



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

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 60.0 ↑**

**ISM-SEM Index:** In May the overall PMI index shot up from 53.6 to 60.0. This is the first time since October 2013 that the index has reached this level. The three month average rose from 52.0 to 56.2 as a result of the strong May performance.

**Employment Index:** The Employment Index also shot up, from 52.5 to 70.5. The last time the Employment Index hit above 70 was in July 2012. The three month average is also at a remarkable 59.2.

**Commodity Prices Index:** The Commodity Price Index, while remaining high, dropped down from 64.3 to 59.1. May's three month average of 61.6, is the highest average of the six months shown. Between these three indices, the outlook for Southeast Michigan appears very good.

**Items up or down in price:** In May, air fares, IT products, office supplies, scientific instruments were up in price, with resins showing a slight uptick. No commodities were down in price.

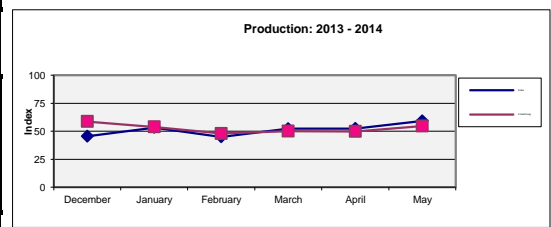
**Economic Issues:** The May survey shows the Southeast Michigan Purchasing Managers Index moving up sharply from 53.0 to 60.0, reaching its highest level since October 2013. The Production Index jumped from 52.4 to 59.1, the New Orders Index jumped from 57.1 to 59.1, and the Employment Index jumped sharply from 52.5 to reach a high of 70. The Finished Goods Index also supported this expanding economy, by dropping from 57.1 to 52.3. The Commodity Price Index moderated slightly, dropping from 64.3 to 59.1, suggesting a slowdown in the rate of growth of prices. Specific commodities increasing in price were airfares, IT products, office supplies, scientific instruments, with resins showing a small uptick. Comments from survey respondents are indicative of the strong showing of the Southeast Michigan economy and include: "Orders for our products (factory automation) have increased significantly in recent months. And our hiring of new employees has increased significantly as a result," and "Feel the economy is getting stronger - suppliers seem less hungry for business resulting in higher quotes & slower responses to RFQs. Willing to walk away from business," to "With all our divisions we have stayed relatively stable throughout the downturn." Some cautionary remarks were reported and include: "Although the market continues its growth, we as a metals industry engineering firm have not seen much movement for the future, military spending is still down and they are buying minimum requirements," to "Not seeing much going on in our area of expertise. We have one on going program that is at least keeping the lights on," and "ICD-10 governmental regulation approvals and changes to PPACA," and "Open orders have increased looking out." Despite these remarks, almost 85.7 percent of survey respondents see the economy stable or more stable, with less than 15 percent seeing the economy, six months out, as being less stable. This should bode very well for the Southeast Michigan economy.

ISM-SEM Index		2013 - 2014					
		December	January	February	March	April	May
Index		50.6	52.3	47.3	55.0	53.6	60.0
Index	3 month average	57.3	53.7	50.0	51.5	52.0	56.2

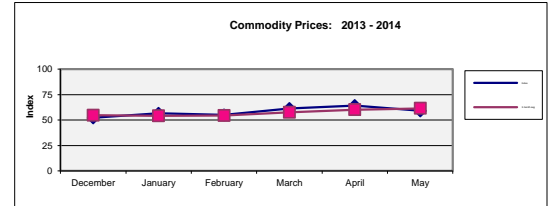
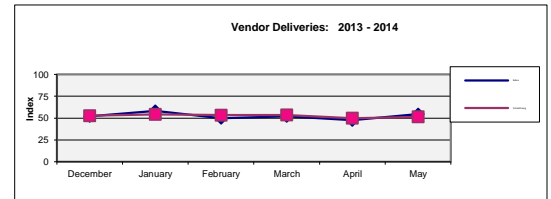
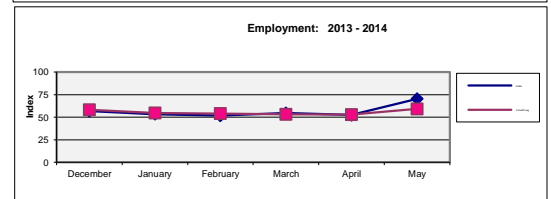
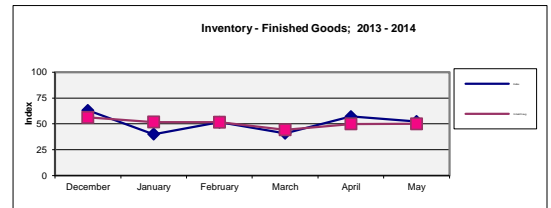
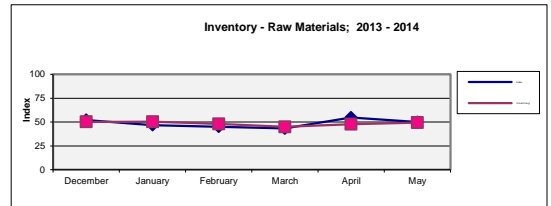
  

Production		2013 - 2014					
		December	January	February	March	April	May
	Higher	26.1	36.7	16.7	22.7	23.8	22.7
	Same	39.1	33.3	56.7	59.1	57.1	72.7
	Lower	34.8	30.0	26.7	18.2	19.0	4.5
Index		45.7	53.3	45.0	52.3	52.4	59.1
Index	3 month average	58.7	53.8	48.0	50.2	49.9	54.6

Production grew sharply to 59.1.



New Orders		2013 - 2014					
		December	January	February	March	April	May
	Higher	30.4	30.0	13.3	40.9	28.6	27.3
	Same	30.4	43.3	60.0	45.5	57.1	63.6
	Lower	39.1	26.7	26.7	13.6	14.3	9.1
<b>Index</b>		45.7	51.7	43.3	63.6	57.1	59.1
<b>Index</b>	3 month average	58.1	53.3	46.9	52.9	54.7	60.0
New orders moved up slightly to 59.1.							
Inventory - Raw Materials		2013 - 2014					
		December	January	February	March	April	May
	Higher	26.1	20.0	13.3	9.1	19.0	13.6
	Same	52.2	53.3	63.3	68.2	71.4	72.7
	Lower	21.7	26.7	23.3	22.7	9.5	13.6
<b>Index</b>		52.2	46.7	45.0	43.2	54.8	50.0
<b>Index</b>	3 month average	50.1	50.3	47.9	44.9	47.6	49.3
Raw materials inventories dropped to 50.0.							
Inventory - Finished Goods		2013 - 2014					
		December	January	February	March	April	May
	Higher	39.1	20.0	20.0	18.2	23.8	18.2
	Same	47.8	40.0	63.3	45.5	66.7	68.2
	Lower	13.0	40.0	16.7	36.4	9.5	13.6
<b>Index</b>		63.0	40.0	51.7	40.9	57.1	52.3
<b>Index</b>	3 month average	56.4	51.7	51.6	44.2	49.9	50.1
Finished goods inventories dropped to 52.3.							
Employment		2013 - 2014					
		December	January	February	March	April	May
	Higher	27.3	24.1	21.4	19.0	20.0	45.5
	Same	59.1	58.6	60.7	71.4	65.0	50.0
	Lower	13.6	17.2	17.9	9.5	15.0	4.5
<b>Index</b>		56.8	53.4	51.8	54.8	52.5	70.5
<b>Index</b>	3 month average	58.4	54.9	54.0	53.3	53.0	59.2
Employment grew rapidly to 70.5.							
Vendor Deliveries		2013 - 2014					
		December	January	February	March	April	May
	Faster	8.7	3.3	13.3	0.0	9.5	4.5
	Same	78.3	76.7	73.3	95.5	85.7	81.8
	Slower	13.0	20.0	13.3	4.5	4.8	13.6
<b>Index</b>		52.2	58.3	50.0	52.3	47.6	54.5
<b>Index</b>	3 month average	52.8	54.2	53.5	53.5	50.0	51.5
Deliveries grew to 54.5.							
Commodity Prices		2013 - 2014					
		December	January	February	March	April	May
	Higher	8.7	13.3	13.3	27.3	28.6	18.2
	Same	87.0	86.7	83.3	68.2	71.4	81.8
	Lower	4.3	0.0	3.3	4.5	0.0	0.0
<b>Index</b>		52.2	56.7	55.0	61.4	64.3	59.1
<b>Index</b>	3 month average	54.8	54.3	54.6	57.7	60.2	61.6
Commodity prices dropped to 59.1.							

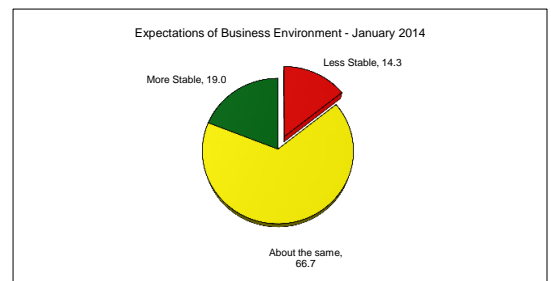


#### Expectations of Business Environment - January 2014

6 months into the future:

Less Stable	14.3	percent
About the same	66.7	percent
More Stable	19.0	percent

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



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