



June - 2014 (FOR RELEASE: July 2, 2014 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 47.1 ↓

ISM-SEM Index: In June the overall PMI dropped from 60.0 to 47.1. The three month average dropped slightly, from 56.2 to 53.6.

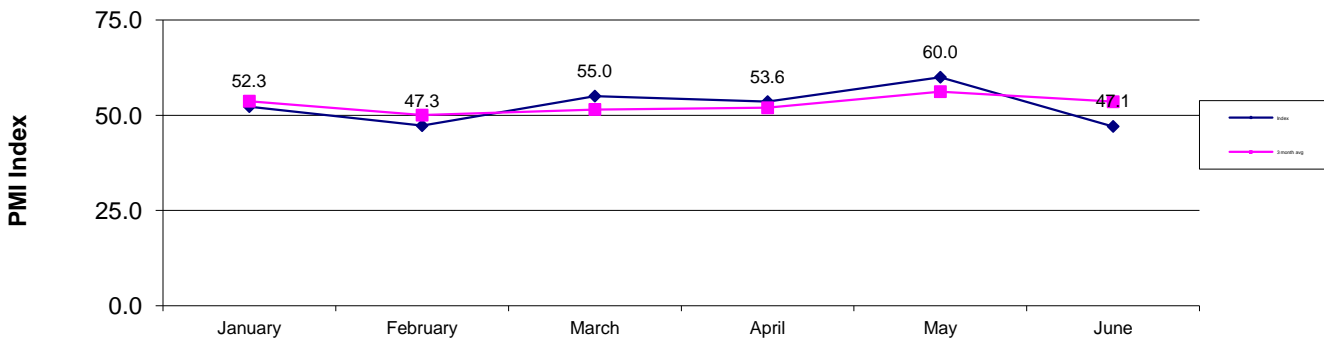
Employment: The Employment Index also dropped, from 70.5 down to 57.1. The three month average changed very little, from 59.2 to 60.0.

Commodity Prices: The Commodity Price Index dropped less severely, from 59.1 to 56.5. Commodity prices appear to have scored in the high 50's or low 60's for all months shown. June's three month average is 60.0.

Items up or down in price: June shows diesel, gasoline and resins are up. Nylon resins and feedstock are down.

Economic Issues: The June survey shows the Southeastern Michigan Purchasing Managers Index (PMI) fell to 47.1 from May's PMI of 60.0. After three successive months of rising scores, and a particularly strong May index value, the majority of respondents found that the activity in June was "less than" the activity in May. These results are not seasonal, though the Southeast Michigan PMI experienced a similar drop from May to June last year - from 61.2 to 49.2. The three month average for 2014 changed very little, from 56.2 to 53.6. In anticipating the future, 90.9 percent of purchasing manager respondents expect that the Southeast Michigan economy will remain stable or become more stable over the next six months, thereby suggesting that the June drop does not signify a prolonged business decline. The key reason for the June PMI reduction is the slippage of the New Orders Index from 59.1 in May to 39.1 in June. Additionally, the Production Index dropped from 59.1 to 45.7, and Employment Index dropped from 70.5 in May to 57.1 in June. Vendor Deliveries and the Finished Goods Inventory both declined slightly to the breakeven point of 50.0 in June. Items up in price include diesel, gasoline and resin, while items down in price include nylon resins. Comments tended towards concern, including "Not much going in either the military or domestic vehicle business," "My facility just announced a six-week production furlough for all production workers," and "Sales are off so far this year." One respondent also mentioned that work was slow due to "Summer supplier shutdowns from global supply base."

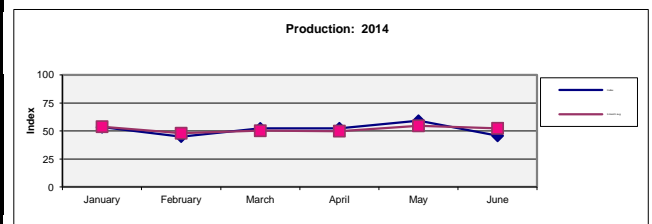
Southeast Michigan Index: 2014



ISM-SEM Index		2014					
		January	February	March	April	May	June
Index		52.3	47.3	55.0	53.6	60.0	47.1
Index	3 month average	53.7	50.0	51.5	52.0	56.2	53.6

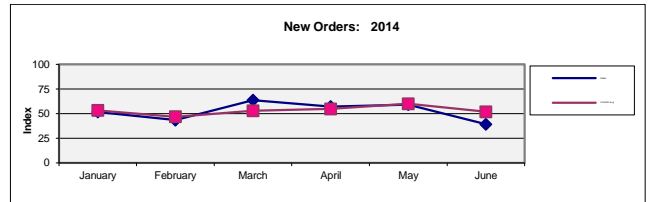
Production		2014					
		January	February	March	April	May	June
Higher		36.7	16.7	22.7	23.8	22.7	17.4
Same		33.3	56.7	59.1	57.1	72.7	56.5
Lower		30.0	26.7	18.2	19.0	4.5	26.1
Index		53.3	45.0	52.3	52.4	59.1	45.7
Index	3 month average	53.8	48.0	50.2	49.9	54.6	52.4

Production dropped from 59.1 to 45.7.



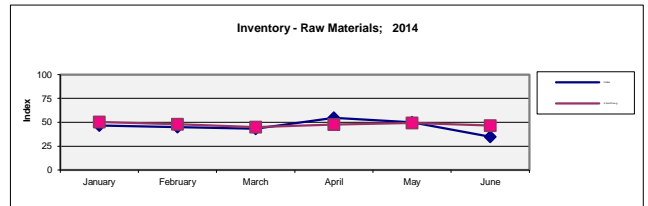
New Orders		2014					
		January	February	March	April	May	June
	Higher	30.0	13.3	40.9	28.6	27.3	21.7
	Same	43.3	60.0	45.5	57.1	63.6	34.8
	Lower	26.7	26.7	13.6	14.3	9.1	43.5
Index		51.7	43.3	63.6	57.1	59.1	39.1
Index	3 month average	53.3	46.9	52.9	54.7	60.0	51.8

New orders dropped from 59.1 to 39.1.



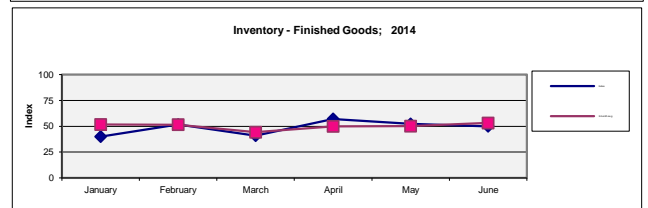
Inventory - Raw Materials		2014					
		January	February	March	April	May	June
	Higher	20.0	13.3	9.1	19.0	13.6	4.3
	Same	53.3	63.3	68.2	71.4	72.7	60.9
	Lower	26.7	23.3	22.7	9.5	13.6	34.8
Index		46.7	45.0	43.2	54.8	50.0	34.8
Index	3 month average	50.3	47.9	44.9	47.6	49.3	46.5

Raw materials inventories ...



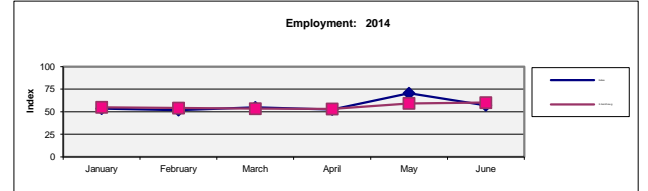
Inventory - Finished Goods		2014					
		January	February	March	April	May	June
	Higher	20.0	20.0	18.2	23.8	18.2	21.7
	Same	40.0	63.3	45.5	66.7	68.2	56.5
	Lower	40.0	16.7	36.4	9.5	13.6	21.7
Index		40.0	51.7	40.9	57.1	52.3	50.0
Index	3 month average	51.7	51.6	44.2	49.9	50.1	53.1

Finished goods inventories dropped slightly from 52.3 to 50.0



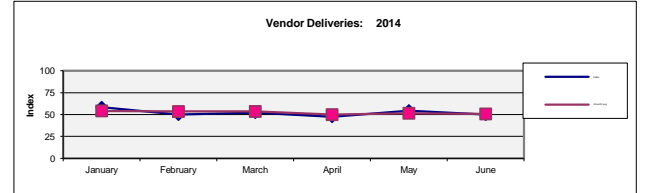
Employment		2014					
		January	February	March	April	May	June
	Higher	24.1	21.4	19.0	20.0	45.5	33.3
	Same	58.6	60.7	71.4	65.0	50.0	47.6
	Lower	17.2	17.9	9.5	15.0	4.5	19.0
Index		53.4	51.8	54.8	52.5	70.5	57.1
Index	3 month average	54.9	54.0	53.3	53.0	59.2	60.0

Employment dropped from 70.5 to 57.1.



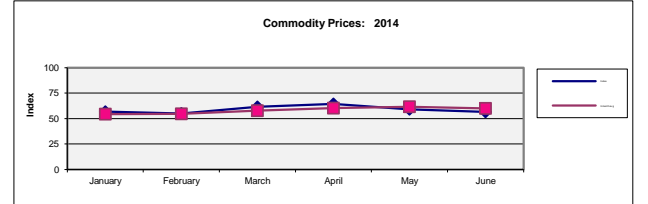
Vendor Deliveries		2014					
		January	February	March	April	May	June
	Faster	3.3	13.3	0.0	9.5	4.5	4.3
	Same	76.7	73.3	95.5	85.7	81.8	91.3
	Slower	20.0	13.3	4.5	4.8	13.6	4.3
Index		58.3	50.0	52.3	47.6	54.5	50.0
Index	3 month average	54.2	53.5	53.5	50.0	51.5	50.7

Deliveries dropped slightly from 54.5 to 50.0.



Commodity Prices		2014					
		January	February	March	April	May	June
	Higher	13.3	13.3	27.3	28.6	18.2	17.4
	Same	86.7	83.3	68.2	71.4	81.8	78.3
	Lower	0.0	3.3	4.5	0.0	0.0	4.3
Index		56.7	55.0	61.4	64.3	59.1	56.5
Index	3 month average	54.3	54.6	57.7	60.2	61.6	60.0

Commodity prices dropped slightly from 59.1 to 56.5.

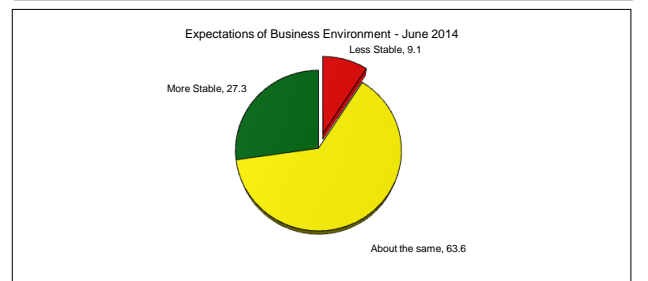


Expectations of Business Environment - June 2014

6 months into the future:

Less Stable	9.1	percent
About the same	63.6	percent
More Stable	27.3	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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