



September - 2014 (FOR RELEASE: October 1, 2014 - 6 am EST)

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

ISM-SEM Index: After a dip in August, the overall PMI increased to 59.4 in September. This is similar to scores in May and July 2014, and follows dips in April and June, as well as August. The three month average has increased from 54.0 to 58.1.

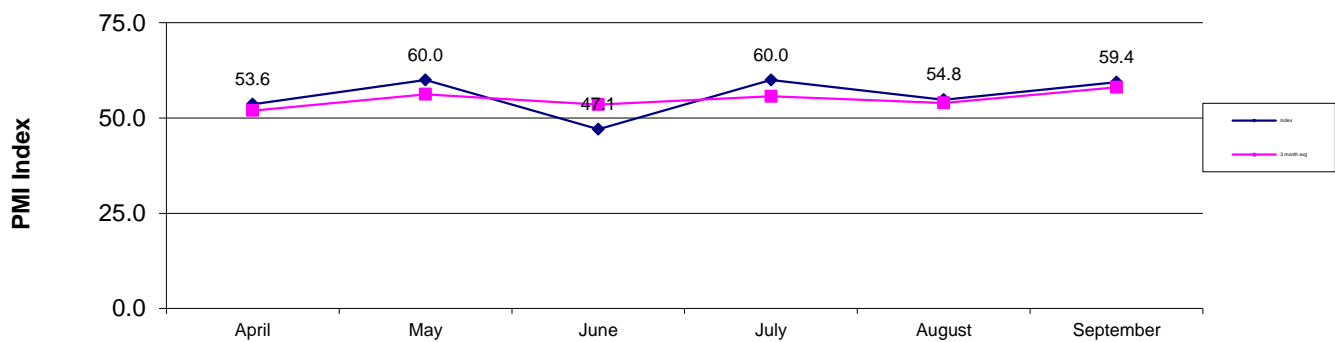
Employment: The Employment Index did the opposite of the PMI, dropping for the second consecutive month from 60.0 to 54.3. The three month average remains strong at 59.3. The data continues to suggest that employment is strong in the Southeast Michigan area.

Commodity Prices: The Commodity Price Index also dropped, from 63.3 to 55.7. 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 59.4.

Items up or down in price: September shows sugar, wood, aluminum, electricity, pharmaceuticals, paper and packaging products, ethylene glycol, zinc, and C5 resins up in price. Computers, petroleum, and copper were down in price.

Economic Issues: The September survey shows continued growth in the Southeast Michigan economy. The Southeast Michigan Purchasing Managers Index (PMI) grew strongly from 54.8 in August to 59.4, suggesting faster growth in the economy. A PMI value above 50 generally indicates an expanding economy while an index value below 50 indicates a contracting economy. Powering the PMI were significant increases in the production component of the index, rising to 61.4, and new orders which increased sharply to 65.7. This bodes well for the future of the Michigan economy in the upcoming months. A slowing of the growth in employment is also seen with the index dropping to 54.3, suggesting a slowing from the prior month. However, the PMI has remained above 50 since March of this year, suggesting a contribution to the growth in the Southeast Michigan economy. Comments from survey respondents are supporting this growth with almost 90 percent indicating the economy to be stable or increase in stability over the next six months. Respondents indicated a variety of commodities up in price with computers, petroleum, and copper being down in price. Respondents' remarks included, "Strong consumer demand," "Continued confidence in the economy will drive growth at my firm," "A qualified labor shortage," "EPA regulations and skilled labor shortage," and "Government spending for the upcoming year will be a huge factor in our capacity plan." Tempering some of the strong employment and labor shortage comments were "Concerned about travel costs," "Weather considerations during the holiday season will be critical to the airport/air travel industry," and "We are a capital equipment builder. Capital equipment spending with our customers appears to be softening."

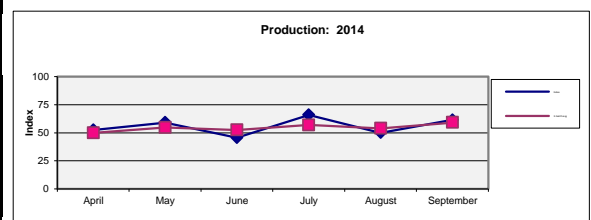
Southeast Michigan Index: 2014



ISM-SEM Index		2014					
		April	May	June	July	August	September
Index		53.6	60.0	47.1	60.0	54.8	59.4
Index	3 month average	52.0	56.2	53.6	55.7	54.0	58.1

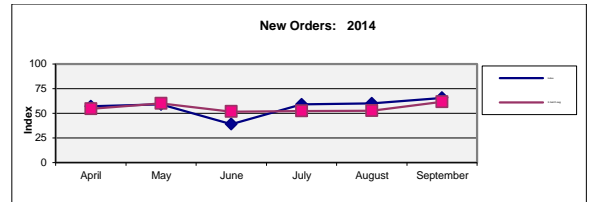
Production		2014					
		April	May	June	July	August	September
	Higher	23.8	22.7	17.4	36.4	26.7	37.1
	Same	57.1	72.7	56.5	59.1	46.7	48.6
	Lower	19.0	4.5	26.1	4.5	26.7	14.3
Index		52.4	59.1	45.7	65.9	50.0	61.4
Index	3 month average	49.9	54.6	52.4	56.9	53.9	59.1

Production grew sharply to 61.4.



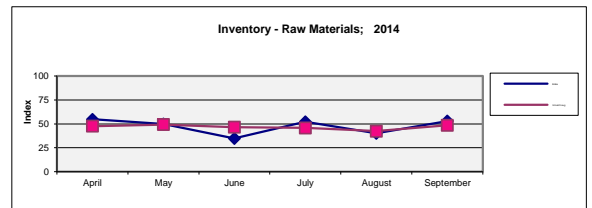
New Orders		2014					
		April	May	June	July	August	September
	Higher	28.6	27.3	21.7	31.8	40.0	42.9
	Same	57.1	63.6	34.8	54.5	40.0	45.7
	Lower	14.3	9.1	43.5	13.6	20.0	11.4
Index		57.1	59.1	39.1	59.1	60.0	65.7
Index	3 month average	54.7	60.0	51.8	52.4	52.7	61.6

New orders also up to 65.7.



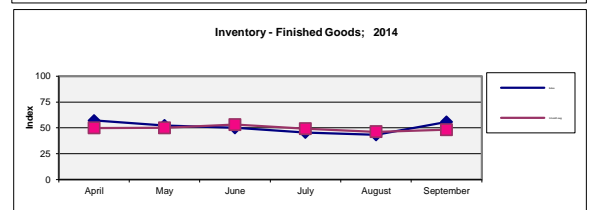
Inventory - Raw Materials		2014					
		April	May	June	July	August	September
	Higher	19.0	13.6	4.3	22.7	13.3	22.9
	Same	71.4	72.7	60.9	59.1	53.3	60.0
	Lower	9.5	13.6	34.8	18.2	33.3	17.1
Index		54.8	50.0	34.8	52.3	40.0	52.9
Index	3 month average	47.6	49.3	46.5	45.7	42.4	48.4

Raw materials inventories increased to 52.9.



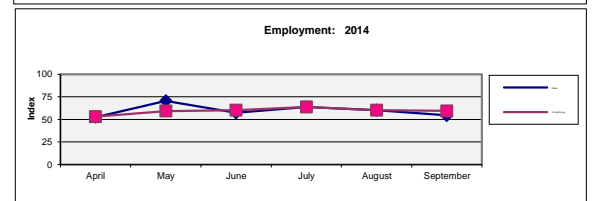
Inventory - Finished Goods		2014					
		April	May	June	July	August	September
	Higher	23.8	18.2	21.7	13.6	20.0	25.7
	Same	66.7	68.2	56.5	63.6	46.7	60.0
	Lower	9.5	13.6	21.7	22.7	33.3	14.3
Index		57.1	52.3	50.0	45.5	43.3	55.7
Index	3 month average	49.9	50.1	53.1	49.2	46.3	48.2

Finished goods inventories up as well to 55.7.



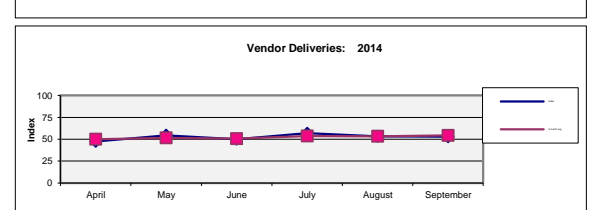
Employment		2014					
		April	May	June	July	August	September
	Higher	20.0	45.5	33.3	36.4	33.3	20.0
	Same	65.0	50.0	47.6	54.5	53.3	68.6
	Lower	15.0	4.5	19.0	9.1	13.3	11.4
Index		52.5	70.5	57.1	63.6	60.0	54.3
Index	3 month average	53.0	59.2	60.0	63.7	60.3	59.3

Employment dropped to 54.3.



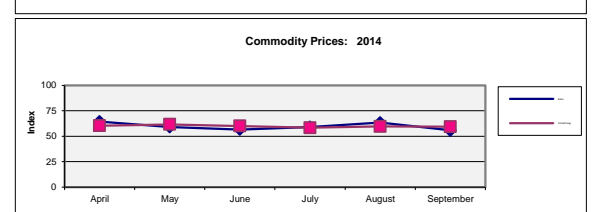
Vendor Deliveries		2014					
		April	May	June	July	August	September
	Faster	9.5	4.5	4.3	4.5	13.3	2.9
	Same	85.7	81.8	91.3	77.3	66.7	88.6
	Slower	4.8	13.6	4.3	18.2	20.0	8.6
Index		47.6	54.5	50.0	56.8	53.3	52.9
Index	3 month average	50.0	51.5	50.7	53.8	53.4	54.3

Deliveries fell slightly to 52.9.



Commodity Prices		2014					
		April	May	June	July	August	September
	Higher	28.6	18.2	17.4	18.2	33.3	17.1
	Same	71.4	81.8	78.3	81.8	60.0	77.1
	Lower	0.0	0.0	4.3	0.0	6.7	5.7
Index		64.3	59.1	56.5	59.1	63.3	55.7
Index	3 month average	60.2	61.6	60.0	58.2	59.6	59.4

Commodity prices fell to 55.7.

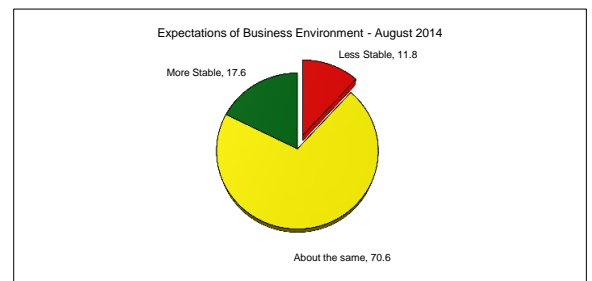


Expectations of Business Environment - August 2014

6 months into the future:

Less Stable	11.8	percent
About the same	70.6	percent
More Stable	17.6	percent

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



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Next Release: **November 3, 2014**

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