



March - 2013 (FOR RELEASE: April 1, 2014 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 55 ↑

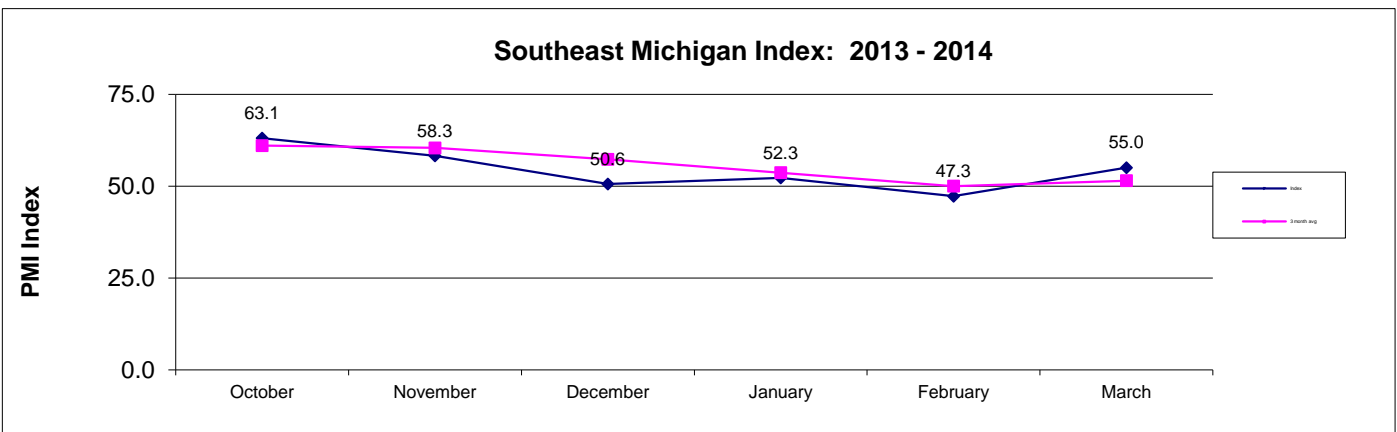
ISM-SEM Index: In March the overall PMI index bounced back up from 47.3 to 55. The three month moving average rose slightly, rising from 50.0 to 51.5. With the volatility in the Index over the last four months, it's difficult to draw conclusions about the March rise being a sustained increase in economic activity.

Employment: The Employment Index also rose in March, from 51.8 to 54.8. The three month average dropped slightly to 53.3. However, employment has not slipped below 50 at any time in the last six months.

Commodity Prices: The Commodity Price Index jumped up from February's 55 to March's 61.4. March's three month average is 57.7. The increase in commodity prices may be due to a sharp rise in home heating costs as a result of the severe winter in Michigan or an increase in demand that may show up in the overall index in coming months.

Items up or down in price: March shows fuel costs, snow removal costs, hardwood lumber, steel, copper, plastic based parts, aluminum, and resins up in price. Maintenance, repair, and operations items were down in price.

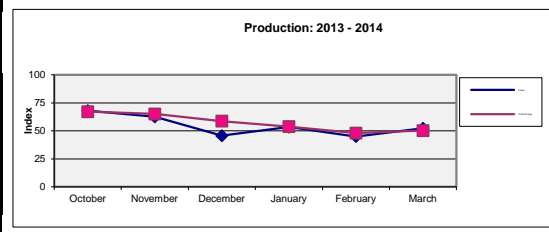
Economic Issues: The March survey shows the Southeast Michigan Purchasing Managers Index up to 55 from the prior month's reading of 47.3. The Production Index jumped from 45 to 52.3, the New Orders Index jumped sharply from 43.3 to 63.6, and the Employment Index increased from 51.8 to 54.8, all signs of an expanding economy, shaking of the effects of the prior months' slowdown perhaps due to bad weather conditions. The Finished Goods Index also supported this expanding economy by dropping from 51.7 to 40.9. The Commodity Price Index component increased sharply from 55 to 61.4 and has now come in over 50 for the last six months, portraying some upward pressure on prices. Specific commodities increasing in price are somewhat weather related in terms of fuel costs and snow removal costs, with metals also showing increases. Comments from survey respondents are indicative of the volatility seen in the Index, and are reflective of some risk and uncertainty such as: "Couple of large road building projects will spike the local economy," "Russia/Ukraine/Crimea and Venezuela will have far-reaching affects," "We have so many issues it's hard to figure out where this economy is headed," "We have evaluated the supply chain for Eastern Bloc risks. We are changing the supply base strategy as a result of risk," "EPA regulations and incentives on new cars," "We build industrial automation (capital equipment). Orders we expected at the end of 2013 were delayed by customers. We anticipate a large uptick in orders in the second quarter of 2014, as customers can delay purchases no longer," "Have enough engineering work, however, this does nothing for shop work. We are at an all time low for production work and it shows in employment. Still have hopes for a government quote on the next round of specialty trucks. When that is, is the big question as this was to happen last month. Have taken some small jobs just to have some income coming in," and "Price of oil." In spite of this uncertainty and risk, slightly more than 80 percent of respondents see the economy stable or more stable, with less than 20 percent seeing less stability!



ISM-SEM Index		2013 - 2014					
		October	November	December	January	February	March
Index		63.1	58.3	50.6	52.3	47.3	55.0
Index	3 month average	61.1	60.4	57.3	53.7	50.0	51.5

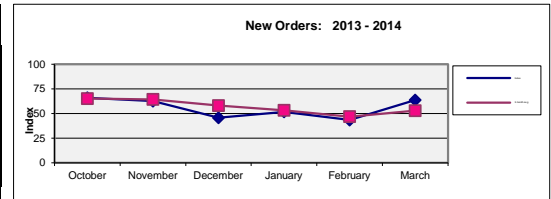
Production		2013 - 2014					
		October	November	December	January	February	March
	Higher	48.0	41.7	26.1	36.7	16.7	22.7
	Same	40.0	41.7	39.1	33.3	56.7	59.1
	Lower	12.0	16.7	34.8	30.0	26.7	18.2
Index		68.0	62.5	45.7	53.3	45.0	52.3
Index	3 month average	67.0	65.0	58.7	53.8	48.0	50.2

Production grew to 52.3.



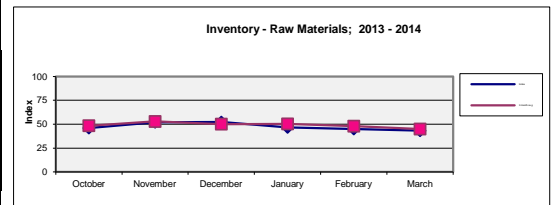
New Orders		2013 - 2014					
		October	November	December	January	February	March
	Higher	36.0	33.3	30.4	30.0	13.3	40.9
	Same	60.0	58.3	30.4	43.3	60.0	45.5
	Lower	4.0	8.3	39.1	26.7	26.7	13.6
Index		66.0	62.5	45.7	51.7	43.3	63.6
Index	3 month average	65.1	64.4	58.1	53.3	46.9	52.9

New orders were up smartly to 63.6.



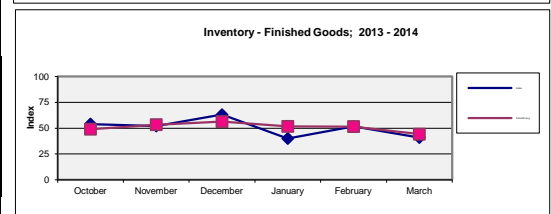
Inventory - Raw Materials		2013 - 2014					
		October	November	December	January	February	March
	Higher	16.0	29.2	26.1	20.0	13.3	9.1
	Same	60.0	45.8	52.2	53.3	63.3	68.2
	Lower	24.0	25.0	21.7	26.7	23.3	22.7
Index		46.0	52.1	52.2	46.7	45.0	43.2
Index	3 month average	48.4	52.8	50.1	50.3	47.9	44.9

Raw materials inventories dropped to 43.2.



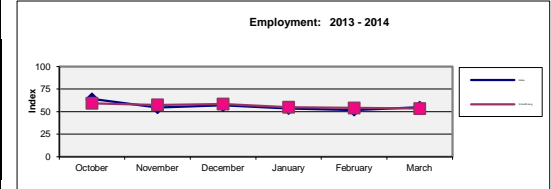
Inventory - Finished Goods		2013 - 2014					
		October	November	December	January	February	March
	Higher	24.0	20.8	39.1	20.0	20.0	18.2
	Same	60.0	62.5	47.8	40.0	63.3	45.5
	Lower	16.0	16.7	13.0	40.0	16.7	36.4
Index		54.0	52.1	63.0	40.0	51.7	40.9
Index	3 month average	49.0	53.4	56.4	51.7	51.6	44.2

Finished goods inventories also declined to 40.9.



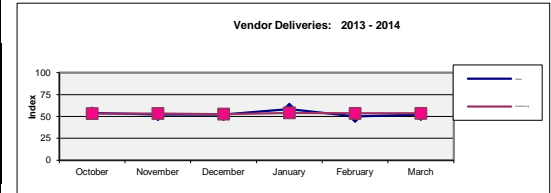
Employment		2013 - 2014					
		October	November	December	January	February	March
	Higher	40.0	26.1	27.3	24.1	21.4	19.0
	Same	48.0	56.5	59.1	58.6	60.7	71.4
	Lower	12.0	17.4	13.6	17.2	17.9	9.5
Index		64.0	54.3	56.8	53.4	51.8	54.8
Index	3 month average	59.3	57.5	58.4	54.9	54.0	53.3

Employment expanded to 54.8.



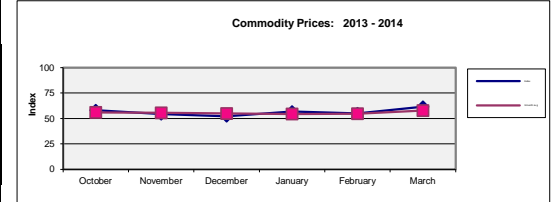
Vendor Deliveries		2013 - 2014					
		October	November	December	January	February	March
	Faster	8.0	4.2	8.7	3.3	13.3	0.0
	Same	76.0	87.5	78.3	76.7	73.3	95.5
	Slower	16.0	8.3	13.0	20.0	13.3	4.5
Index		54.0	52.1	52.2	58.3	50.0	52.3
Index	3 month average	53.3	53.4	52.8	54.2	53.5	53.5

Deliveries grew slightly to 52.3



Commodity Prices		2013 - 2014					
		October	November	December	January	February	March
	Higher	20.0	8.3	8.7	13.3	13.3	27.3
	Same	76.0	91.7	87.0	86.7	83.3	68.2
	Lower	4.0	0.0	4.3	0.0	3.3	4.5
Index		58.0	54.2	52.2	56.7	55.0	61.4
Index	3 month average	55.9	55.4	54.8	54.3	54.6	57.7

Commodity prices rocketed to 61.4.



Expectations of Business Environment - January 2014

6 months into the future:

Less Stable	18.2	percent
About the same	63.6	percent
More Stable	18.2	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"

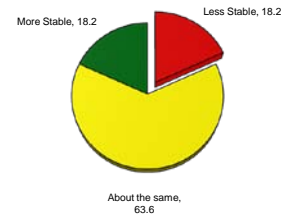
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Survey Results Production by:
Kenneth Doherty & Steve Welsh of ISM.

Next Release: **May 1, 2014**

Expectations of Business Environment - January 2014



For more information, contact

ISM - Southeast Michigan
Email: businessmanager@ism-sem.org
Tel: 313-881-0800

OR

Wayne State University
Timothy Butler
timothy.butler@wayne.edu
Tel: 313-577-9810

OR

Nitin Paranjpe
ai8668@wayne.edu
Tel: 248-292-0208