



February - 2014 (FOR RELEASE: March 3, 2014 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 47.3 ↓

ISM-SEM Index: In February the Southeast Michigan PMI index dipped back below 50, from 52.3 to 47.3. The three month moving average dropped for the second straight month, from 53.7 to 50.0. This represents the fourth consecutive drop of the three month average, from 61.1 in October of 2013.

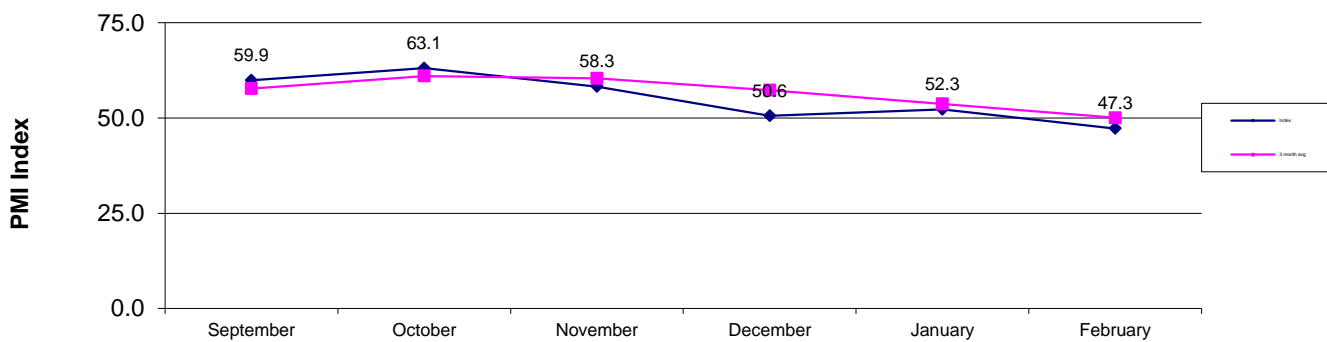
Employment: The Employment Index dropped for the second straight month, from 53.4 in January to 51.8 in February. The three month average is now at 54.0, the lowest number of the six months shown.

Commodity Prices: The Commodity price Index settled at 55.0, down slightly from January's 56.7. February's three month average is stable at 54.6, perhaps the only index not showing signs of economic slowdown.

Items up or down in price: *Items up in price in February are gasoline, propane, diesel fuel, petro chemicals, acrylic, polycarbonate, brass, rubber, plate steel and aluminum. Items down in price for the month include nylon and resin.*

Economic Issues: *The February survey shows the Southeast Michigan PMI down to 47.3, which is the first time the index fell below 50 since June 2013. It is also at it's lowest point since August, 2012. PMI index values above 50 generally indicate an expanding economy, while values below 50 suggest a slowing economy. A number of specific factors contributed to the lower PMI: The Production Index is 45.0, down from 53.3 in January, New Orders Index is 43.3, down from 51.7, and the Raw Material Inventory Index is 45.0, down from 46.7. The Employment and Commodity Prices indices remained above 50.0, at 51.8 and 55.0, respectively. The Finished Goods Inventory Index jumped over 10 points, from 40.0 to 51.7, which is consistent with a slowing economy. Commodities increasing in price, according to responding purchasing managers, include gasoline, propane, diesel fuel, petro chemicals, acrylic, polycarbonate, brass, rubber, plate steel, and aluminum. Comments from respondents varied: "Orders for capital equipment with our customers have been delayed versus our expectations," "Expect Europe to continue rebounding," and "Business seems to be holding firm despite the uncertainty in the economic forecasts." In light of the current economic slowdown, an encouraging 80 percent of respondents see the economy more stable or about the same, while 20 percent of purchasing managers believe that the economy will be less stable of the next six months.*

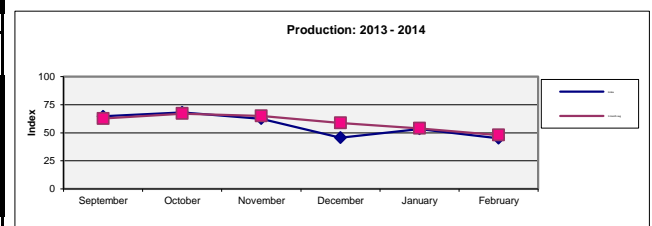
Southeast Michigan Index: 2013 - 2014



ISM-SEM Index		2013 - 2014					
		September	October	November	December	January	February
Index		59.9	63.1	58.3	50.6	52.3	47.3
Index	3 month average	57.7	61.1	60.4	57.3	53.7	50.0

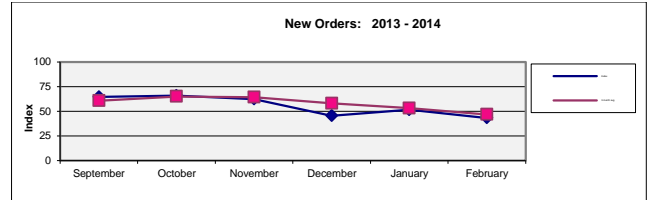
Production		2013 - 2014					
		September	October	November	December	January	February
Higher		41.7	48.0	41.7	26.1	36.7	16.7
Same		45.8	40.0	41.7	39.1	33.3	56.7
Lower		12.5	12.0	16.7	34.8	30.0	26.7
Index		64.6	68.0	62.5	45.7	53.3	45.0
Index	3 month average	62.6	67.0	65.0	58.7	53.8	48.0

Production falls to below 50.0.



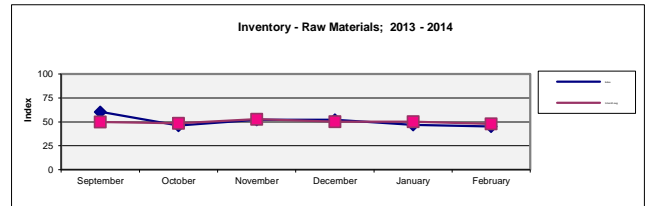
New Orders		2013 - 2014					
		September	October	November	December	January	February
	Higher	45.8	36.0	33.3	30.4	30.0	13.3
	Same	37.5	60.0	58.3	30.4	43.3	60.0
	Lower	16.7	4.0	8.3	39.1	26.7	26.7
Index		64.6	66.0	62.5	45.7	51.7	43.3
Index	3 month average	60.9	65.1	64.4	58.1	53.3	46.9

New orders drop sharply to 43.3.



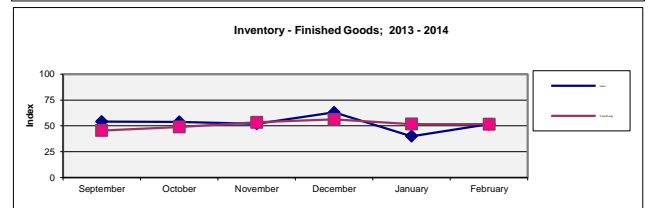
Inventory - Raw Materials		2013 - 2014					
		September	October	November	December	January	February
	Higher	33.3	16.0	29.2	26.1	20.0	13.3
	Same	54.2	60.0	45.8	52.2	53.3	63.3
	Lower	12.5	24.0	25.0	21.7	26.7	23.3
Index		60.4	46.0	52.1	52.2	46.7	45.0
Index	3 month average	49.8	48.4	52.8	50.1	50.3	47.9

Raw materials inventories remain below 50. for second month.



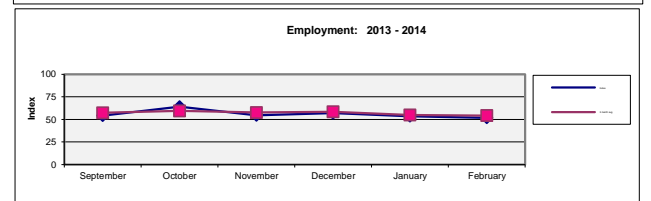
Inventory - Finished Goods		2013 - 2014					
		September	October	November	December	January	February
	Higher	16.7	24.0	20.8	39.1	20.0	20.0
	Same	75.0	60.0	62.5	47.8	40.0	63.3
	Lower	8.3	16.0	16.7	13.0	40.0	16.7
Index		54.2	54.0	52.1	63.0	40.0	51.7
Index	3 month average	45.5	49.0	53.4	56.4	51.7	51.6

Finished goods inventories rise sharply to 51.7.



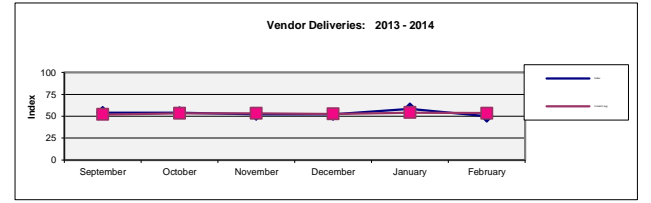
Employment		2013 - 2014					
		September	October	November	December	January	February
	Higher	20.8	40.0	26.1	27.3	24.1	21.4
	Same	66.7	48.0	56.5	59.1	58.6	60.7
	Lower	12.5	12.0	17.4	13.6	17.2	17.9
Index		54.2	64.0	54.3	56.8	53.4	51.8
Index	3 month average	57.3	59.3	57.5	58.4	54.9	54.0

Employment falls to 51.8.



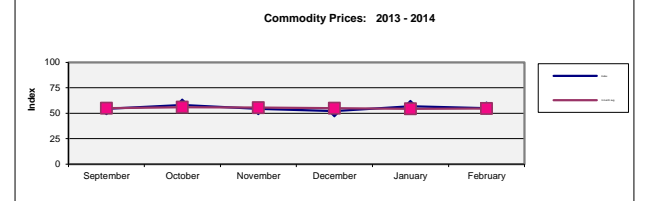
Vendor Deliveries		2013 - 2014					
		September	October	November	December	January	February
	Faster	0.0	8.0	4.2	8.7	3.3	13.3
	Same	91.7	76.0	87.5	78.3	76.7	73.3
	Slower	8.3	16.0	8.3	13.0	20.0	13.3
Index		54.2	54.0	52.1	52.2	58.3	50.0
Index	3 month average	52.0	53.3	53.4	52.8	54.2	53.5

Deliveries are level at 50.0.



Commodity Prices		2013 - 2014					
		September	October	November	December	January	February
	Higher	16.7	20.0	8.3	8.7	13.3	13.3
	Same	75.0	76.0	91.7	87.0	86.7	83.3
	Lower	8.3	4.0	0.0	4.3	0.0	3.3
Index		54.2	58.0	54.2	52.2	56.7	55.0
Index	3 month average	54.9	55.9	55.4	54.8	54.3	54.6

Commodity prices drop slightly to 55.0.

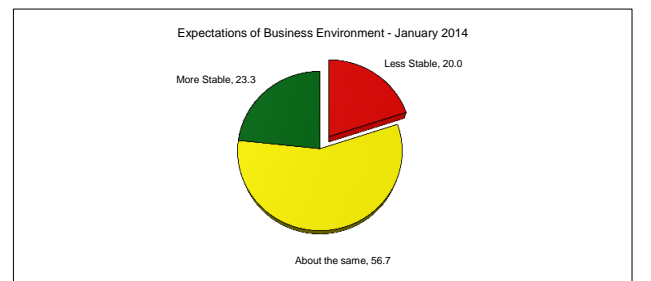


Expectations of Business Environment - January 2014

6 months into the future:

Less Stable	20.0	percent
About the same	56.7	percent
More Stable	23.3	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"



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