



February - 2016 (FOR RELEASE: March 01, 2016 - 6 am EST)

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 52.0 ↓**

**ISM-SEM Index:** In February the PMI dipped significantly, from 57.1 to 52.0, the lowest of the six months shown. The three-month average dropped a point and a half, from 56.3 to 54.6.

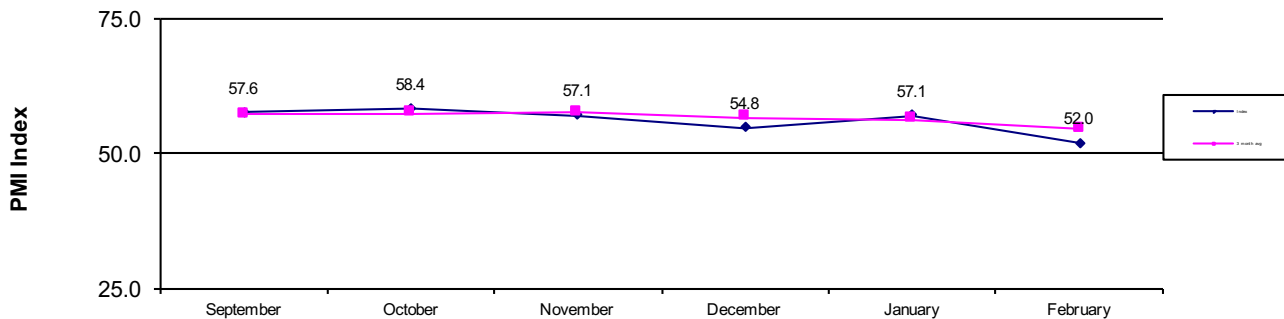
**Employment:** The Employment index also dropped significantly, from 60.0 to 50.0. As with the overall index, time will tell whether this is the beginning of a change in the economic outlook. The impact on the three month average is slight, dropping from 57.9 to 56.3.

**Commodity Prices:** The Commodity Price index actually rose by 4 points, from 44.2 to 48.4. The numbers continue to reflect an index below 50, meaning our respondents are not experiencing overall price increases. Typically, an index above 50 indicates overall rising prices.

**Items up or down in price:** February shows that no commodities are increasing in price. Oil, petroleum, information technology servers and personal computers are declining in price.

**Economic Issues:** The February survey shows that the southeast Michigan economy continues to expand modestly. The Southeast Michigan Purchasing Managers Index dropped by 5.1 points from 57.1 to 52.0. The three-month moving average of the index declined slightly from 56.3 to 54.6. Index values above 50.0 generally indicate an expanding economy. Factors comprising the index include New Orders Index, which fell slightly from 54.2 to 53.1; and three indexes which dropped sharply: Production Index sank from 62.5 to 54.7; Employment decreased from 60.0 to 50.0; and Finished Goods Inventory tumbled from 60.8 to 56.9. Commodity prices increased slightly from 44.2 to an index value of 48.4 -- but the index continues to indicate that prices, on average, are declining. Specific commodity items falling in price, as reported by our respondents, were petroleum products, oil, computer servers, and personal computers. Comments by our respondents included concern over the presidential election and its impact on health care, but also there is optimism over automotive orders. 93.6% of the respondents indicate that the economy will remain stable or become more stable, while 6.5% anticipate less stability in the economy.

**Southeast Michigan Index: 2015 - 16**

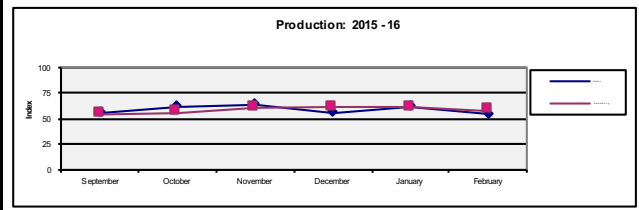


ISM-SEM Index		2015					
		September	October	November	December	January	February
Index		57.6	58.4	57.1	54.8	57.1	52.0
Index	3 month average	57.3	57.6	57.7	56.8	56.3	54.6

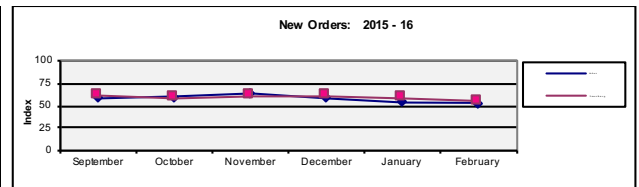
Production		2015 - 2016					
		September	October	November	December	January	February
	Higher	29.4	37.5	36.4	27.8	43.3	21.9
	Same	52.9	50.0	54.5	55.6	38.3	65.6
	Lower	17.6	12.5	9.1	16.7	18.3	12.5
Index		55.9	62.5	63.6	55.6	62.5	54.7
Index	3 month average	54.2	56.1	60.7	60.6	60.6	57.6

Production declines, but continues to expand.



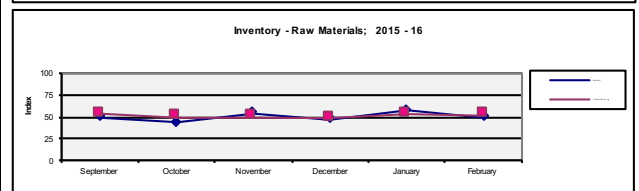
New Orders		2015 - 2016					
		September	October	November	December	January	February
	Higher	29.4	31.3	36.4	38.9	35.0	21.9
	Same	58.8	56.3	54.5	38.9	38.3	62.5
	Lower	11.8	12.5	9.1	22.2	26.7	15.6
<b>Index</b>		58.8	59.4	63.6	58.3	54.2	53.1
<b>Index</b>	3 month average	61.3	58.8	60.6	60.4	58.7	55.2

New orders maintain modest expansion.



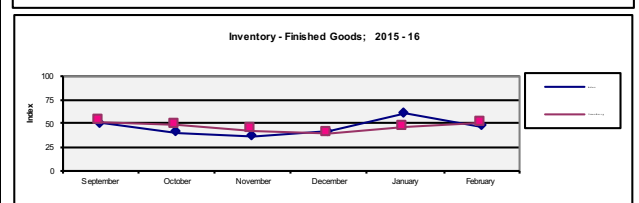
Inventory - Raw Materials		2015 - 2016					
		September	October	November	December	January	February
	Higher	11.8	18.8	27.3	5.6	35.0	21.9
	Same	76.5	50.0	54.5	83.3	45.0	56.3
	Lower	11.8	31.3	18.2	11.1	20.0	21.9
<b>Index</b>		50.0	43.8	54.5	47.2	57.5	50.0
<b>Index</b>	3 month average	52.5	49.3	49.4	48.5	53.1	51.6

Raw materials inventories fall to 50.0.



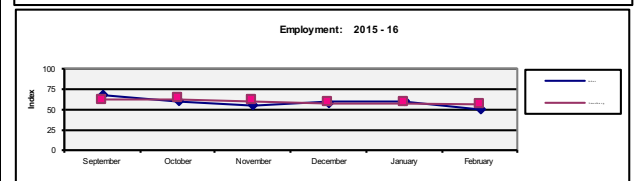
Inventory - Finished Goods		2015 - 2016					
		September	October	November	December	January	February
	Higher	11.8	0.0	9.1	5.6	33.3	9.4
	Same	76.5	81.3	54.5	72.2	55.0	75.0
	Lower	11.8	18.8	36.4	22.2	11.7	15.6
<b>Index</b>		50.0	40.6	36.4	41.7	60.8	46.9
<b>Index</b>	3 month average	51.4	48.3	42.3	39.6	46.3	49.8

Finished goods inventories fall markedly.



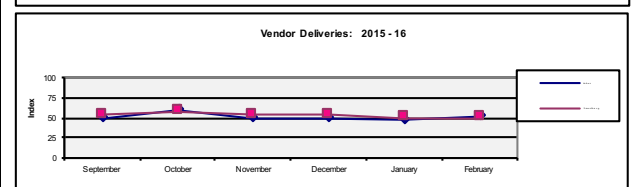
Employment		2015 - 2016					
		September	October	November	December	January	February
	Higher	47.1	33.3	20.0	35.3	30.0	16.1
	Same	41.2	53.3	70.0	47.1	60.0	67.7
	Lower	11.8	13.3	10.0	17.6	10.0	16.1
<b>Index</b>		67.6	60.0	55.0	58.8	60.0	50.0
<b>Index</b>	3 month average	61.1	62.2	60.9	57.9	57.9	56.3

Employment sinks 10 points, from 60.0 to 50.0.



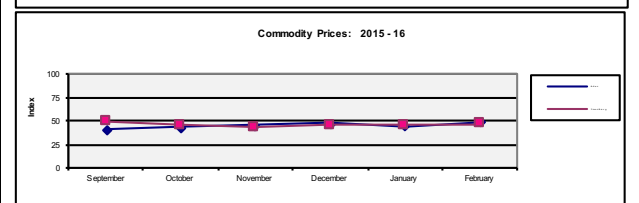
Vendor Deliveries		2015 - 2016					
		September	October	November	December	January	February
	Faster	0.0	0.0	0.0	5.6	13.3	6.3
	Same	100.0	81.3	100.0	88.9	78.3	84.4
	Slower	0.0	18.8	0.0	5.6	8.3	9.4
<b>Index</b>		50.0	59.4	50.0	50.0	47.5	51.6
<b>Index</b>	3 month average	53.1	57.3	53.1	53.1	49.2	49.7

Deliveries Index increases slightly to 51.6.



Commodity Prices		2015 - 2016					
		September	October	November	December	January	February
	Higher	5.9	6.3	9.1	0.0	11.7	6.3
	Same	70.6	75.0	72.7	94.4	65.0	84.4
	Lower	23.5	18.8	18.2	5.6	23.3	9.4
<b>Index</b>		41.2	43.8	45.5	47.2	44.2	48.4
<b>Index</b>	3 month average	49.3	45.0	43.5	45.5	45.6	46.6

Commodity prices increase slightly, but index indicates declining prices.

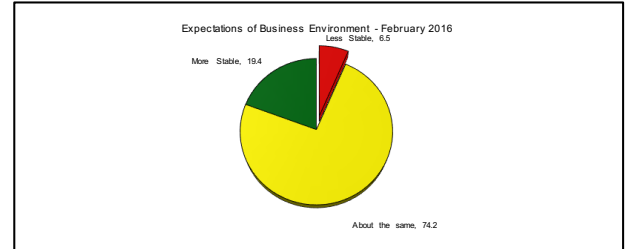


#### Expectations of Business Environment - February 2016

6 months into the future:

Less Stable	6.5	percent
About the same	74.2	percent
More Stable	19.4	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"



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

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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