



December - 2016 (FOR RELEASE: January 05, 2016 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 61.9 ↑

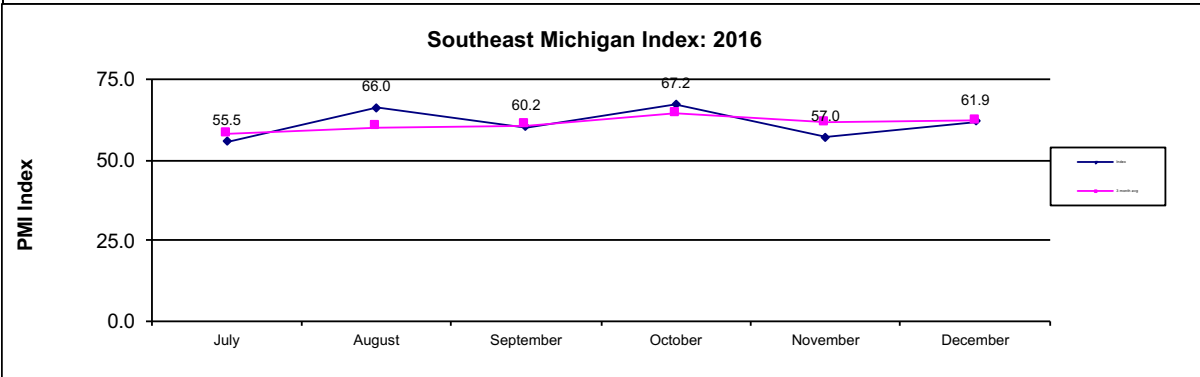
ISM-SEM Index: In December the PMI moved back up from 57.0 to 61.9, or about where it was in July. The trend over the last six months has seen-sawed between the mid 50s and 60s, and the three-month average is at 62.0. These are both indicators of a strong and robust Southeast Michigan economy as we head into 2017 and the transition in Washington.

Employment: The Employment Index is unchanged, both for the December index of 62.5 and the three-month average of 66.7. Conditions are very favorable for the beginning of calendar year 2017.

Commodity Prices: The Commodity Price Index is also unchanged at 50.0. The three-month average rose by one point, from 48.0 to 49.0. It is anticipated that the numbers will rise up into the mid-50's, as the economic and political climate shift in the first half of 2017.

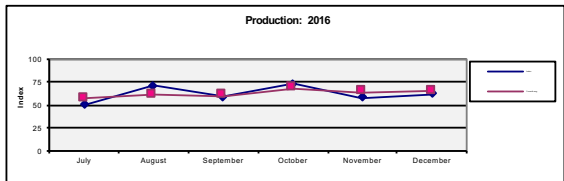
Items up or down in price: *December shows no commodities up in price. IT and data storage equipment were down in price.*

Economic Issues: *The December survey shows the Southeast Michigan economy ending the year on a very strong note with additional growth to be seen in the new year. In general, an index value greater than 50 shows a growing economy, with an index value less than 50 indicating contraction in the economy. Components of the index powering the remarkable performance of the Southeast Michigan economy include the Production Index rising sharply to 62.5, the New Order Index rising to 70.8, and the Employment Index staying unchanged at 62.5 showing very strong growth in the labor market. The Commodity Price Index was basically unchanged from the prior month, coming in at 50.0. Technology continues its downward spiral, with IT and data storage equipment becoming less expensive. While raw material inventory and finished goods inventory moved up, vendor deliveries dropped slightly. In spite of the strength of the economy, survey respondents noted that their expectations of the business environment six months into the future were not that robust. Slightly less than 73% of respondents expected the economy to be stable or more stable, with about 27% indicating less stability. With the presidential election behind us, respondents focused on rising interest rates and inflation, with comments such as: "It seems that the Federal Reserve will be responding to the new administration with changes in interest rates. Since we've had long term depressed rates, capital has been easy to access. Once they begin to rise, there will likely be some impact on the business community"; "We are not experiencing inflation as we should be"; and "The Affordable Care Act may be impacted by changing administration which may impact our sales."*

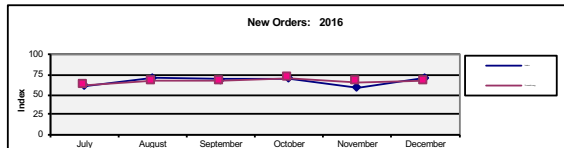


ISM-SEM Index		2016					
		July	August	September	October	November	December
Index		55.5	66.0	60.2	67.2	57.0	61.9
Index	3 month average	58.1	60.1	60.6	64.5	61.4	62.0

Production		2016					
		July	August	September	October	November	December
	Higher	14.3	50.0	18.8	52.9	29.2	33.3
	Same	71.4	41.7	81.3	41.2	58.3	58.3
	Lower	14.3	8.3	0.0	5.9	12.5	8.3
Index		50.0	70.8	59.4	73.5	58.3	62.5
Index	3 month average	57.5	60.8	60.1	67.9	63.7	64.8

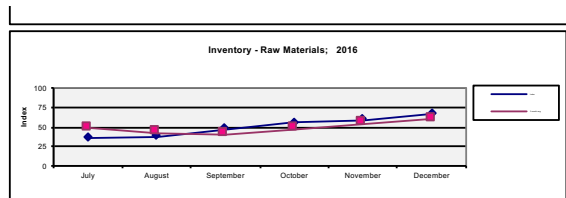


New Orders		2016					
		July	August	September	October	November	December
	Higher	35.7	50.0	43.8	52.9	37.5	50.0
	Same	50.0	41.7	50.0	35.3	41.7	41.7
	Lower	14.3	8.3	6.3	11.8	20.8	8.3
Index		60.7	70.8	68.8	70.6	58.3	70.8
Index	3 month average	61.4	66.9	66.8	70.1	65.9	66.6



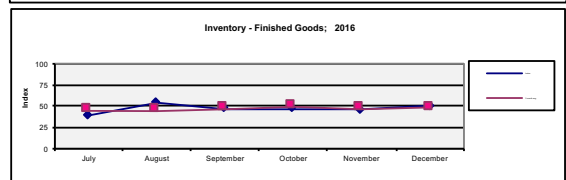
New orders jumped to 70.8.

Inventory - Raw Materials		2016					
		July	August	September	October	November	December
	Higher	0.0	8.3	18.8	23.5	25.0	33.3
	Same	71.4	58.3	56.3	64.7	66.7	66.7
	Lower	28.6	33.3	25.0	11.8	8.3	0.0
Index		35.7	37.5	46.9	55.9	58.3	66.7
Index	3 month average	48.7	42.4	40.0	46.8	53.7	60.3



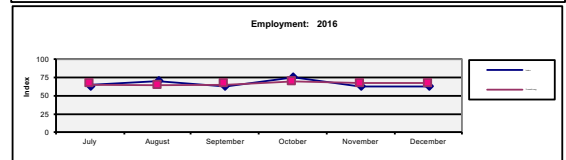
Raw materials inventories up to 66.7.

Inventory - Finished Goods		2016					
		July	August	September	October	November	December
	Higher	0.0	25.0	12.5	11.8	12.5	16.7
	Same	78.6	58.3	68.8	70.6	66.7	66.7
	Lower	21.4	16.7	18.8	17.6	20.8	16.7
Index		39.3	54.2	46.9	47.1	45.8	50.0
Index	3 month average	44.6	45.3	46.8	49.4	46.6	47.6



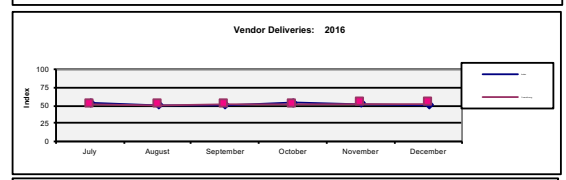
Finished goods inventories moved up to 50.0.

Employment		2016					
		July	August	September	October	November	December
	Higher	28.6	41.7	31.3	50.0	33.3	33.3
	Same	71.4	58.3	62.5	50.0	58.3	58.3
	Lower	0.0	0.0	6.3	0.0	8.3	8.3
Index		64.3	70.8	62.5	75.0	62.5	62.5
Index	3 month average	65.7	64.3	65.9	69.4	66.7	66.7



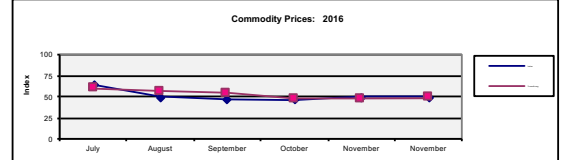
Employment unchanged at 62.5.

Vendor Deliveries		2016					
		July	August	September	October	November	December
	Faster	0.0	0.0	0.0	0.0	0.0	0.0
	Same	92.9	100.0	100.0	94.1	95.8	100.0
	Slower	7.1	0.0	0.0	5.9	4.2	0.0
Index		53.6	50.0	50.0	52.9	52.1	50.0
Index	3 month average	51.4	49.9	51.2	51.0	51.7	51.7



Deliveries moved down to 50.0.

Commodity Prices		2016					
		July	August	September	October	November	November
	Higher	35.7	0.0	0.0	5.9	0.0	0.0
	Same	57.1	100.0	93.8	82.4	100.0	100.0
	Lower	7.1	0.0	6.3	11.8	0.0	0.0
Index		64.3	50.0	46.9	47.1	50.0	50.0
Index	3 month average	59.7	56.0	53.7	48.0	48.0	49.0

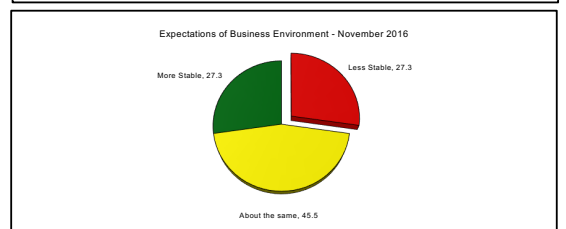


Commodity prices flat at 50.0.

Expectations of Business Environment - November 2016

6 months into the future:

Less Stable	27.3	percent
About the same	45.5	percent
More Stable	27.3	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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