



October - 2014 (FOR RELEASE: November 3, 2014 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 59.4 ↑

ISM-SEM Index: In October, the overall PMI decreased from 59.4 to 54.7. This is similar to scores in June and August 2014, and follows spikes in May, July, and September. The three month average has decreased from 58.1 to 56.3.

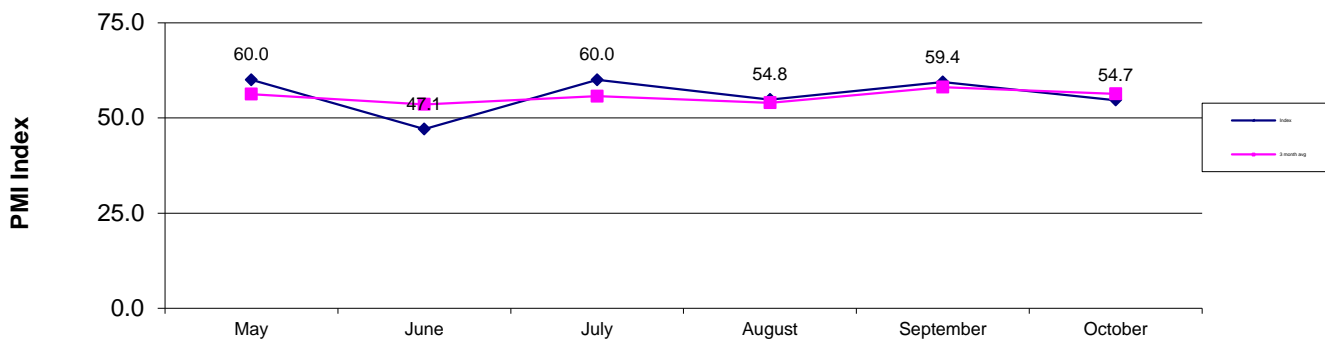
Employment: The Employment Index did the opposite of the overall index, increasing from 54.3 to 63.3. The three month average remains strong at 59.2. September's score appears to have been an anomaly, and the data continues to suggest that employment is strong in the Southeast Michigan area.

Commodity Prices: The Commodity price index is very stable, moving up from 55.7 to 56.7. While there is some volatility, this index has been between the mid 50s and the low 60s for all months shown. The three month average is at 58.6.

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Economic Issues: The October survey shows continued growth in the Southeast Michigan economy, although it is down slightly from September's PMI, slipping from 59.4 to 54.7. A PMI value above 50 generally indicates an expanding economy while an index value below 50 indicates a contracting economy. Economic indicators supporting the expanding PMI are the New Orders Index, which remained strong at 60.0, yet declined from the September Index of 65.7, the Finished Goods Inventory Index, also at 60.0, and the Employment Index at 63.3. The Employment Index has remained over 50.0 since July, 2012, indicating steady strength in Southeast Michigan employment. The primary economic factor detracting from the October PMI was the Production Index, which dropped from 61.4 in September, to 40.0 in October. Also declining in October was the Raw Materials Inventory Index which dropped from 52.9 in September to 46.7. However, the Commodity Prices Index remained steady 56.7. Respondents noted that air transportation was disrupted by the Ebola crisis, and reported travel cost increases. Price increases were also reported for resins, aluminum, and steel. Oil and copper were reported down in price. Comments from respondents include, "Price increases and less competitive bidding are indicating a stronger economy," and "The European economy will have an effect on new business coming into our company". Continuing to express their confidence, 93.4 percent of respondents anticipate that the Southeast Michigan economy will remain stable or become more stable over the next six months, while only 6.7 percent anticipate a less stable economy.

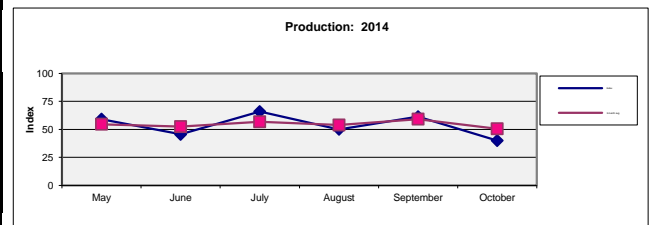
Southeast Michigan Index: 2014



ISM-SEM Index		2014					
		May	June	July	August	September	October
Index		60.0	47.1	60.0	54.8	59.4	54.7
Index	3 month average	56.2	53.6	55.7	54.0	58.1	56.3

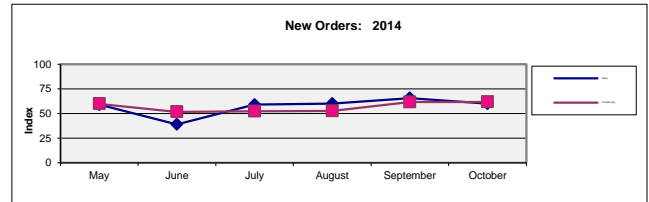
Production		2014					
		May	June	July	August	September	October
	Higher	22.7	17.4	36.4	26.7	37.1	6.7
	Same	72.7	56.5	59.1	46.7	48.6	66.7
	Lower	4.5	26.1	4.5	26.7	14.3	26.7
Index		59.1	45.7	65.9	50.0	61.4	40.0
Index	3 month average	54.6	52.4	56.9	53.9	59.1	50.5

Production dropped sharply from 61.4 to 40.0.



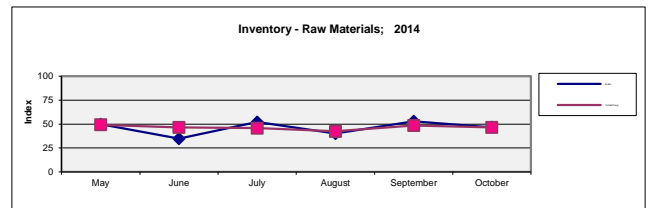
New Orders		2014					
		May	June	July	August	September	October
Higher		27.3	21.7	31.8	40.0	42.9	33.3
Same		63.6	34.8	54.5	40.0	45.7	53.3
Lower		9.1	43.5	13.6	20.0	11.4	13.3
Index		59.1	39.1	59.1	60.0	65.7	60.0
Index	3 month average	60.0	51.8	52.4	52.7	61.6	61.9

New orders dropped slightly from 85.7 to 60.0.



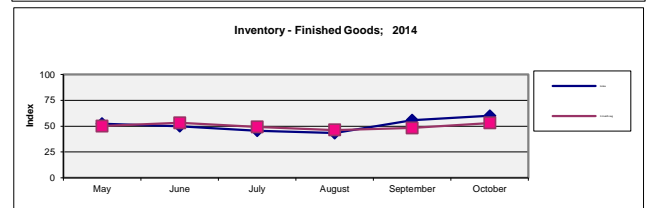
Inventory - Raw Materials		2014					
		May	June	July	August	September	October
Higher		13.6	4.3	22.7	13.3	22.9	6.7
Same		72.7	60.9	59.1	53.3	60.0	80.0
Lower		13.6	34.8	18.2	33.3	17.1	13.3
Index		50.0	34.8	52.3	40.0	52.9	46.7
Index	3 month average	49.3	46.5	45.7	42.4	48.4	46.5

Raw materials inventories dropped from 52.9 to 46.7.



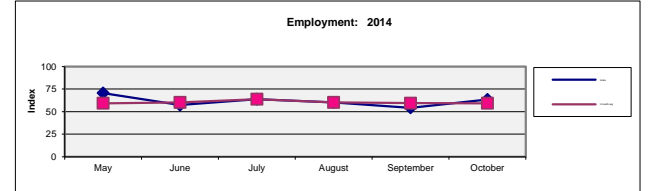
Inventory - Finished Goods		2014					
		May	June	July	August	September	October
Higher		18.2	21.7	13.6	20.0	25.7	33.3
Same		68.2	56.5	63.6	46.7	60.0	53.3
Lower		13.6	21.7	22.7	33.3	14.3	13.3
Index		52.3	50.0	45.5	43.3	55.7	60.0
Index	3 month average	50.1	53.1	49.2	46.3	48.2	53.0

Finished goods inventories increased slightly, from 55.7 to 60.0.



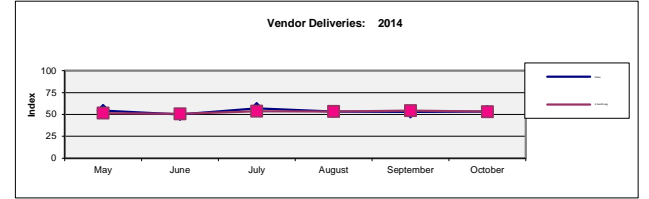
Employment		2014					
		May	June	July	August	September	October
Higher		45.5	33.3	36.4	33.3	20.0	40.0
Same		50.0	47.6	54.5	53.3	68.6	46.7
Lower		4.5	19.0	9.1	13.3	11.4	13.3
Index		70.5	57.1	63.6	60.0	54.3	63.3
Index	3 month average	59.2	60.0	63.7	60.3	59.3	59.2

Employment increased sharply from 54.3 to 63.3



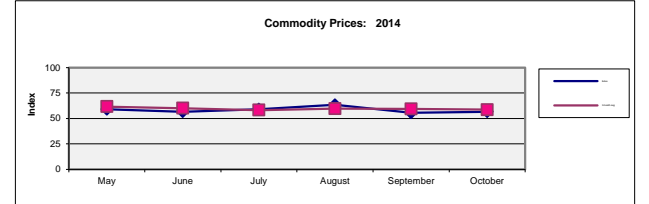
Vendor Deliveries		2014					
		May	June	July	August	September	October
Faster		4.5	4.3	4.5	13.3	2.9	6.7
Same		81.8	91.3	77.3	66.7	88.6	80.0
Slower		13.6	4.3	18.2	20.0	8.6	13.3
Index		54.5	50.0	56.8	53.3	52.9	53.3
Index	3 month average	51.5	50.7	53.8	53.4	54.3	53.2

Deliveries remained approximately the same, at 53.3.



Commodity Prices		2014					
		May	June	July	August	September	October
Higher		18.2	17.4	18.2	33.3	17.1	26.7
Same		81.8	78.3	81.8	60.0	77.1	60.0
Lower		0.0	4.3	0.0	6.7	5.7	13.3
Index		59.1	56.5	59.1	63.3	55.7	56.7
Index	3 month average	61.6	60.0	58.2	59.6	59.4	58.6

Commodity prices remained approximately the same, at 56.7.



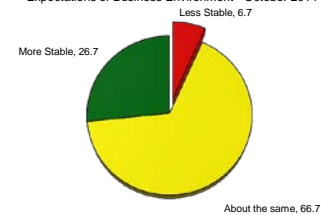
Expectations of Business Environment - October 2014

6 months into the future:

Less Stable	6.7	percent
About the same	66.7	percent
More Stable	26.7	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 - October 2014



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