



January - 2016 (FOR RELEASE: February 01, 2016 - 6 a.m. EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 54.8 ↑

ISM-SEM Index: In January, the PMI bounced back to November's figure of 57.1. The three-month average slipped by just half a point, from 56.8 to 56.3. The number has been remarkably stable for all six months shown, ranging from 54.8 to 58.4, an indicator of steady growth and stability.

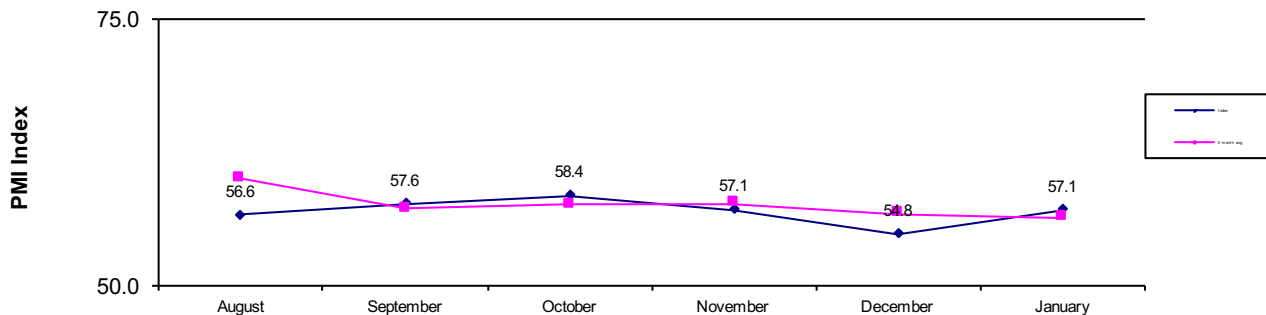
Employment: The Employment index increased a few additional points, from 58.8 up to 60.0, the same as in October. Three-month averages have ranged from 57.9 to 66, indicating steady and strong growth in employment.

Commodity Prices: The Commodity Price index dropped by three points, from 47.2 to 44.2. In past years, this index reflected much higher numbers, but has steadily been at or below 50 since August 2015, indicative of strong deflationary pressures in the economy.

Items up or down in price: *January shows steel and fiberglass prices increasing. Fuel, oil, steel plate, transportation, polymers and benzene were down in price.*

Economic Issues: *The January survey shows that the Southeast Michigan economy is still growing and that the rate of growth picked up from the prior month. Production activity accelerated with the index, moving up to 62.5, and employment growth was strong as well, with the index moving up to 60. New orders, while still growing, showed a smaller rate of growth coming in at 54.2. Commodity prices continued their downward trend since August 2015, which may be reflective of a slowdown in growth in China, as well as a stronger dollar. Specific items that contributed to deflationary pressures were the direct result of the severe glut of crude oil in the market place, with fuel, oil, transportation, polymers and benzene showing decreases. Expectations of improvement in the business environment increased slightly from the past month, with nearly 86.4% of respondents indicating conditions about the same or improving in the next six months. Comments from respondents were mainly concerning China, Europe, oil markets and exchange rates, thus being mainly external factors affecting business activity, including: "Strong US dollar affecting CAD sales," "Oil prices driving finished goods pricing," "As an auto manufacturer, prices of commodities we use are currently very low. Currently the price of crude oil has also helped to sell less fuel efficient but high profit vehicles," "The uncertainty in various governments in South America is of great concern. The slowing of the economies in Europe is another concern. China remains a great concern overall. The Middle East conflicts have the potential to impact our automotive business," "Asian markets need to be more transparent," "As we have seen in the first month of the year, things are anything but stable. As we head into the election year, given the candidate uncertainty, we expect some slowing in the area of capital expenditures," and "Orders have been sluggish the last quarter of 2015 and we see no reason to anticipate any change." Some concerns were raised about IT resources and retaining top talent, as well as pricing in the medical industry.*

Southeast Michigan Index: 2015-16



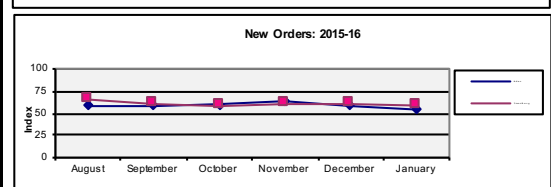
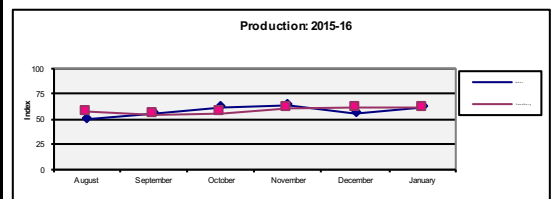
ISM-SEM Index		2015					
		August	September	October	November	December	January
Index		56.6	57.6	58.4	57.1	54.8	57.1
Index	3-month average	60.1	57.3	57.6	57.7	56.8	56.3

Production		2015					
		August	September	October	November	December	January
	Higher	25.0	29.4	37.5	36.4	27.8	43.3
	Same	50.0	52.9	50.0	54.5	55.6	38.3
	Lower	25.0	17.6	12.5	9.1	16.7	18.3
Index		50.0	55.9	62.5	63.6	55.6	62.5
Index	3-month average	57.0	54.2	56.1	60.7	60.6	60.6

Production increased sharply to 62.5.

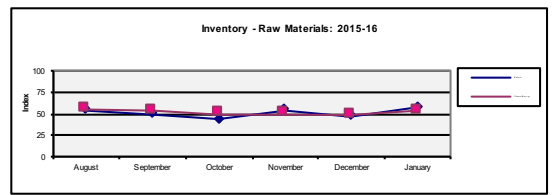
New Orders		2015					
		August	September	October	November	December	January
	Higher	33.3	29.4	31.3	36.4	38.9	35.0
	Same	50.0	58.8	56.3	54.5	38.9	38.3
	Lower	16.7	11.8	12.5	9.1	22.2	26.7
Index		58.3	58.8	59.4	63.6	58.3	54.2
Index	3-month average	65.5	61.3	58.8	60.6	60.4	58.7

New orders fell to 54.2.



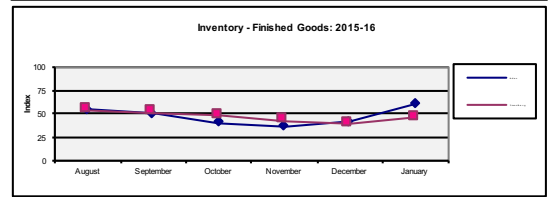
Inventory - Raw Materials		2015					
		August	September	October	November	December	January
	Higher	16.7	11.8	18.8	27.3	5.6	35.0
	Same	75.0	76.5	50.0	54.5	83.3	45.0
	Lower	8.3	11.8	31.3	18.2	11.1	20.0
Index		54.2	50.0	43.8	54.5	47.2	57.5
Index	3-month average	54.9	52.5	49.3	49.4	48.5	53.1

Raw materials inventories increased sharply to 57.5.



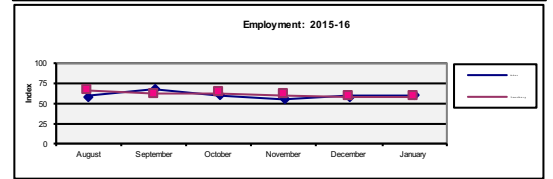
Inventory - Finished Goods		2015					
		August	September	October	November	December	January
	Higher	8.3	11.8	0.0	9.1	5.6	33.3
	Same	91.7	76.5	81.3	54.5	72.2	55.0
	Lower	0.0	11.8	18.8	36.4	22.2	11.7
Index		54.2	50.0	40.6	36.4	41.7	60.8
Index	3-month average	53.8	51.4	48.3	42.3	39.6	46.3

Finished goods inventories rose sharply to 60.8.



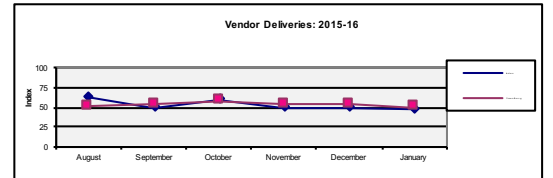
Employment		2015					
		August	September	October	November	December	January
	Higher	27.3	47.1	33.3	20.0	35.3	30.0
	Same	63.6	41.2	53.3	70.0	47.1	60.0
	Lower	9.1	11.8	13.3	10.0	17.6	10.0
Index		59.1	67.6	60.0	55.0	58.8	60.0
Index	3-month average	66.0	61.1	62.2	60.9	57.9	57.9

Employment moved up to 60.0.



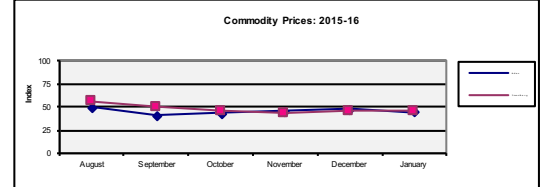
Vendor Deliveries		2015					
		August	September	October	November	December	January
	Faster	0.0	0.0	0.0	0.0	5.6	13.3
	Same	75.0	100.0	81.3	100.0	88.9	78.3
	Slower	25.0	0.0	18.8	0.0	5.6	8.3
Index		62.5	50.0	59.4	50.0	50.0	47.5
Index	3-month average	50.7	53.1	57.3	53.1	53.1	49.2

Deliveries dropped to 47.5.



Commodity Prices		2015					
		August	September	October	November	December	January
	Higher	25.0	5.9	6.3	9.1	0.0	11.7
	Same	50.0	70.6	75.0	72.7	94.4	65.0
	Lower	25.0	23.5	18.8	18.2	5.6	23.3
Index		50.0	41.2	43.8	45.5	47.2	44.2
Index	3-month average	55.8	49.3	45.0	43.5	45.5	45.6

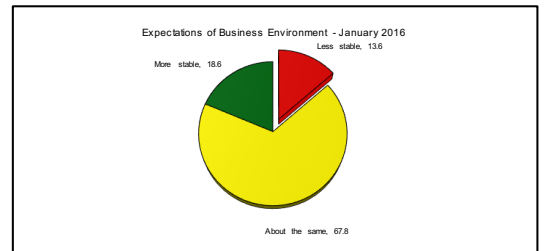
Commodity prices fell to 44.2.



Expectations of Business Environment - January 2016

Six months into the future:

Less stable	13.6	percent
About the same	67.8	percent
More stable	18.6	percent



For more information about the survey or to obtain copies of previous surveys, visit our website at www.ism-sem.org and click "Economic Surveys."

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Next Release: **March 1, 2016**

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