



November - 2016 (FOR RELEASE: December 01, 2016 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 57.0 ↓

ISM-SEM Index: In November the PMI dropped down from 67.2 to 57.0, about where it was in July. The three-month average decreased from 64.5 to 61.4, as we head into the holiday season. It's difficult to say whether the most recent drop is a result of the upcoming holidays or post-election nervousness in the marketplace.

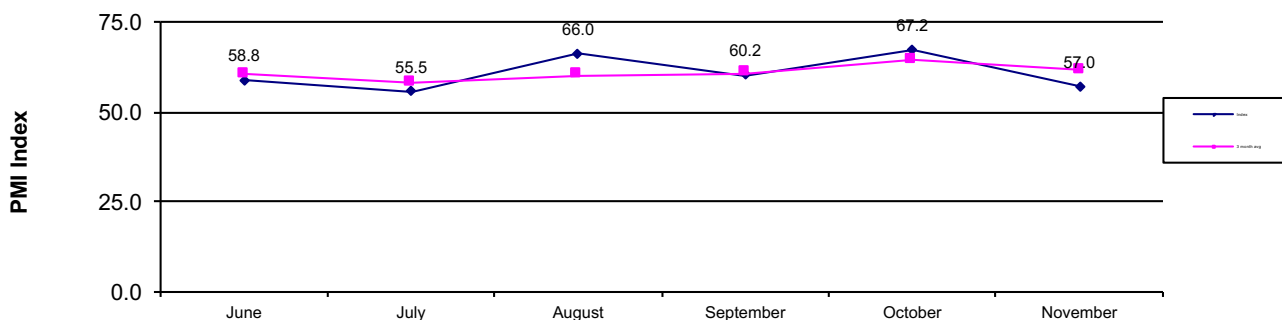
Employment: The Employment Index also decreased significantly, from 75.0 to a still-high reading of 62.5. The three-month average is a healthy 66.7, continuing the trend in the Southeast Michigan that began in the summer of 2016.

Commodity Prices: The Commodity Price Index rose modestly, from 47.1 to 50.0, or where we were in August. The three-month average is also below 50, remaining at 48.0. It is unlikely that we'll see pricing at these numbers going into 2017, as the economic and political climates shift.

Items up or down in price: November shows that no commodities were identified as being down in price. Paper was identified as being up in price. The Commodity Price Index in November stands at 50 – generally steady from October.

Economic Issues: The November survey shows the Southeast Michigan Purchasing Managers Index fell from 67.2 in October to 57.0. Even though that is a steep decline of ten points, the index value of 57.0 is still a strong showing of economic vitality. The three-month moving average for the PMI is a strong 61.4, declining from 64.5. This indicates that respondents are less optimistic than previously, but still are confident in the economic strength of Southeast Michigan. There were three precipitous drops in the specific indexes which comprise the PMI, with New Orders dropping from 70.6 to 58.3; Production dropping from 73.5 to 58.3; and Employment dropping from 75.0 to 62.5. These indexes, like the PMI, show declines, but the November score is still relatively healthy. Vendor Deliveries and Commodity Prices remained approximately the same at levels of 52.1 and 50.0, respectively. Comments from respondents include, from the capital equipment manufacturing sector: "Customer spending slowed midyear but is picking up again, and we are winning significant new business." 79.2% of respondents indicated that the economy will remain steady or become more stable over the next six months. 20.8% of respondents replied that the economy will become less stable.

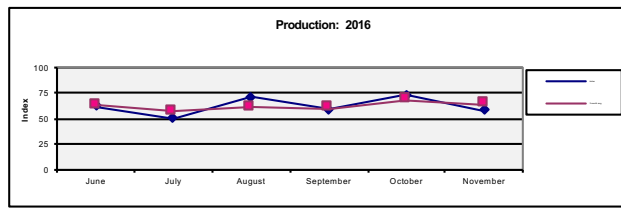
Southeast Michigan Index: 2015 - 16



| ISM-SEM Index | | 2016 | | | | | |
|---------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| Index | | 58.8 | 55.5 | 66.0 | 60.2 | 67.2 | 57.0 |
| Index | 3 month average | 60.5 | 58.1 | 60.1 | 60.6 | 64.5 | 61.4 |

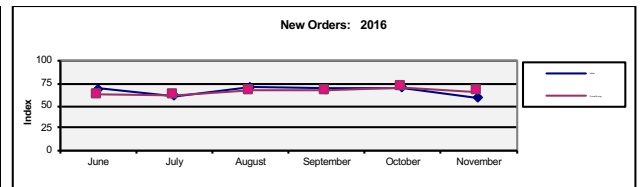
| Production | | 2016 | | | | | |
|------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| Higher | | 38.5 | 14.3 | 50.0 | 18.8 | 52.9 | 29.2 |
| Same | | 46.2 | 71.4 | 41.7 | 81.3 | 41.2 | 58.3 |
| Lower | | 15.4 | 14.3 | 8.3 | 0.0 | 5.9 | 12.5 |
| Index | | 61.5 | 50.0 | 70.8 | 59.4 | 73.5 | 58.3 |
| Index | 3 month average | 62.8 | 57.5 | 60.8 | 60.1 | 67.9 | 63.7 |

Production declined steeply from 73.5 to 58.3.



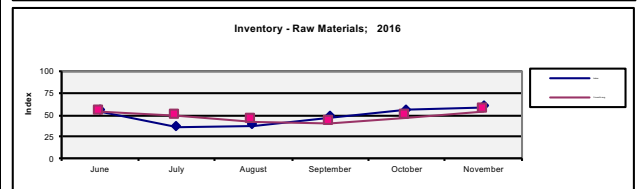
| New Orders | | 2016 | | | | | |
|--------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| | Higher | 46.2 | 35.7 | 50.0 | 43.8 | 52.9 | 37.5 |
| | Same | 46.2 | 50.0 | 41.7 | 50.0 | 35.3 | 41.7 |
| | Lower | 7.7 | 14.3 | 8.3 | 6.3 | 11.8 | 20.8 |
| Index | | 69.2 | 60.7 | 70.8 | 68.8 | 70.6 | 58.3 |
| Index | 3 month average | 62.4 | 61.4 | 66.9 | 66.8 | 70.1 | 65.9 |

New orders dropped steeply from 70.6 to 58.3.



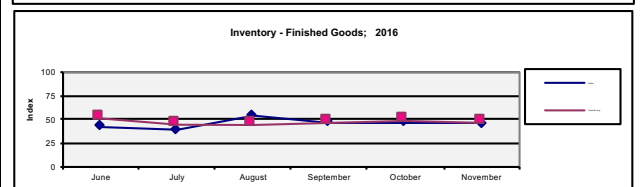
| Inventory - Raw Materials | | 2016 | | | | | |
|---------------------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| | Higher | 23.1 | 0.0 | 8.3 | 18.8 | 23.5 | 25.0 |
| | Same | 61.5 | 71.4 | 58.3 | 56.3 | 64.7 | 66.7 |
| | Lower | 15.4 | 28.6 | 33.3 | 25.0 | 11.8 | 8.3 |
| Index | | 53.8 | 35.7 | 37.5 | 46.9 | 55.9 | 58.3 |
| Index | 3 month average | 52.7 | 48.7 | 42.4 | 40.0 | 46.8 | 53.7 |

Raw materials inventories improved slightly from 55.9 to 58.3.



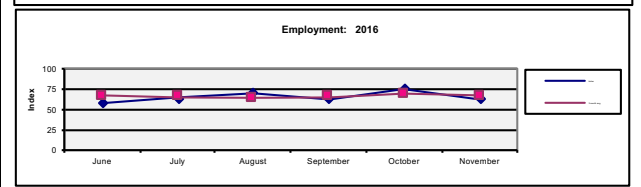
| Inventory - Finished Goods | | 2016 | | | | | |
|----------------------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| | Higher | 7.7 | 0.0 | 25.0 | 12.5 | 11.8 | 12.5 |
| | Same | 69.2 | 78.6 | 58.3 | 68.8 | 70.6 | 66.7 |
| | Lower | 23.1 | 21.4 | 16.7 | 18.8 | 17.6 | 20.8 |
| Index | | 42.3 | 39.3 | 54.2 | 46.9 | 47.1 | 45.8 |
| Index | 3 month average | 51.2 | 44.6 | 45.3 | 46.8 | 49.4 | 46.6 |

Finished goods inventories dropped slightly to 45.8.



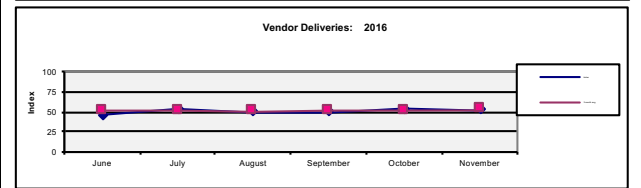
| Employment | | 2016 | | | | | |
|--------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| | Higher | 23.1 | 28.6 | 41.7 | 31.3 | 50.0 | 33.3 |
| | Same | 69.2 | 71.4 | 58.3 | 62.5 | 50.0 | 58.3 |
| | Lower | 7.7 | 0.0 | 0.0 | 6.3 | 0.0 | 8.3 |
| Index | | 57.7 | 64.3 | 70.8 | 62.5 | 75.0 | 62.5 |
| Index | 3 month average | 66.5 | 65.7 | 64.3 | 65.9 | 69.4 | 66.7 |

Employment dropped markedly from 75.0 to 62.5.



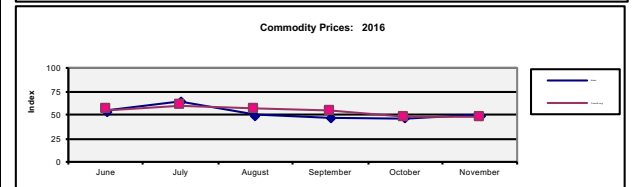
| Vendor Deliveries | | 2016 | | | | | |
|-------------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| | Faster | 7.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | Same | 92.3 | 92.9 | 100.0 | 100.0 | 94.1 | 95.8 |
| | Slower | 0.0 | 7.1 | 0.0 | 0.0 | 5.9 | 4.2 |
| Index | | 46.2 | 53.6 | 50.0 | 50.0 | 52.9 | 52.1 |
| Index | 3 month average | 50.9 | 51.4 | 49.9 | 51.2 | 51.0 | 51.7 |

Deliveries remained relatively constant at 51.7.



| Commodity Prices | | 2016 | | | | | |
|------------------|-----------------|------|------|--------|-----------|---------|----------|
| | | June | July | August | September | October | November |
| | Higher | 7.7 | 35.7 | 0.0 | 0.0 | 5.9 | 0.0 |
| | Same | 92.3 | 57.1 | 100.0 | 93.8 | 82.4 | 100.0 |
| | Lower | 0.0 | 7.1 | 0.0 | 6.3 | 11.8 | 0.0 |
| Index | | 53.8 | 64.3 | 50.0 | 46.9 | 47.1 | 50.0 |
| Index | 3 month average | 54.9 | 59.7 | 56.0 | 53.7 | 48.0 | 48.0 |

Commodity prices increased slightly from 47.1 to 50.0.

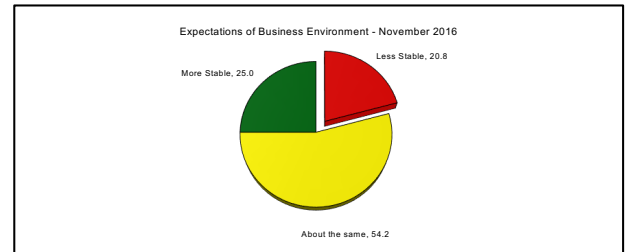


Expectations of Business Environment - November 2016

6 months into the future:

| | | |
|----------------|------|---------|
| Less Stable | 20.8 | percent |
| About the same | 54.2 | percent |
| More Stable | 25.0 | 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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Next Release: **January 3, 2016**

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