



December - 2015 (FOR RELEASE: January 4, 2016 - 6 am EST)

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

ISM-SEM Index: The Southeast Michigan economy continues to expand according to the region's purchasing managers. In December, the PMI fell by just over two points, from 57.1 to 54.8. The 3-month average slipped nearly a point, from 57.7 to 56.8.

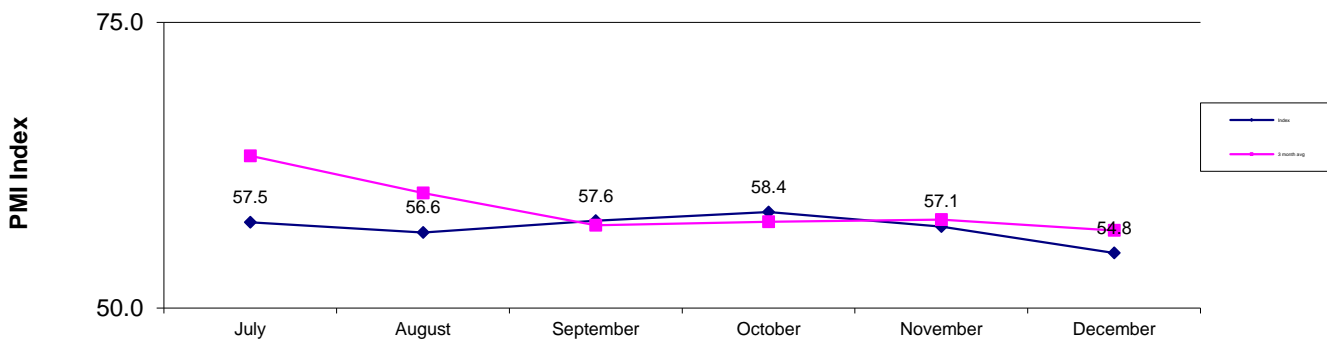
Employment: The Employment index rebounded up to 58.8, up nearly four points from the previous month to nearly the same index value as we had in October. A score above 50 represents an expanding employment environment.

Commodity Prices: The Commodity Price index also rose a for the second straight month from 45.5 to 47.2. This index has steadily been at or below 50 since August 2015, due to the Asian economic slowdown and unrest in Europe and Middle East.

Items up or down in price: *Purchasing Managers reported petroleum prices down in December. No specific commodity was reported up, even though the Commodity Price index rose slightly in December.*

Economic Issues: *The December survey shows that the Southeast Michigan economy continues to expand moderately, even though the Index fell slightly from the November level, to 54.8 from 57.1. Index scores greater than 50 generally indicate an expanding economy. Index factors driving the PMI were Production, New Orders, Finished Goods Inventory, and Employment. While Production and New Orders Indices both fell in December, their values remained above 50. The Employment and Finished Goods both improved in December. Employment improved slightly, showing a healthy 58.8 value, while Finished Goods, though improving, resulted in an index lower than 50.0, at 41.7. This is explained by the prevalence of manufacturing and services among the respondents, and not retailers, who would generally hold higher inventories in December. Respondents noted that government contracts are opening up a bit, providing new contracts to area contractors. Roughly 82% of the respondents indicated that they believe the economy will become more stable, or remain about the same, over the next six months. Nearly 18% of respondents anticipate that the economy will become less stable.*

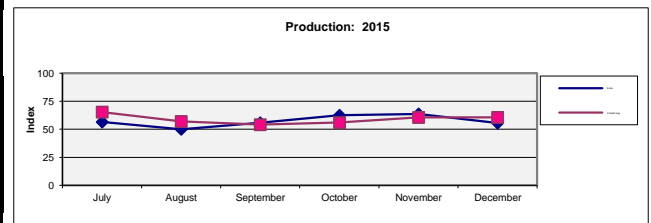
Southeast Michigan Index: 2015



ISM-SEM Index		2015					
		July	August	September	October	November	December
Index		57.5	56.6	57.6	58.4	57.1	54.8
Index	3 month average	63.3	60.1	57.3	57.6	57.7	56.8

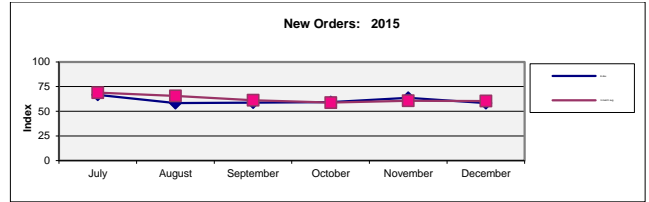
Production		2015					
		July	August	September	October	November	December
	Higher	33.3	25.0	29.4	37.5	36.4	27.8
	Same	46.7	50.0	52.9	50.0	54.5	55.6
	Lower	20.0	25.0	17.6	12.5	9.1	16.7
Index		56.7	50.0	55.9	62.5	63.6	55.6
Index	3 month average	65.3	57.0	54.2	56.1	60.7	60.6

Production dropped slightly, but remained above 50.0.



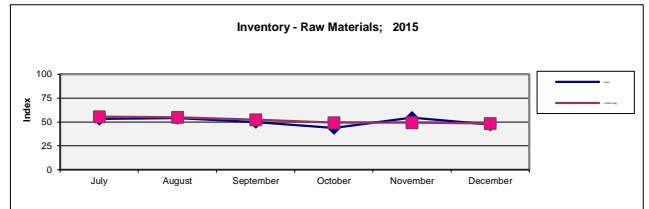
New Orders		2015					
		July	August	September	October	November	December
	Higher	46.7	33.3	29.4	31.3	36.4	38.9
	Same	40.0	50.0	58.8	56.3	54.5	38.9
	Lower	13.3	16.7	11.8	12.5	9.1	22.2
Index		66.7	58.3	58.8	59.4	63.6	58.3
Index	3 month average	68.9	65.5	61.3	58.8	60.6	60.4

New orders declined slightly, but remained above 50.0.



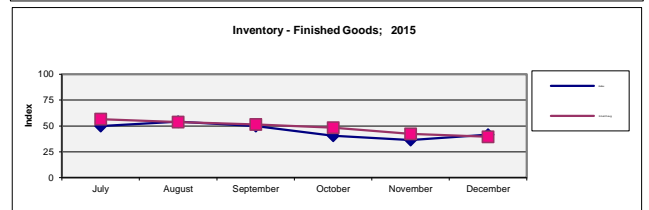
Inventory - Raw Materials		2015					
		July	August	September	October	November	December
	Higher	20.0	16.7	11.8	18.8	27.3	5.6
	Same	66.7	75.0	76.5	50.0	54.5	83.3
	Lower	13.3	8.3	11.8	31.3	18.2	11.1
Index		53.3	54.2	50.0	43.8	54.5	47.2
Index	3 month average	55.6	54.9	52.5	49.3	49.4	48.5

Raw materials inventories fell from above 50.0 to below 50.0.



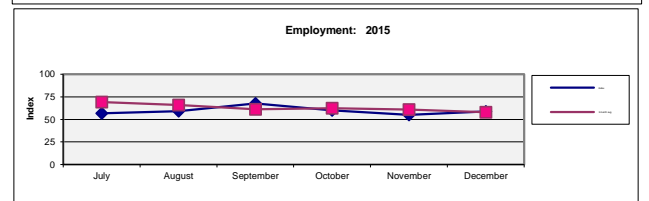
Inventory - Finished Goods		2015					
		July	August	September	October	November	December
	Higher	13.3	8.3	11.8	0.0	9.1	5.6
	Same	73.3	91.7	76.5	81.3	54.5	72.2
	Lower	13.3	0.0	11.8	18.8	36.4	22.2
Index		50.0	54.2	50.0	40.6	36.4	41.7
Index	3 month average	56.5	53.8	51.4	48.3	42.3	39.6

Finished goods inventories improved slightly, but still falls below 50.0.



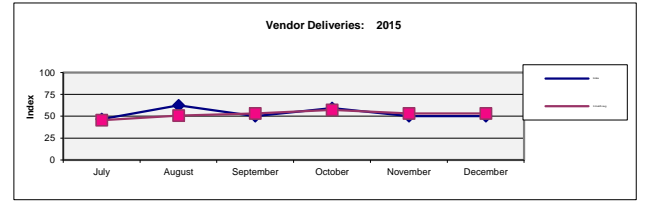
Employment		2015					
		July	August	September	October	November	December
	Higher	33.3	27.3	47.1	33.3	20.0	35.3
	Same	46.7	63.6	41.2	53.3	70.0	47.1
	Lower	20.0	9.1	11.8	13.3	10.0	17.6
Index		56.7	59.1	67.6	60.0	55.0	58.8
Index	3 month average	69.2	66.0	61.1	62.2	60.9	57.9

Employment improved slightly, and remains strong at 58.8.



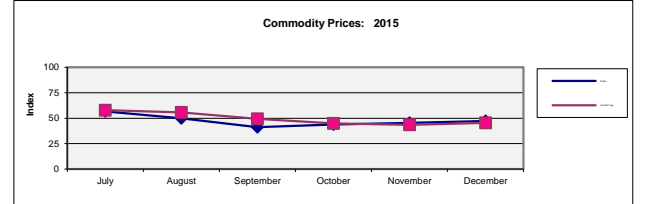
Vendor Deliveries		2015					
		July	August	September	October	November	December
	Faster	6.7	0.0	0.0	0.0	0.0	5.6
	Same	93.3	75.0	100.0	81.3	100.0	88.9
	Slower	0.0	25.0	0.0	18.8	0.0	5.6
Index		46.7	62.5	50.0	59.4	50.0	50.0
Index	3 month average	45.5	50.7	53.1	57.3	53.1	53.1

Deliveries remained at 50.0.



Commodity Prices		2015					
		July	August	September	October	November	December
	Higher	13.3	25.0	5.9	6.3	9.1	0.0
	Same	86.7	50.0	70.6	75.0	72.7	94.4
	Lower	0.0	25.0	23.5	18.8	18.2	5.6
Index		56.7	50.0	41.2	43.8	45.5	47.2
Index	3 month average	57.9	55.8	49.3	45.0	43.5	45.5

Commodity prices increased slightly, but remains below 50.0.



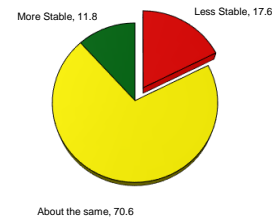
Expectations of Business Environment - December 2015

6 months into the future:

Less Stable	17.6	percent
About the same	70.6	percent
More Stable	11.8	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 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: **February 1, 2016**

For more information, contact

ISM - Southeast Michigan
Email: businessmanager@ism-sem.org
Tel: 313-881-0800

OR

Wayne State University
Timothy Butler
timothy.butler@wayne.edu
Tel: 313-577-9810

OR

Nitin Paranjpe
ai8668@wayne.edu
Tel: 248-292-0208