



May - 2015 (FOR RELEASE: June 1, 2015 - 6 am EST)

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 66.4 ↑**

**ISM-SEM Index:** In May the PMI moved up slightly from April's figure of 66.3 to 66.4. As we approach the summer months of 2015, the outlook continues to look favorable. The 3 month average rose from 62.3 to 65.7.

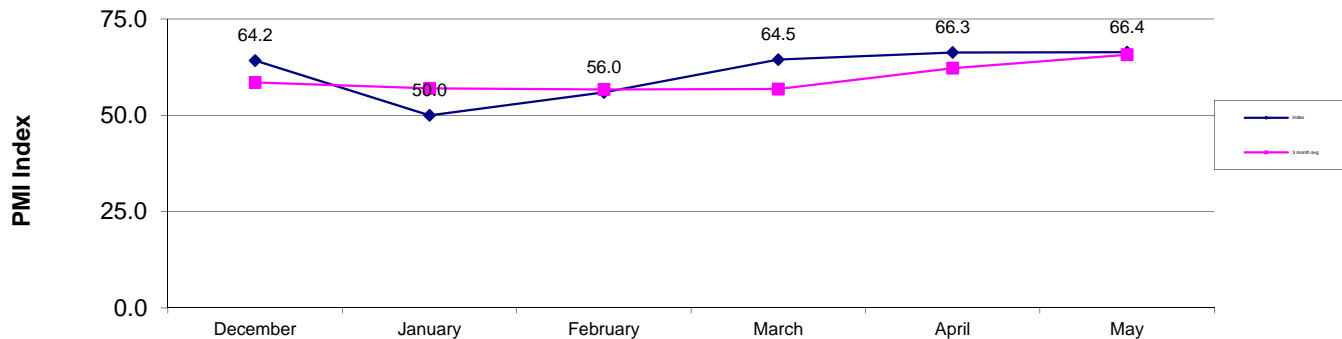
**Employment:** The Employment index dropped from 76.3 to a still respectable 68.8. The 3 month Average is essentially unchanged at 69.2. Like the overall index, the Employment index suggests favorable growth conditions as we move into the summer months.

**Commodity Prices:** The Commodity price index decreased slightly, from 57.9 to 56.3. However, the 3 month average rose slightly, to 54.7.

**Items up or down in price:** *May shows processing equipment and transportation (especially travel) up in price. Copper prices were reported as being both up and down in price.*

**Economic Issues:** *The May survey shows that the Southeast Michigan economy is continuing its strong growth in 2015. The Purchasing Managers Index (PMI) improved slightly to 66.4, showing a slightly faster growing economy. In general, a PMI above 50 indicates a growing economy while a PMI below 50 shows a contracting economy. The PMI's three month average is also very strong, moving up to 65.7. Contributing to the strong and growing economy were the Production index, moving sharply to 75, the New Orders index, though dropping, coming in at 68.8, and the Employment index, also coming in at 68.8. The commodity price index dropped slightly to 56.3 increasing less pricing pressure in the economy. Transportation and travel costs were up, where as copper was both up and down in price. Respondents' were generally positive in their outlook looking 6 months into the future, with 87.5% expecting the economy to be the same or more stable, and 12.5% expecting less stability in the economy. Along these lines, comments ranged from "As a capital equipment builder, we are seeing a steady stream of new projects from our customers", "Government needs to move a little quicker on pending releases so vehicles can be made and shipped on a timely basis", "Still no release on pending order so were in a hold pattern".*

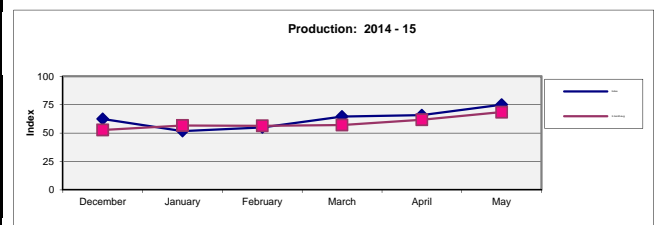
**Southeast Michigan Index: 2014-15**



ISM-SEM Index		2014-15					
		December	January	February	March	April	May
Index		64.2	50.0	56.0	64.5	66.3	66.4
Index	3 month average	58.5	57.0	56.7	56.8	62.3	65.7

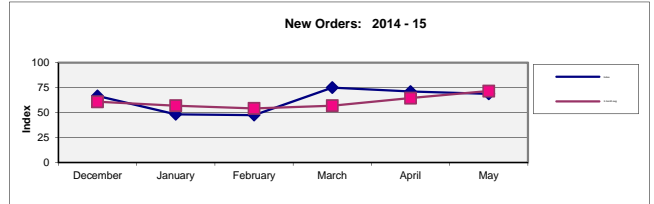
Production		2014-15					
		December	January	February	March	April	May
	Higher	41.7	27.6	25.0	37.5	47.4	56.3
	Same	41.7	48.3	60.0	54.2	36.8	37.5
	Lower	16.7	24.1	15.0	8.3	15.8	6.3
Index		62.5	51.7	55.0	64.6	65.8	75.0
Index	3 month average	52.8	56.7	56.4	57.1	61.8	68.5

Production increased sharply to 75



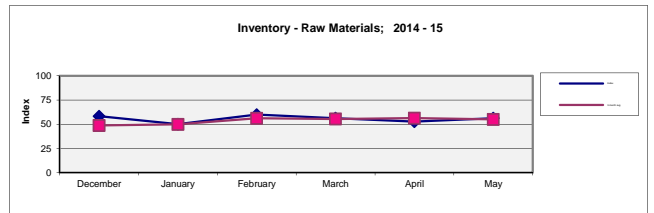
New Orders		2014-15					
		December	January	February	March	April	May
	Higher	41.7	24.1	20.0	54.2	52.6	56.3
	Same	50.0	48.3	55.0	41.7	36.8	25.0
	Lower	8.3	27.6	25.0	4.2	10.5	18.8
Index		66.7	48.3	47.5	75.0	71.1	68.8
Index	3 month average	60.8	56.9	54.1	56.9	64.5	71.6

New orders dropped slightly to 68.8



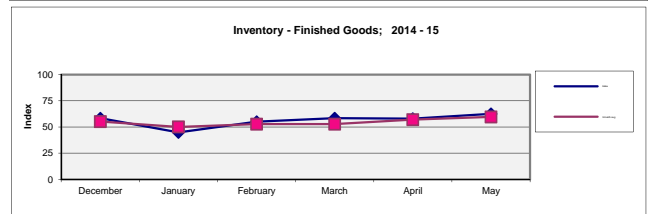
Inventory - Raw Materials		2014-15					
		December	January	February	March	April	May
	Higher	33.3	20.7	30.0	20.8	21.1	25.0
	Same	50.0	58.6	60.0	70.8	63.2	62.5
	Lower	16.7	20.7	10.0	8.3	15.8	12.5
Index		58.3	50.0	60.0	56.3	52.6	56.3
Index	3 month average	48.7	49.8	56.1	55.4	56.3	55.0

Raw materials inventories increased to 56.3



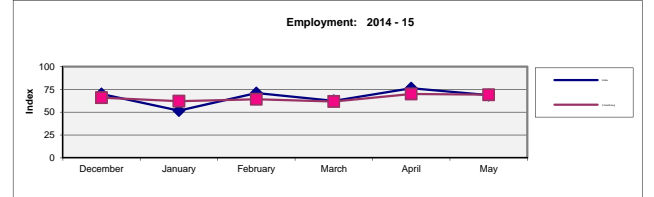
Inventory - Finished Goods		2014-15					
		December	January	February	March	April	May
	Higher	33.3	6.9	20.0	29.2	26.3	31.3
	Same	50.0	75.9	70.0	58.3	63.2	62.5
	Lower	16.7	17.2	10.0	12.5	10.5	6.3
Index		58.3	44.8	55.0	58.3	57.9	62.5
Index	3 month average	55.1	50.1	52.7	52.7	57.1	59.6

Finished goods inventories increased to 62.5



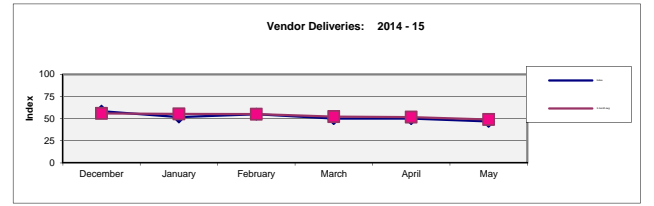
Employment		2014-15					
		December	January	February	March	April	May
	Higher	50.0	24.1	47.4	41.7	63.2	50.0
	Same	40.0	55.2	47.4	41.7	26.3	37.5
	Lower	10.0	20.7	5.3	16.7	10.5	12.5
Index		70.0	51.7	71.1	62.5	76.3	68.8
Index	3 month average	66.0	62.1	64.3	61.8	70.0	69.2

Employment dropped to 68.8



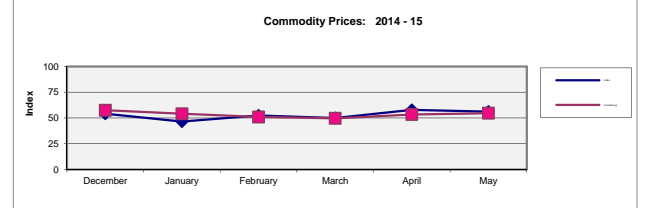
Vendor Deliveries		2014-15					
		December	January	February	March	April	May
	Faster	0.0	6.9	0.0	0.0	5.3	12.5
	Same	83.3	82.8	90.0	100.0	89.5	81.3
	Slower	16.7	10.3	10.0	0.0	5.3	6.3
Index		58.3	51.7	55.0	50.0	50.0	46.9
Index	3 month average	55.8	55.3	55.0	52.2	51.7	49.0

Deliveries fell to 46.9



Commodity Prices		2014-15					
		December	January	February	March	April	May
	Higher	25.0	10.3	10.0	0.0	21.1	18.8
	Same	58.3	72.4	85.0	100.0	73.7	75.0
	Lower	16.7	17.2	5.0	0.0	5.3	6.3
Index		54.2	46.6	52.5	50.0	57.9	56.3
Index	3 month average	57.5	54.2	51.1	49.7	53.5	54.7

Commodity prices fell slightly to 56.3



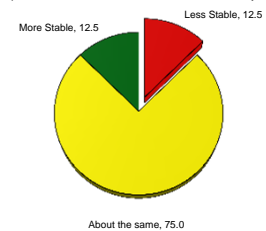
#### Expectations of Business Environment - January 2015

6 months into the future:

Less Stable	12.5	percent
About the same	75.0	percent
More Stable	12.5	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"

Expectations of Business Environment - January 2015



#### NOTICE:

No warranty, expressed or implied, is attached to these figures or their use. While the figures are compiled with professional care, no representations about appropriateness, accuracy, or suitability for specific applications are made.

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

Next Release: **July 1, 2015**

#### For more information, contact

ISM - Southeast Michigan  
Email: [businessmanager@ism-sem.org](mailto:businessmanager@ism-sem.org)  
Tel: 313-881-0800

OR  
Wayne State University  
Timothy Butler  
[timothy.butler@wayne.edu](mailto:timothy.butler@wayne.edu)  
Tel: 313-577-9810

OR  
Nitin Paranjpe  
[ai8668@wayne.edu](mailto:ai8668@wayne.edu)  
Tel: 248-292-0208