



October - 2013 (FOR RELEASE: November 1, 2013 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 63.1 ↑

ISM-SEM Index: In October, the PMI edged up from 59.9 to 63.1. Three consecutive strong months have raised the three month average to 61.1.

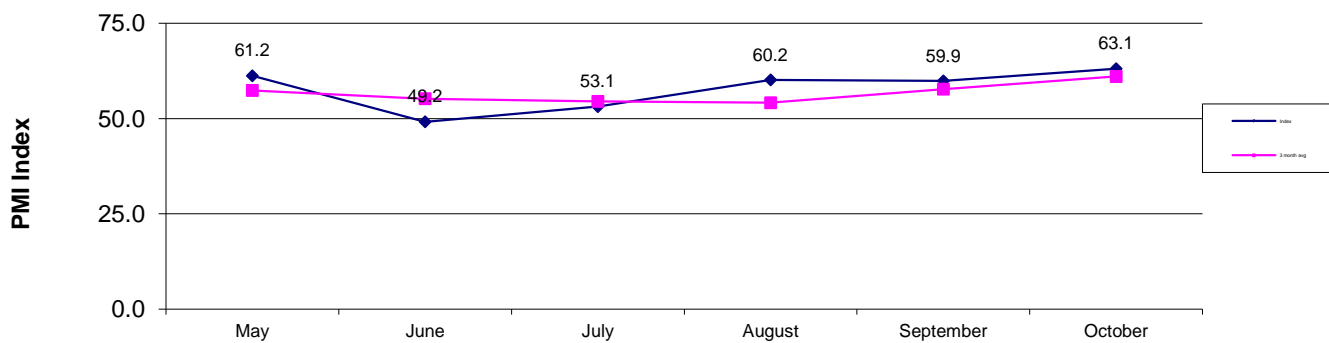
Employment: The Employment Index shot back up from 54.2 to 64.0 after a one month drop. The three month average is strong at 59.3.

Commodity Prices: The Commodity Price Index also rose significantly, from 54.2 to 58.0. Commodity prices continue to show relatively stable three month averages, and September's three month average is at 55.9.

Items up or down in price: *October shows items up in price are skilled information technology personnel, copper, plated steel, travel (air fare and related services), glue and corrugated materials. Items down in price are resin and petroleum.*

Economic Issues: *The October survey shows the Southeast Michigan economy continues to strengthen as the Purchasing Managers Index (PMI) jumped to 63.1, raising the three month moving average to a robust 61.1. The strong PMI Index value is a result of Southeast Michigan purchasing managers reporting strength in several component indexes of the PMI including, the Production Index and New Orders Index which both showed values above 60.0, indicating that those measures continue to strengthen. Finished Goods inventories continue to grow as well with a reported index value of 54.0, while Raw Materials inventories declined, with an index value of 46.0. Overall, the Southeast Michigan PMI has remained above 50 for thirteen of the past fourteen months. A PMI Index value above 50 represents an expanding economy. Southeast Michigan purchasing managers reported hiring is picking up, as evidenced on the Employment Index which reported a value of 64. Though interestingly one respondent noted, "Hiring was down toward the end of September and accelerated down into October. This was evident on the job boards." Seventy-six percent of respondents report that they project the economy to remain stable or improve over the next six months. Comments regarding the stability of the economy include, "We have forecasted new programs being released that will require closure tooling," and "The short term government shutdown caused many CEOs to put things on temporary hold." Another respondent commented, "A large number of new vehicle launches is planned over the next year, and this will create a significant strain on suppliers, likely leading to quality problems and program delays."*

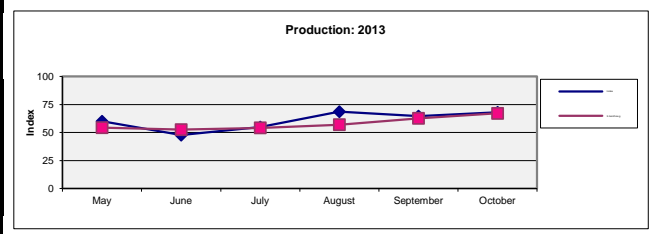
Southeast Michigan Index: 2013



ISM-SEM Index		2013					
		May	June	July	August	September	October
Index		61.2	49.2	53.1	60.2	59.9	63.1
Index	3 month average	57.4	55.2	54.5	54.2	57.7	61.1

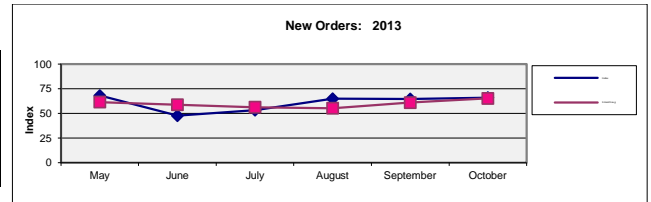
Production		2013					
		May	June	July	August	September	October
	Higher	36.0	19.0	35.5	44.4	41.7	48.0
	Same	48.0	57.1	38.7	48.1	45.8	40.0
	Lower	16.0	23.8	25.8	7.4	12.5	12.0
Index		60.0	47.6	54.8	68.5	64.6	68.0
Index	3 month average	54.3	52.5	54.2	57.0	62.6	67.0

Production is a robust 68.0.



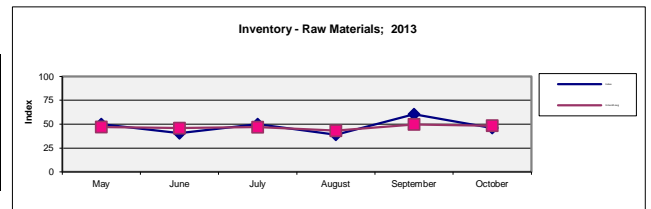
New Orders		2013					
		May	June	July	August	September	October
	Higher	56.0	19.0	29.0	44.4	45.8	36.0
	Same	24.0	57.1	48.4	40.7	37.5	60.0
	Lower	20.0	23.8	22.6	14.8	16.7	4.0
Index		68.0	47.6	53.2	64.8	64.6	66.0
Index	3 month average	61.5	58.7	56.3	55.2	60.9	65.1

New orders continues to be robust at 66.0.



Inventory - Raw Materials		2013					
		May	June	July	August	September	October
	Higher	20.0	9.5	22.6	11.1	33.3	16.0
	Same	60.0	61.9	54.8	55.6	54.2	60.0
	Lower	20.0	28.6	22.6	33.3	12.5	24.0
Index		50.0	40.5	50.0	38.9	60.4	46.0
Index	3 month average	47.0	45.8	46.8	43.1	49.8	48.4

Raw materials inventories dropped sharply to 46.0.



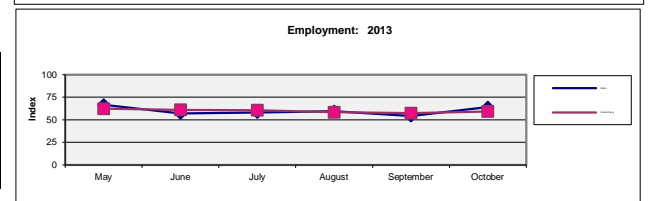
Inventory - Finished Goods		2013					
		May	June	July	August	September	October
	Higher	12.0	0.0	12.9	7.4	16.7	24.0
	Same	64.0	66.7	61.3	63.0	75.0	60.0
	Lower	24.0	33.3	25.8	29.6	8.3	16.0
Index		44.0	33.3	43.5	38.9	54.2	54.0
Index	3 month average	47.0	40.9	40.3	38.6	45.5	49.0

Finished goods inventories remained steady at 54.0.



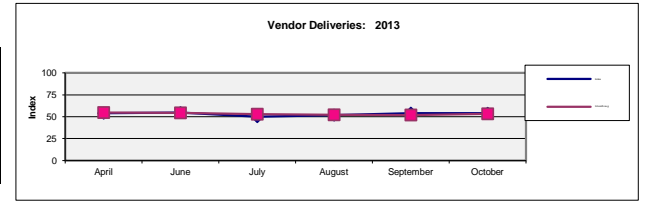
Employment		2013					
		May	June	July	August	September	October
	Higher	41.7	33.3	32.3	30.8	20.8	40.0
	Same	50.0	47.6	51.6	57.7	66.7	48.0
	Lower	8.3	19.0	16.1	11.5	12.5	12.0
Index		66.7	57.1	58.1	59.6	54.2	64.0
Index	3 month average	62.2	61.1	60.6	58.3	57.3	59.3

Employment improved markedly to 64.0.



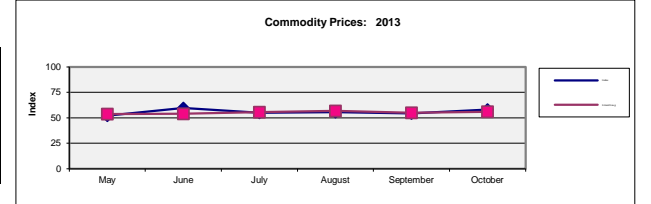
Vendor Deliveries		2013					
		April	June	July	August	September	October
	Faster	4.0	9.5	3.2	3.7	0.0	8.0
	Same	84.0	71.4	93.5	88.9	91.7	76.0
	Slower	12.0	19.0	3.2	7.4	8.3	16.0
Index		54.0	54.8	50.0	51.9	54.2	54.0
Index	3 month average	54.8	54.4	52.9	52.2	52.0	53.3

Deliveries remained steady at 54.0.



Commodity Prices		2013					
		May	June	July	August	September	October
	Higher	16.0	23.8	16.1	18.5	16.7	20.0
	Same	72.0	71.4	77.4	74.1	75.0	76.0
	Lower	12.0	4.8	6.5	7.4	8.3	4.0
Index		52.0	59.5	54.8	55.6	54.2	58.0
Index	3 month average	53.6	53.8	55.5	56.6	54.9	55.9

Commodity prices increased slightly to 58.0.



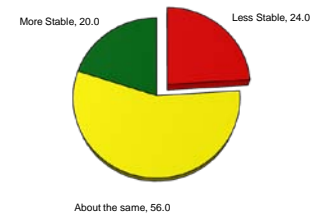
Expectations of Business Environment - October 2013

6 months into the future:

Less Stable	24.0	percent
About the same	56.0	percent
More Stable	20.0	percent

For more information about the Survey or to obtain copies of previous surveys, visit our website at www.ism-sem.org and click on "Economic Surveys"

Expectations of Business Environment - October 2013



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