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

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 59.1 ↑

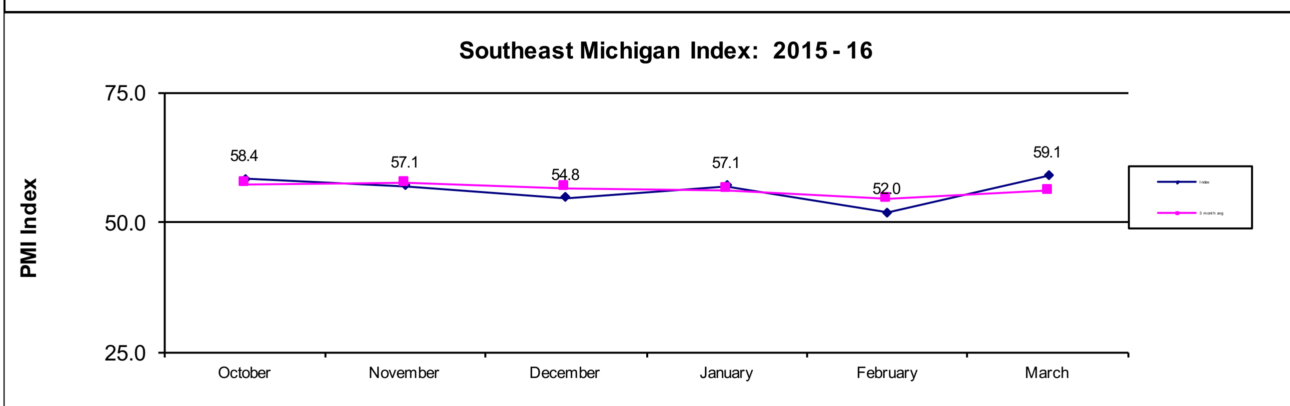
ISM-SEM Index: In March the PMI moved up from 52.0 in February (the lowest in six months) to 59.1. The three-month average rose modestly, from 54.6 to 56.1. Of significance, the three-month averages shown all range between 54 and 58, indicating continuing growth.

Employment: The Employment Index also rose significantly, from 50.0 to 57.3. February apears to have been an anomoly, because all other months are in a range from 55 to 60. The three-month average is almost unchanged at 55.8.

Commodity Prices: The Commodity Price Index rose modestly, from 48.4 to 50.0, the first time since August 2015 that the numbers have been at or above 50. The three-month average is at 47.5. Time will tell whether this index, historically much higher, continues to be above 50.

Items up or down in price: *March shows oil, natural rubber, butadiene, steel, aluminum, copper, molybdenum, rare earth products and housing up in price. Machine parts, pallets, expendable packaging, petroleum based raw materials, corrugate and metals markets, special resin and low density polyethylene continue a downward trend in price.*

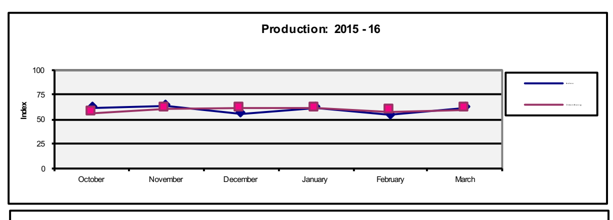
Economic Issues: *The March survey shows the Southeast Michigan econonomy continuing and accelerating its growth, increasing from 52 in February to 59.1. The index has been above 50 since June of 2014. Index values above 50 indicate an expanding economy. Components of the index that showed this expansionary trend include the production index moving up to 61.9, the new orders index moving up to 59.5 and the employment index moving up to 57.3. Commodity prices moved up from being below 50 for the past five months to 50, indicating that the era of falling prices may have come to an end. Specific commodities that showed upward trend were steel, aluminum, copper and rare earth products, with petroleum, plastics and polyethylene showing some decline. Even though the economy powered ahead, some concerns were reported by respondents with 80.0% indicating stability or relative stability in the path of the economy in the next six months, down by almost 14% from February. Respondents were concerned by both international factors and domestic ones, as shown in their comments. Comments included: "Unsure of the stability due to the change in US president and unstable parties," "Due to the unstable parties, this could greatly affect NAFTA, dealing with foreign nations and our ability to ship our overseas products on time with out extra costs," "Value of the dollar and international markets will be major factors in realizing any growth," "If oil increases no more than $20 a barrel above where we are today, automobile sales will remain strong," "The price of oil, consumer confidence (or lack of confidence), the potential for another global depression or a global war," "Countries' economic development - Mainly due to political issues (Brazil & USA) and low level of growth (Europe)," "National elections," "Consumer is tapped out," "Interest rates, US and global economy, job growth," "Some signs of weakening have eased in the past month. Seems stable right now, but we are watching closely," "Gas prices, tax refunds" and "Economic conditions, auto industry remaining strong."*



ISM-SEM Index		2015					
		October	November	December	January	February	**March**
Index		58.4	57.1	54.8	57.1	52.0	59.1
Index	3 month average	57.6	57.7	56.8	56.3	54.6	56.1

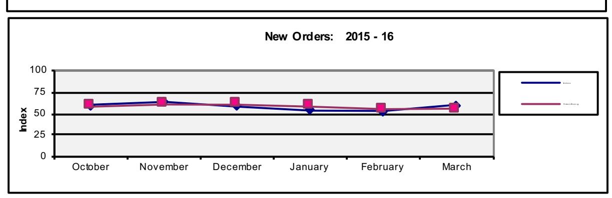
Production		2015 - 2016					
		October	November	December	January	February	**March**
	Higher	37.5	36.4	27.8	43.3	21.9	38.1
	Same	50.0	54.5	55.6	38.3	65.6	47.6
	Lower	12.5	9.1	16.7	18.3	12.5	14.3
Index		62.5	63.6	55.6	62.5	54.7	61.9
Index	3 month average	56.1	60.7	60.6	60.6	57.6	59.7

Production increased smartly to 61.9.



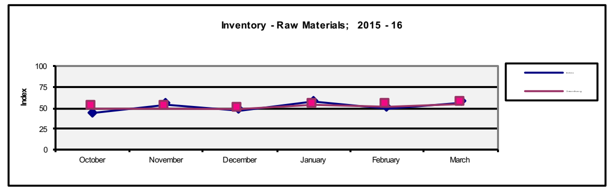
New Orders		2015 - 2016					
		October	November	December	January	February	**March**
	Higher	31.3	36.4	38.9	35.0	21.9	35.7
	Same	56.3	54.5	38.9	38.3	62.5	47.6
	Lower	12.5	9.1	22.2	26.7	15.6	16.7
Index		59.4	63.6	58.3	54.2	53.1	59.5
Index	3 month average	58.8	60.6	60.4	58.7	55.2	55.6

New orders moved up to 59.5.



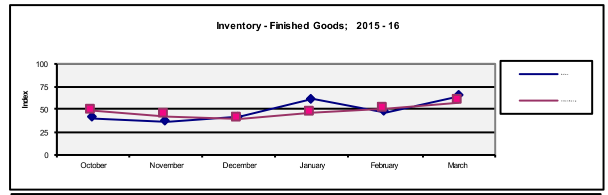
Inventory - Raw Materials		2015 - 2016					
		October	November	December	January	February	**March**
	Higher	18.8	27.3	5.6	35.0	21.9	28.6
	Same	50.0	54.5	83.3	45.0	56.3	54.8
	Lower	31.3	18.2	11.1	20.0	21.9	16.7
Index		43.8	54.5	47.2	57.5	50.0	56.0
Index	3 month average	49.3	49.4	48.5	53.1	51.6	54.5

Raw materials inventories increased to 56.0.



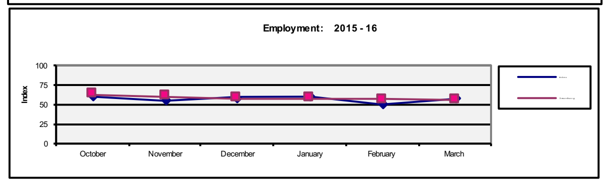
Inventory - Finished Goods		2015 - 2016					
		October	November	December	January	February	**March**
	Higher	0.0	9.1	5.6	33.3	9.4	42.9
	Same	81.3	54.5	72.2	55.0	75.0	42.9
	Lower	18.8	36.4	22.2	11.7	15.6	14.3
Index		40.6	36.4	41.7	60.8	46.9	64.3
Index	3 month average	48.3	42.3	39.6	46.3	49.8	57.3

Finished goods inventories increased to 64.3.



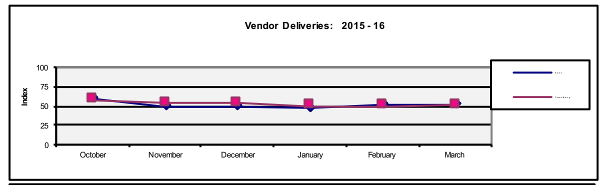
Employment		2015 - 2016					
		October	November	December	January	February	**March**
	Higher	33.3	20.0	35.3	30.0	16.1	29.3
	Same	53.3	70.0	47.1	60.0	67.7	56.1
	Lower	13.3	10.0	17.6	10.0	16.1	14.6
Index		60.0	55.0	58.8	60.0	50.0	57.3
Index	3 month average	62.2	60.9	57.9	57.9	56.3	55.8

Employment increased to 57.3.



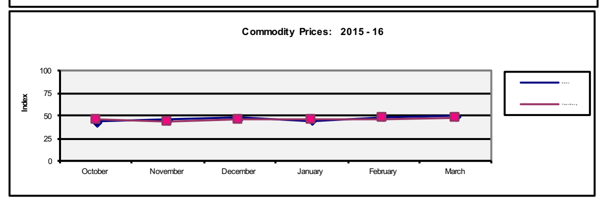
Vendor Deliveries		2015 - 2016					
		October	November	December	January	February	**March**
	Faster	0.0	0.0	5.6	13.3	6.3	11.9
	Same	81.3	100.0	88.9	78.3	84.4	71.4
	Slower	18.8	0.0	5.6	8.3	9.4	16.7
Index		59.4	50.0	50.0	47.5	51.6	52.4
Index	3 month average	57.3	53.1	53.1	49.2	49.7	50.5

Deliveries moved up to 52.4.



Commodity Prices		2015 - 2016					
		October	November	December	January	February	**March**
	Higher	6.3	9.1	0.0	11.7	6.3	14.3
	Same	75.0	72.7	94.4	65.0	84.4	71.4
	Lower	18.8	18.2	5.6	23.3	9.4	14.3
Index		43.8	45.5	47.2	44.2	48.4	50.0
Index	3 month average	45.0	43.5	45.5	45.6	46.6	47.5

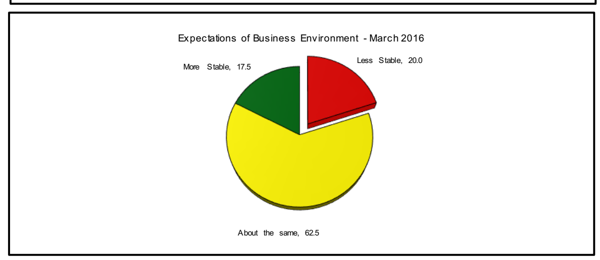
Commodity prices increased to 50.0.



Expectations of Business Environment - March 2016

6 months into the future:

Less Stable	20.0	percent
About the same	62.5	percent
More Stable	17.5	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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