

MHI BUSINESS ACTIVITY INDEX

BY **PRESTIGE ECONOMICS®**

The world's leading financial market research firm



SEPTEMBER 2026

Release Date: October 5, 2026

The MHI Business Activity Index (BAI) captures monthly changes in material handling business dynamics. Series readings above 50 indicate that a majority of respondents reported increased monthly activity, while readings below 50 indicate that a majority reported decreased activity.

The September 2026 MHI BAI report was solid and stronger than the August report. There were expansions in every series except New Orders and Exports. Additionally, there were positive accelerating expansions in Business Activity, Capacity Utilization, Shipments, and Future New Orders. At 89%, Future New Orders accelerated to the highest level since April 2026, indicating that respondents continue to expect healthy demand growth in the next twelve months despite high interest rates and geopolitical uncertainty.

Hiring conditions were positive but slowed in September, with 58% of respondents reporting easier hiring conditions. This series is down sharply from a recent high of 81% in April 2026. However, this series has persistently remained above the breakeven level of 50, suggesting that labor availability is favorable, supporting candidate quality in hiring pipelines.

September 2026 qualitative responses reflected mostly negative dynamics. Respondents noted high fuel costs, high freight costs, high interest rates, steel availability, labor availability, and high labor costs as key downside changes. On the upside, multiple respondents noted positive manufacturing dynamics driving demand, as well as customer interest in locking in future prices and finalizing orders.

Material Handling Industry Business Activity



	September 2026	August 2026	% Point Change	Growth Indication	Rate of Change	Trend in Months
MHI Business Activity Index	74	67	+7	Expansion	Acceleration	9
Capacity Utilization	72	58	+14	Expansion	Acceleration	4
New Orders	47	48	-1	Contraction	Acceleration	2
Shipments	68	62	+6	Expansion	Acceleration	4
Unfilled Orders	53	38	+15	Expansion	From Contraction	1
Inventories	69	76	-7	Expansion	Deceleration	2
Exports	21	27	-6	Contraction	Acceleration	10
Future New Orders	89	86	+3	Expansion	Acceleration	51



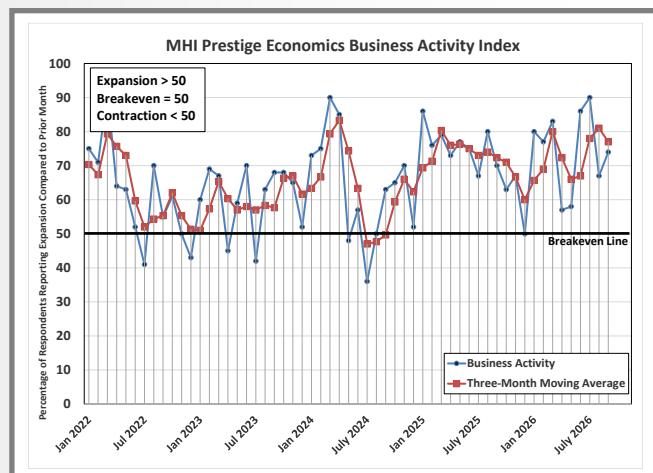
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BUSINESS ACTIVITY INDEX

The Business Activity Index expanded and accelerated in September, with 74% of respondents reporting expansions (up from 67%), and only 26% reporting contractions. This series' strength reflects industry strength seen throughout this report.

In September, the three-month average for Business Activity decelerated to 77% (down from 81%), while the six-month average decelerated to 72% (down from 74%).

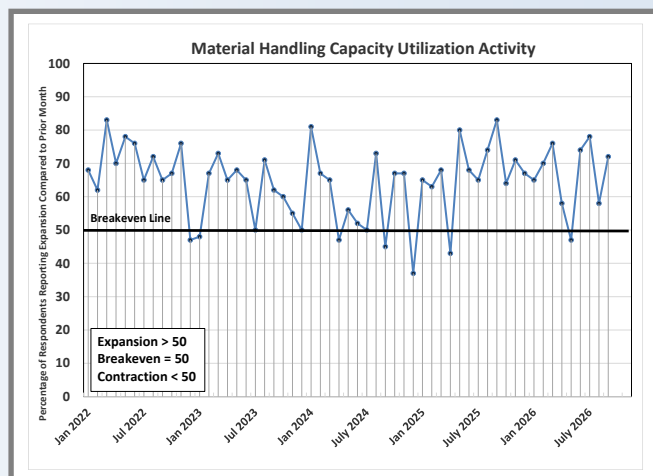


CAPACITY UTILIZATION

Capacity Utilization expanded and accelerated sharply in September, as 72% of respondents noted expansions, and 28% reported contractions.

Utilization has been consistently strong, with a majority of respondents noting Capacity Utilization contractions (index readings below 50) in just 15 of the last 134 months.

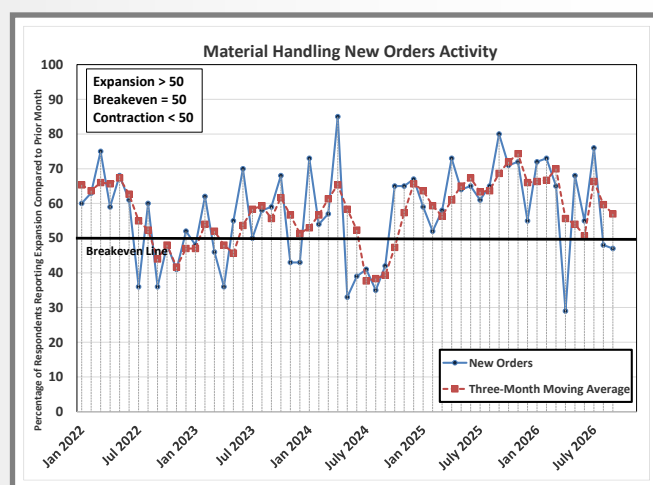
Data collection related to Capacity Utilization allows respondents to opt-out of this question if it is not relevant.



NEW ORDERS

New Orders contracted for a second consecutive month in September, as just 47% of respondents noted monthly expansions (down from 48%), and 53% reported contractions. Despite two consecutive contractions, this series has expanded in 21 of the past 24 months, suggesting customer demand has been persistently healthy in the recent past.

The three-month average of New Orders decelerated to 57% (down from 60%), while the six-month average fell to 54% (down from 57%).





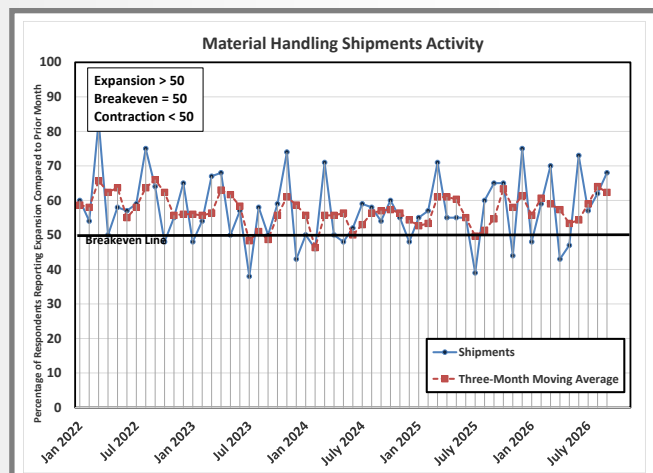
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SHIPMENTS

Shipments expanded and accelerated in September, as 68% of respondents noted expansions (up from 62%) and only 32% noted contractions. This series has been consistently strong, expanding in 18 of the past 24 months.

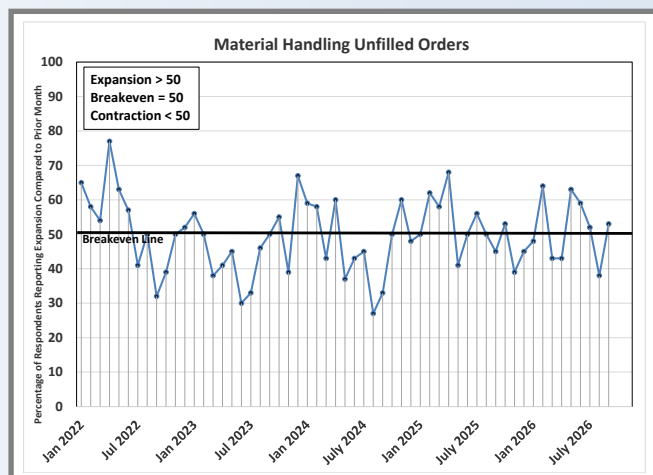
The three-month average for Shipments decelerated to 62% (down from 64%), while the six-month average slowed to 58% (down from 59%).



UNFILLED ORDERS

Unfilled Orders expanded in September, as 53% of respondents noted monthly expansions (up from 38%), and 47% reported contractions. Unfilled Orders data have been mixed recently, expanding 11 times in the past 24 months.

The relative weakness in Unfilled Orders and the relative strength in Shipments appear to indicate that material handling companies are burning through their backlogs.

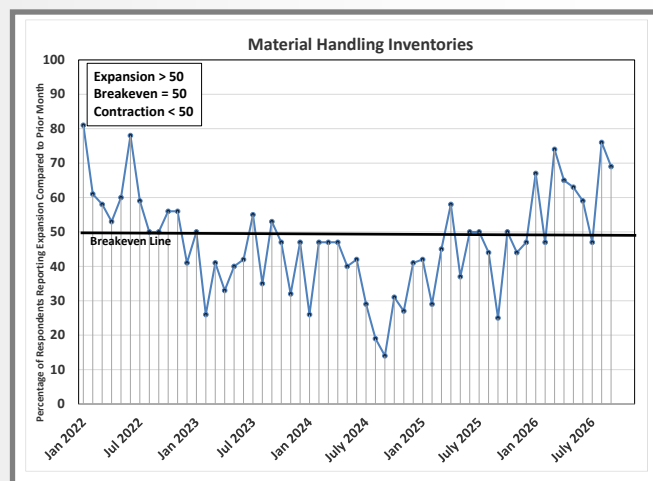


INVENTORIES

Inventories expanded in September, as 69% of respondents noted monthly expansions (down from 76%), and only 31% reported contractions.

Inventories have expanded in seven of the past nine months, suggesting that a sharp drop in July 2026 may have been a temporary pause in a trend of inventory builds.

Data collection related to Inventories allows respondents to opt-out of this question if they do not maintain inventories.





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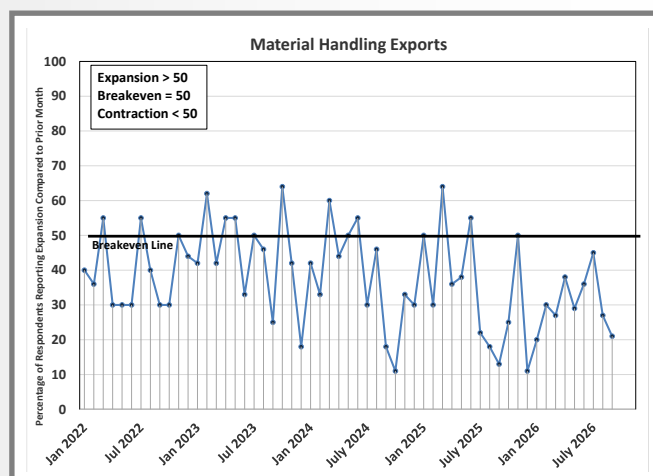
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EXPORTS

Exports contracted more severely in September, as only 21% of respondents noted expansions and 79% reported contractions.

Exports have been weak recently, expanding in just two of the past 24 months. With elevated inflation, the Fed appears likely to raise interest rates, which has been supporting the dollar and weighing on exports.

Data collection related to Exports allows respondents to opt-out of this question if they do not export.

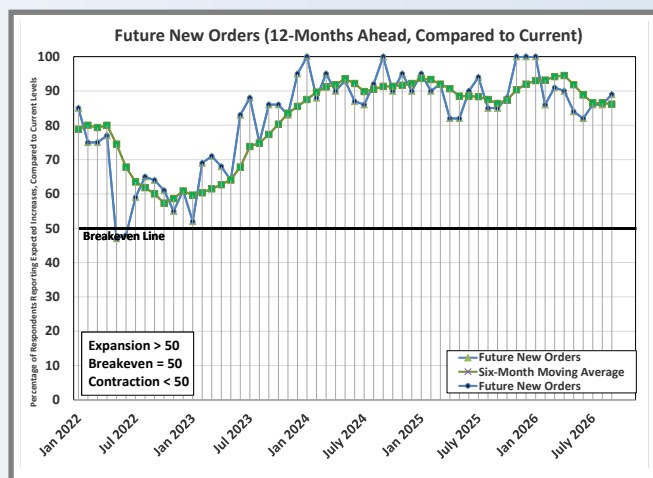


FUTURE NEW ORDERS IN 12 MONTHS

The Future New Orders series expanded and accelerated in September to 89% from 86%.

Ongoing and persistent strength of this series implies that respondents broadly expect Future New Orders to be higher in 12 months.

The three-month average for the Future New Orders series rose to 87% (up from 85%), and the six-month average slowed modestly to 86% (down from 87%). The absolute strength of this series is extremely positive for the future of material handling new orders.



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Data Collection:

Responses from MHI Executive Leadership are collected using questions provided by Prestige Economics.

Approximately 30 executives sit on the MHI Board of Governors and Roundtable Advisory Committee.