



December - 2014 (FOR RELEASE: January 5, 2015 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 64.2 ↑

ISM-SEM Index: In December, the overall PMI increased for the second straight month, from 56.8 to 64.2. Each of the last six months have been near or above 55, and the three month average is now 58.5.

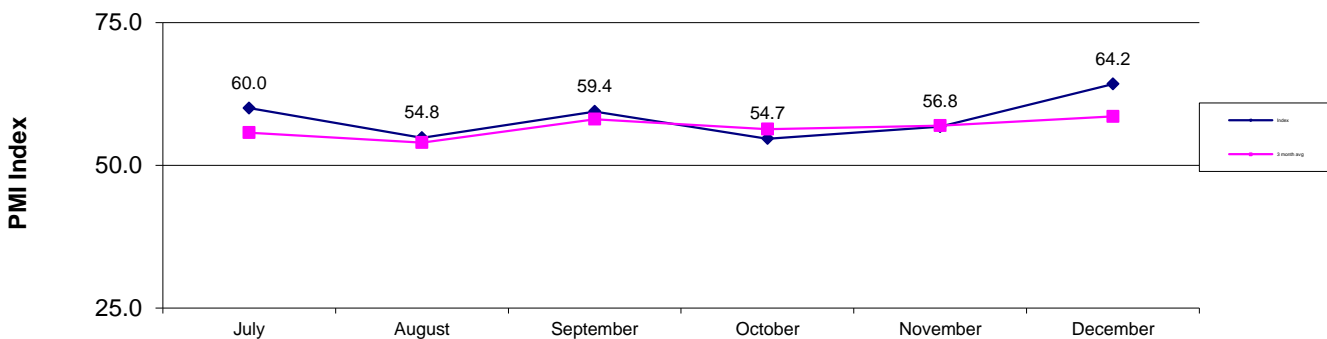
Employment: The Employment Index also increased from 64.7 to 70.0. The three month average continues to show strength, finishing at 66.0. The data of the last six months continues to suggest that employment is strong in the Southeast Michigan area.

Commodity Prices: The Commodity Price Index dropped in December, from 61.8 to 54.2. High numbers mean increasing prices, and the decrease is likely due to a year end push for sales from suppliers. The three month average is at 57.5.

Items up or down in price: *December shows steel, forgings, aluminum, and zinc up in price. Petroleum and copper are down in price.*

Economic Issues: *The December survey shows continued growth in the Southeast Michigan economy as the Purchasing Managers Index (PMI) improved to 64.2 from 56.8 in November. The three month moving average improved to 58.5 from 57.0. A PMI value above 50, in general, represents growth in the economy while a value less than 50 represents a decline in the economy. The strong index is a result of the Production Index, which increased to 62.5 from 55.9; the New Orders Index, which increased to 66.7 from 55.9; the Employment Index, which increased to 70.0 from 64.7; and the Finished Goods Inventory Index, which increased to 58.3 from 41.7. Notably, the Commodity Prices Index declined from 61.8 to 54.2. Comments from respondents include "Suppliers are getting more resistant to discounts, a sure sign that the economy is improving," and "Capital equipment spending seems to be up currently--Our orders are increasing." "Capacity with machine shops in the SE Michigan area is very tight--negatively impacting supplier deliveries," and "Resin shortages expected to last another six to 12 months." One respondent voiced concern over the destabilization of Russia and monetary insolvency. Respondents are optimistic about the near future with 17 percent foreseeing more stability in the economy over the next six months, and the remaining 83 percent expecting the economy to remain about the same.*

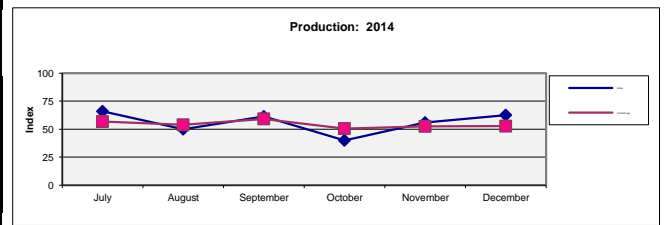
Southeast Michigan Index: 2014



ISM-SEM Index		2014					
		July	August	September	October	November	December
Index		60.0	54.8	59.4	54.7	56.8	64.2
Index	3 month average	55.7	54.0	58.1	56.3	57.0	58.5

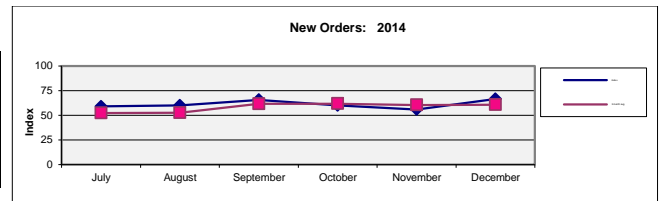
Production		2014					
		July	August	September	October	November	December
	Higher	36.4	26.7	37.1	6.7	35.3	41.7
	Same	59.1	46.7	48.6	66.7	41.2	41.7
	Lower	4.5	26.7	14.3	26.7	23.5	16.7
Index		65.9	50.0	61.4	40.0	55.9	62.5
Index	3 month average	56.9	53.9	59.1	50.5	52.4	52.8

Production index improved sharply from 55.9 to 62.5.



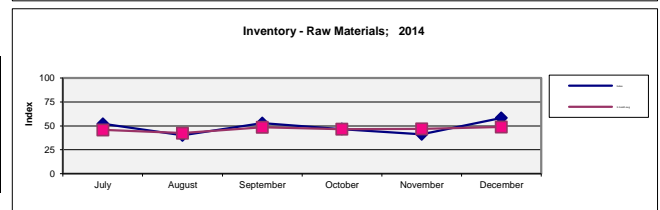
New Orders		2014					
		July	August	September	October	November	December
	Higher	31.8	40.0	42.9	33.3	35.3	41.7
	Same	54.5	40.0	45.7	53.3	41.2	50.0
	Lower	13.6	20.0	11.4	13.3	23.5	8.3
Index		59.1	60.0	65.7	60.0	55.9	66.7
Index	3 month average	52.4	52.7	61.6	61.9	60.5	60.8

New orders improved markedly from 55.0 to 66.7.



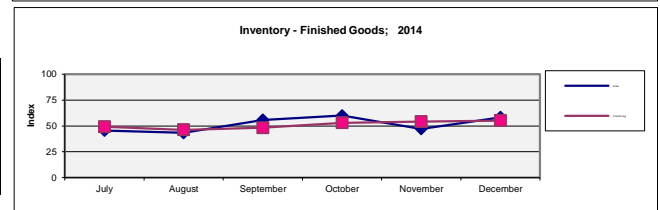
Inventory - Raw Materials		2014					
		July	August	September	October	November	December
	Higher	22.7	13.3	22.9	6.7	5.9	33.3
	Same	59.1	53.3	60.0	80.0	70.6	50.0
	Lower	18.2	33.3	17.1	13.3	23.5	16.7
Index		52.3	40.0	52.9	46.7	41.2	58.3
Index	3 month average	45.7	42.4	48.4	46.5	46.9	48.7

Raw materials inventories increased from 41.2 to 58.3



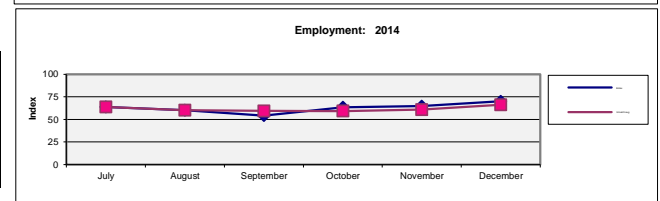
Inventory - Finished Goods		2014					
		July	August	September	October	November	December
	Higher	13.6	20.0	25.7	33.3	17.6	33.3
	Same	63.6	46.7	60.0	53.3	58.8	50.0
	Lower	22.7	33.3	14.3	13.3	23.5	16.7
Index		45.5	43.3	55.7	60.0	47.1	58.3
Index	3 month average	49.2	46.3	48.2	53.0	54.3	55.1

Finished goods inventories increased from 47.1 to 58.3.



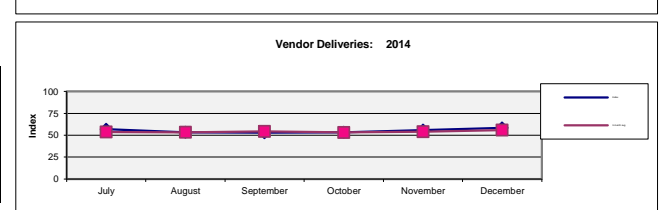
Employment		2014					
		July	August	September	October	November	December
	Higher	36.4	33.3	20.0	40.0	41.2	50.0
	Same	54.5	53.3	68.6	46.7	47.1	40.0
	Lower	9.1	13.3	11.4	13.3	11.8	10.0
Index		63.6	60.0	54.3	63.3	64.7	70.0
Index	3 month average	63.7	60.3	59.3	59.2	60.8	66.0

Employment increased from 64.7 to 70.0.



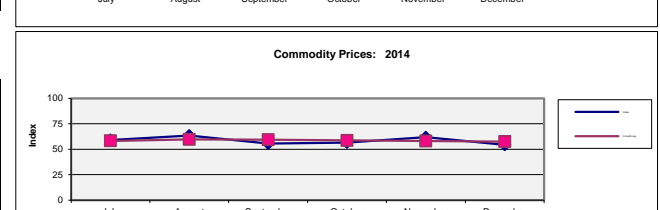
Vendor Deliveries		2014					
		July	August	September	October	November	December
	Faster	4.5	13.3	2.9	6.7	5.9	0.0
	Same	77.3	66.7	88.6	80.0	76.5	83.3
	Slower	18.2	20.0	8.6	13.3	17.6	16.7
Index		56.8	53.3	52.9	53.3	55.9	58.3
Index	3 month average	53.8	53.4	54.3	53.2	54.0	55.8

Deliveries increased from 55.9 to 58.3.



Commodity Prices		2014					
		July	August	September	October	November	December
	Higher	18.2	33.3	17.1	26.7	29.4	25.0
	Same	81.8	60.0	77.1	60.0	64.7	58.3
	Lower	0.0	6.7	5.7	13.3	5.9	16.7
Index		59.1	63.3	55.7	56.7	61.8	54.2
Index	3 month average	58.2	59.6	59.4	58.6	58.0	57.5

Commodity prices declined from 61.8 to 54.2.



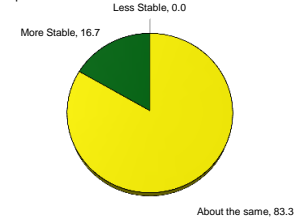
Expectations of Business Environment - December 2014

6 months into the future:

Less Stable	0.0	percent
About the same	83.3	percent
More Stable	16.7	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 - December 2014



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