



September - 2015 (FOR RELEASE: October 1, 2015 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 57.6 ↑

ISM-SEM Index: In September the PMI rose back up a point, from 56.6 to 57.6. The 3 month average is nearly identical, at 57.3. With a nearly identical score 3 months in a row, this index reflects relative stability in the economy from a procurement perspective.

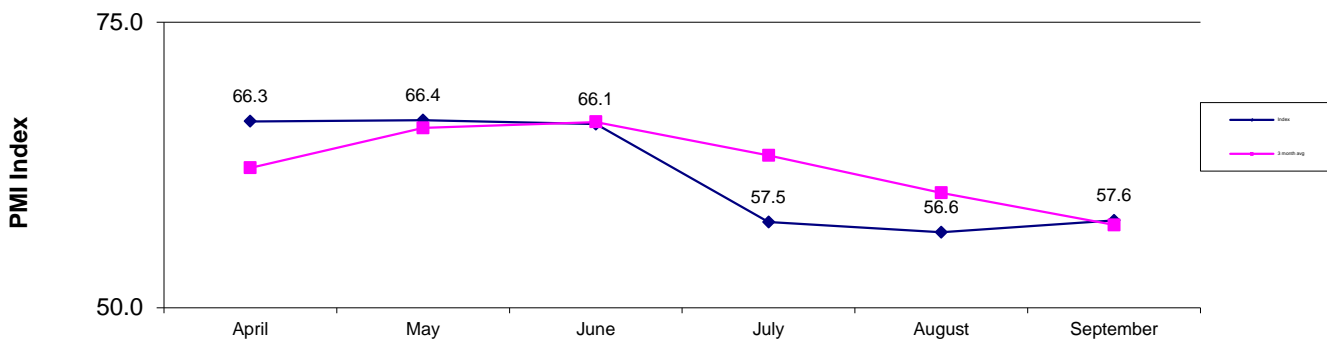
Employment: The Employment index increased by almost 10 points, from 59.1 to 67.6, while the 3 month Average increased to a lesser extent, from 66.0 to 67.6. Its interesting to note that over the six months shown, the Employment index has ranged from 56.7 to 82.1, reflecting demand for labor growing at varying levels of intensity.

Commodity Prices: The Commodity Price index is the surprise. In August, it appears to have again dropped significantly, from 50.0 to 41.2. This would appear to suggest a period of deflation, but this is not being observed in the retail sector, except in the price of gasoline. The 3 month average fell below 50 as well, from 55.8 to 49.3.

Items up or down in price: September shows that petroleum based products and supplies, IT hardware, and C5 resins were down in price. No items were reported up in price.

Economic Issues: The September survey shows stability in the Southeast Michigan economy. The Purchasing Managers Index increased to 57.6, showing continued growth in the economy. Index values greater than 50 indicate expansion in the economy, while index values less than 50 indicate contraction. Specific sub-indices that contributed to the growth in the economy were production, which grew from 50 to 55.9, new orders which grew from 58.3 to 58.8, and employment, which grew strongly from 59.1 to 67.6. The big surprise was the drop in the commodity price index, seen in the drop in gasoline and petroleum prices. This would make the job of the Federal Reserve harder, as they are shooting for a target inflation rate of 2%. Almost 88.2% of respondents indicate the economy to stay the same or become more stable over the next six months, an improvement from the 83.3% of respondents who indicated that the economy would improve or stay the same last month. Respondents voiced concerns over the "economy and interest rates", uncertainty over government expenditures, "some government monies are finally starting to come in, however, just for service and not new equipment. Hoping for better results through the fourth quarter," and some competitive pressures with "scratching and clawing for shop work. Engineering side of business finally starting to open up a little".

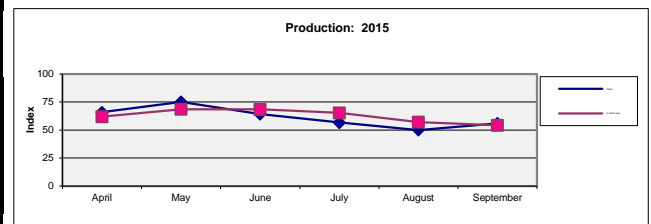
Southeast Michigan Index: 2015



ISM-SEM Index		2015					
		April	May	June	July	August	September
Index		66.3	66.4	66.1	57.5	56.6	57.6
Index	3 month average	62.3	65.7	66.3	63.3	60.1	57.3

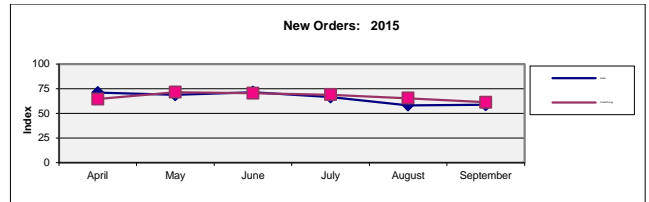
Production		2015					
		April	May	June	July	August	September
	Higher	47.4	56.3	42.9	33.3	25.0	29.4
	Same	36.8	37.5	42.9	46.7	50.0	52.9
	Lower	15.8	6.3	14.3	20.0	25.0	17.6
Index		65.8	75.0	64.3	56.7	50.0	55.9
Index	3 month average	61.8	68.5	68.4	65.3	57.0	54.2

Production grew strongly to 55.9.



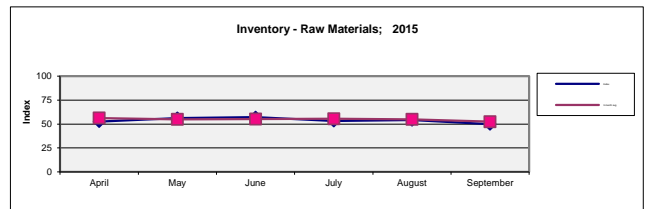
New Orders		2015					
		April	May	June	July	August	September
	Higher	52.6	56.3	50.0	46.7	33.3	29.4
	Same	36.8	25.0	42.9	40.0	50.0	58.8
	Lower	10.5	18.8	7.1	13.3	16.7	11.8
Index		71.1	68.8	71.4	66.7	58.3	58.8
Index	3 month average	64.5	71.6	70.4	68.9	65.5	61.3

New orders edged up a little to 58.8.



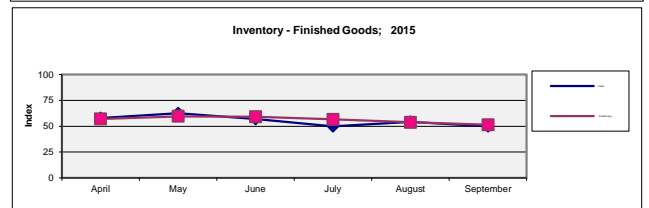
Inventory - Raw Materials		2015					
		April	May	June	July	August	September
	Higher	21.1	25.0	28.6	20.0	16.7	11.8
	Same	63.2	62.5	57.1	66.7	75.0	76.5
	Lower	15.8	12.5	14.3	13.3	8.3	11.8
Index		52.6	56.3	57.1	53.3	54.2	50.0
Index	3 month average	56.3	55.0	55.3	55.6	54.9	52.5

Raw materials inventories dropped to 50.0.



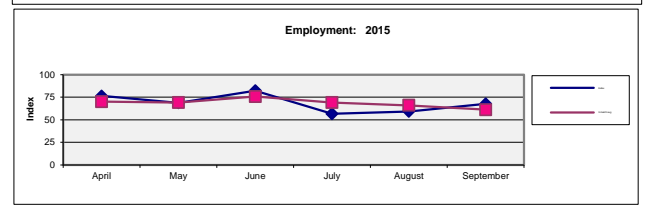
Inventory - Finished Goods		2015					
		April	May	June	July	August	September
	Higher	26.3	31.3	28.6	13.3	8.3	11.8
	Same	63.2	62.5	57.1	73.3	91.7	76.5
	Lower	10.5	6.3	14.3	13.3	0.0	11.8
Index		57.9	62.5	57.1	50.0	54.2	50.0
Index	3 month average	57.1	59.6	59.2	56.5	53.8	51.4

Finished goods inventories dropped to 50.0.



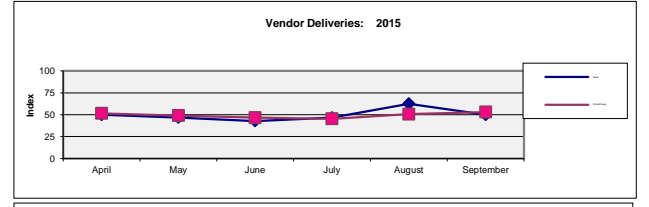
Employment		2015					
		April	May	June	July	August	September
	Higher	63.2	50.0	64.3	33.3	27.3	47.1
	Same	26.3	37.5	35.7	46.7	63.6	41.2
	Lower	10.5	12.5	0.0	20.0	9.1	11.8
Index		76.3	68.8	82.1	56.7	59.1	67.6
Index	3 month average	70.0	69.2	75.7	69.2	66.0	61.1

Employment grew strongly to 67.6.



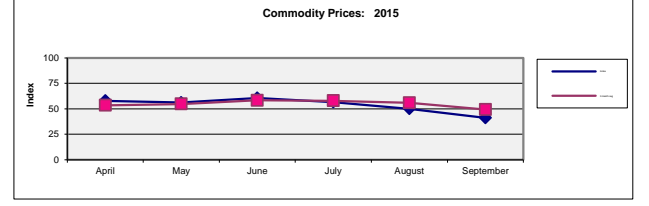
Vendor Deliveries		2015					
		April	May	June	July	August	September
	Faster	5.3	12.5	21.4	6.7	0.0	0.0
	Same	89.5	81.3	71.4	93.3	75.0	100.0
	Slower	5.3	6.3	7.1	0.0	25.0	0.0
Index		50.0	46.9	42.9	46.7	62.5	50.0
Index	3 month average	51.7	49.0	46.6	45.5	50.7	53.1

Deliveries declined to 50.0



Commodity Prices		2015					
		April	May	June	July	August	September
	Higher	21.1	18.8	21.4	13.3	25.0	5.9
	Same	73.7	75.0	78.6	86.7	50.0	70.6
	Lower	5.3	6.3	0.0	0.0	25.0	23.5
Index		57.9	56.3	60.7	56.7	50.0	41.2
Index	3 month average	53.5	54.7	58.3	57.9	55.8	49.3

Commodity prices dropped sharply to 41.2.



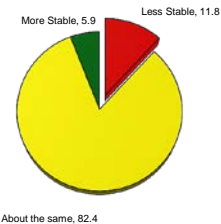
Expectations of Business Environment - August 2015

6 months into the future:

Less Stable	11.8	percent
About the same	82.4	percent
More Stable	5.9	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"

Expectations of Business Environment - August 2015



NOTICE:

No warranty, expressed or implied, is attached to these figures or their use. While the figures are compiled with professional care, no representations about appropriateness, accuracy, or suitability for specific applications are made.

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

Next Release: **October 1, 2015**

For more information, contact

ISM - Southeast Michigan
Email: businessmanager@ism-sem.org
Tel: 313-881-0800
OR
Wayne State University
Timothy Butler
timothy.butler@wayne.edu
Tel: 313-577-9810
OR
Nitin Paranjpe
ai8668@wayne.edu
Tel: 248-292-0208