, AMT acts as the industry’s voice to speed the pace of innovation, increase global competitiveness and develop manufacturing’s advanced workforce of tomorrow. With extensive expertise in industry data and intelligence, as well as a full complement of international business operations, AMT offers its members an unparalleled level of support. AMT also produces IMTS – The International Manufacturing Technology Show, the premier manufacturing technology event in North America. The CTPG report is compiled by AMT and all data in the report is based on the totals of actual data reported by companies participating in the CTPG program.



The United States Cutting Tool Institute (USCTI) was formed in 1988 and resulted from a merger of two national associations representing the cutting tool manufacturing industry. The Institute works to represent, promote, and expand the U.S. cutting tool industry and to promote the benefits of buying American-made cutting tools manufactured by its members. Membership includes North American manufacturers and/or remanufacturers of cutting tools, as well as tool surface treatment providers. Members, which number over 70, belong to ten product divisions: Carbide Tooling, Drill & Reamer, Metal Cutting Saw Blades, Milling Cutter, Polycrystalline Diamond & Polycrystalline Cubic Born Nitride, Substrate Materials, Surface Coating, Tap & Die, Tool Holder and All Other Tooling. A wide range of activities include a comprehensive statistics program, human resources surveys, development of product specifications and standards, and semi-annual meetings to share ideas and receive information on key industry trends.