



May - 2016 (FOR RELEASE: June 1, 2016 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 59.9 ↓

ISM-SEM Index: In May the PMI dipped slightly, from 62.7 to 59.9. However, with three consecutive strong months, the three-month average rose to 60.5. As we head into the summer months, the overall index continues to show relative stability and growth.

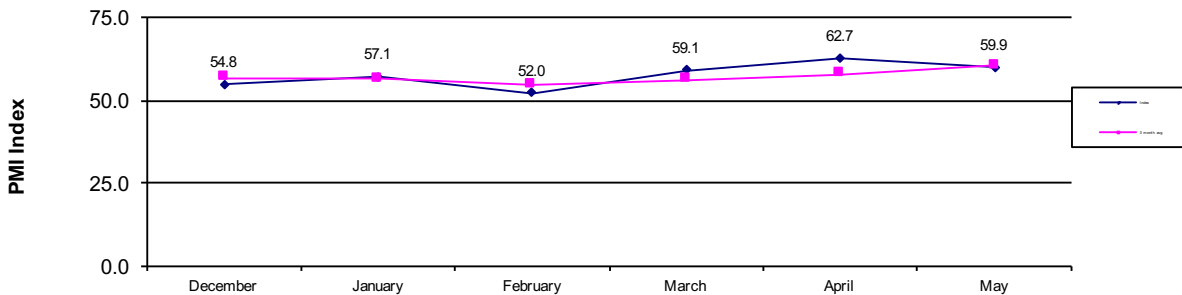
Employment: The Employment index rose for the fourth straight month, all the way from a low 50 to a May high of 75.0. The three-month average increased from 58.0 to 66.3. The surge in employment coincides with the end of the school year, perhaps related.

Commodity Prices: The Commodity Price index rose very significantly, from a value of 50.0 in March and April, to a high of 60.9 in May. The three-month average is above 50 for the first time in 2016, at 53.6. This signals an economy that is heating up.

Items up or down in price: May shows diesel, gasoline, lumber, information technology and labor up in price. Acrylic was down in price.

Economic Issues: The May survey shows the Purchasing Managers Index falling slightly from the year's high of 62.7 to 59.9. Index values above 50 show an expanding economy, whereas values below 50 indicate a declining economy. The three-month average continued to climb however, reaching 60.5, the highest in 2016. The Southeast Michigan Purchasing Managers Index has not fallen below 50 since June of 2014, a period of two years, indicating a surprising resilience in the Michigan economy. Index sub-components that point to this resilience were production which fell slightly to 60.9, employment growing sharply to 75, deliveries showing a modest improvement to 54.3, and the commodity price index powering ahead to 60.9. While diesel and gasoline were expected to show increases as the summer season approaches, information technology and labor moved up in price as well, indicating a tightening of the labor market that is finally showing signs of life. Almost 92% of survey respondents indicated that they expected the economy to be more stable or stay the same in the next six months, with only 8.1% fearing less stability. Comments included: "it seems here that the stability in the market is good; really have yet to see anything that requires concern other than the presidential candidate," "We are a capital equipment builder. Spending appears to have slowed for capital equipment with the manufacturers we service. We have a backlog of work coming out of last year, but it is turning out to be a difficult year so far for new sales," and "Steel price fluctuation from China."

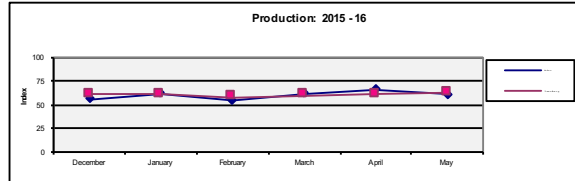
Southeast Michigan Index: 2015 - 16



ISM-SEM Index		2015 - 2016					
		December	January	February	March	April	May
Index		54.8	57.1	52.0	59.1	62.7	59.9
Index	3 month average	56.8	56.3	54.6	56.1	57.9	60.5

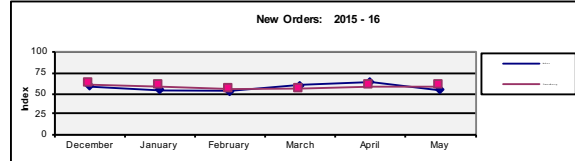
Production		2015 - 2016					
		December	January	February	March	April	May
	Higher	27.8	43.3	21.9	38.1	40.9	34.8
	Same	55.6	38.3	65.6	47.6	50.0	52.2
	Lower	16.7	18.3	12.5	14.3	9.1	13.0
Index		55.6	62.5	54.7	61.9	65.9	60.9
Index	3 month average	60.6	60.6	57.6	59.7	60.8	62.9

Production fell slightly to 60.9.



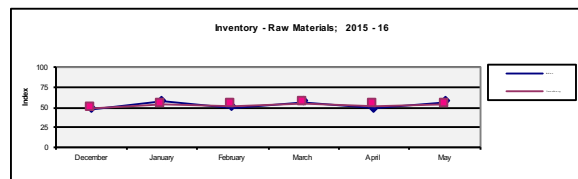
New Orders		2015 - 2016					
		December	January	February	March	April	May
	Higher	38.9	35.0	21.9	35.7	40.9	30.4
	Same	38.9	38.3	62.5	47.6	45.5	47.8
	Lower	22.2	26.7	15.6	16.7	13.6	21.7
Index		58.3	54.2	53.1	59.5	63.6	54.3
Index	3 month average	60.4	58.7	55.2	55.6	58.8	59.2

New orders dropped sharply to 54.3.



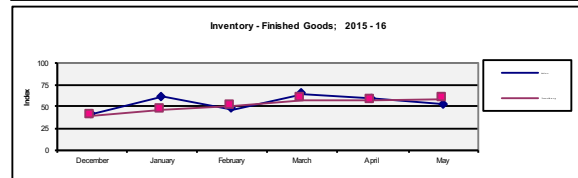
Inventory - Raw Materials		2015 - 2016					
		December	January	February	March	April	May
	Higher	5.6	35.0	21.9	28.6	13.6	21.7
	Same	83.3	45.0	56.3	54.8	68.2	69.6
	Lower	11.1	20.0	21.9	16.7	18.2	8.7
	Index	47.2	57.5	50.0	56.0	47.7	56.5
	Index 3 month average	48.5	53.1	51.6	54.5	51.2	53.4

Raw materials inventories grew to 56.5.



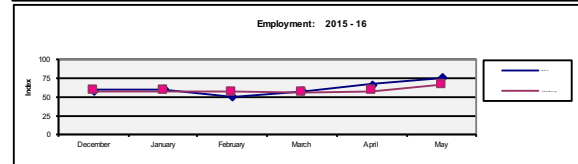
Inventory - Finished Goods		2015 - 2016					
		December	January	February	March	April	May
	Higher	5.6	33.3	9.4	42.9	22.7	13.0
	Same	72.2	55.0	75.0	42.9	72.7	78.3
	Lower	22.2	11.7	15.6	14.3	4.5	8.7
	Index	41.7	60.8	46.9	64.3	59.1	52.2
	Index 3 month average	39.6	46.3	49.8	57.3	56.8	58.5

Finished goods inventories fell slightly to 52.2.



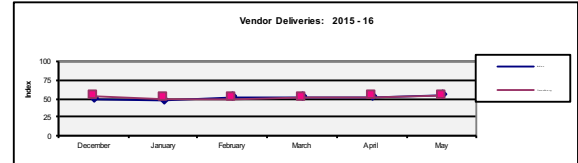
Employment		2015 - 2016					
		December	January	February	March	April	May
	Higher	35.3	30.0	16.1	29.3	42.9	50.0
	Same	47.1	60.0	67.7	56.1	47.6	50.0
	Lower	17.6	10.0	16.1	14.6	9.5	0.0
	Index	58.8	60.0	50.0	57.3	66.7	75.0
	Index 3 month average	57.9	57.9	56.3	55.8	58.0	66.3

Employment powered ahead to 75.0.



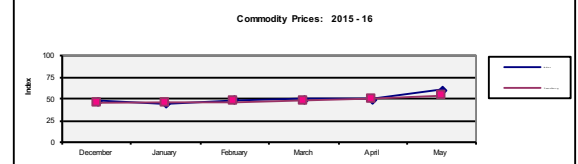
Vendor Deliveries		2015 - 2016					
		December	January	February	March	April	May
	Faster	5.6	13.3	6.3	11.9	9.1	4.3
	Same	88.9	78.3	84.4	71.4	77.3	82.6
	Slower	5.6	8.3	9.4	16.7	13.6	13.0
	Index	50.0	47.5	51.6	52.4	52.3	54.3
	Index 3 month average	53.1	49.2	49.7	50.5	52.1	53.0

Deliveries showed modest improvement to 54.3.



Commodity Prices		2015 - 2016					
		December	January	February	March	April	May
	Higher	0.0	11.7	6.3	14.3	13.6	21.7
	Same	94.4	65.0	84.4	71.4	72.7	78.3
	Lower	5.6	23.3	9.4	14.3	13.6	0.0
	Index	47.2	44.2	48.4	50.0	50.0	60.9
	Index 3 month average	45.5	45.6	46.6	47.5	49.5	53.6

Commodity prices grew strongly to 60.9.

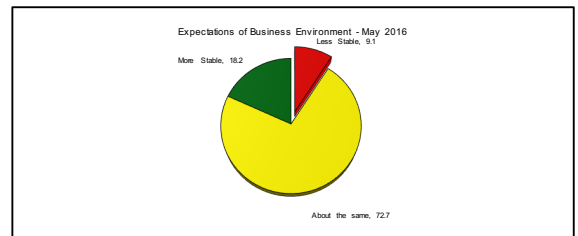


Expectations of Business Environment - May 2016

6 months into the future:

Less Stable	9.1	percent
About the same	72.7	percent
More Stable	18.2	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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