



May - 2013 (FOR RELEASE: June 3, 2013 - 6 am EST)

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 61.2 ↑**

**ISM-SEM Index:** In May the PMI rose sharply, from 55.3 to 61.2. While each of the last 5 PMI 3-month averages have been in the 50's, the 3 month average ending May of 57.4, indicates an acceleration of growth in Southeast Michigan.

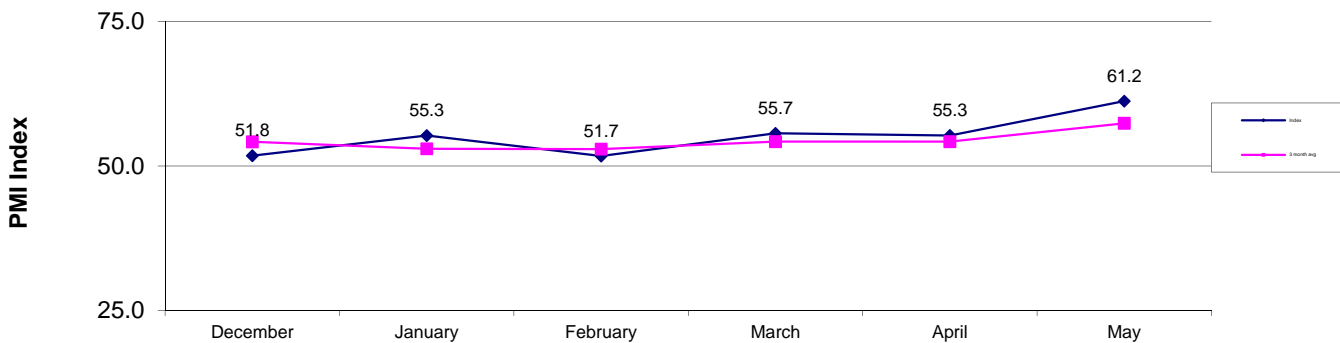
**Employment:** The Employment Index also moved from the 50's to a very favorable May index of 66.7. The three month average continues to rise, and is now also in the 60's at 62.2.

**Commodity Prices:** Meanwhile the commodity price index remains very low, having risen 2 points from 50.00 to 52.0. The three month average was down from 58.5 to 53.6, giving the impression that prices have and will continue to be stable.

**Items up or down in price:** *May shows aluminum, rubber, crude and fine chemicals, electronic goods up in price. Copper and propylene based resins were down in price.*

**Economic Issues:** *The May survey shows strong and accelerating growth in the Southeast Michigan economy, with the purchasing managers index, climbing sharply to 61.2. The impact of sequestration does not seem to have impacted the Southeast Michigan economy to any measurable extent. Production, new orders, and employment all increased sharply to climb into the 60's, indicating accelerating growth in economic activity in Southeast Michigan. This should lead to a steady decline in the unemployment rate over the summer months; in fact the automobile manufacturers are all either curtailing their traditional summer slowdown or shutdowns and ramping up production activity. Alongside the ramping up of production activity, commodity prices are stable, thanks mainly to slowdowns in economic activity in the rest of the world economy. About 92% of Survey participants indicated stability in their expectations of future economic activity six months down the road, with only 8% anticipating unstable economic conditions. Comments from survey participants focused on Europe, the slowdown in government expenditures, and the potential impact of the changes in health insurance, with remarks such as "Preliminary effects of Affordable Care Act", "Health Care Reform", "Impact of Affordable Care Act", "Parts from Europe are hard to get in timely manner", "We build capital equipment. Due to continued concerns in Europe, our customers seem to be pushing off equipment purchases into 2014", "Employment hiring seems to be down further from April", "Government program winding down. Lots of quoting, however, no new work has come in yet".*

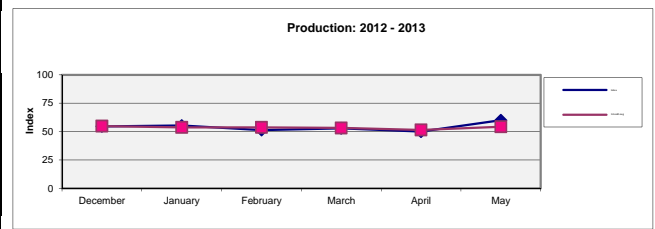
**Southeast Michigan Index: 2012 - 2013**



ISM-SEM Index		2012 - 2013					
		December	January	February	March	April	May
Index		51.8	55.3	51.7	55.7	55.3	61.2
Index	3 month average	54.2	53.0	52.9	54.2	54.2	57.4

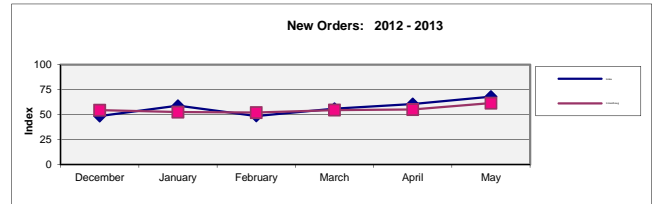
Production		2012 - 2013					
		December	January	February	March	April	May
	Higher	36.4	25.0	25.0	29.4	18.2	36.0
	Same	36.4	60.7	52.8	47.1	63.6	48.0
	Lower	27.3	14.3	22.2	23.5	18.2	16.0
Index		54.5	55.4	51.4	52.9	50.0	60.0
Index	3 month average	54.9	53.8	53.8	53.2	51.4	54.3

Production up sharply to 60.



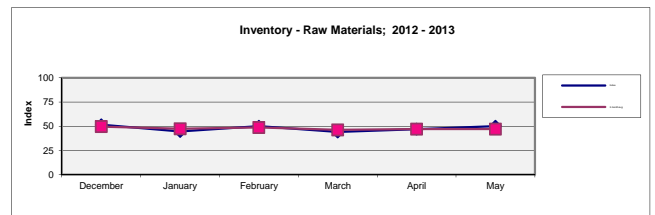
New Orders		2012 - 2013					
		December	January	February	March	April	May
	Higher	27.3	32.1	25.0	32.4	42.4	56.0
	Same	42.4	53.6	47.2	47.1	36.4	24.0
	Lower	30.3	14.3	27.8	20.6	21.2	20.0
Index		48.5	58.9	48.6	55.9	60.6	68.0
Index	3 month average	54.4	52.5	52.0	54.5	55.0	61.5

New orders increased to 68.



Inventory - Raw Materials		2012 - 2013					
		December	January	February	March	April	May
	Higher	21.2	7.1	19.4	11.8	18.2	20.0
	Same	60.6	75.0	61.1	64.7	57.6	60.0
	Lower	18.2	17.9	19.4	23.5	24.2	20.0
Index		51.5	44.6	50.0	44.1	47.0	50.0
Index	3 month average	49.6	47.4	48.7	46.3	47.0	47.0

Raw materials inventories increased to 50.



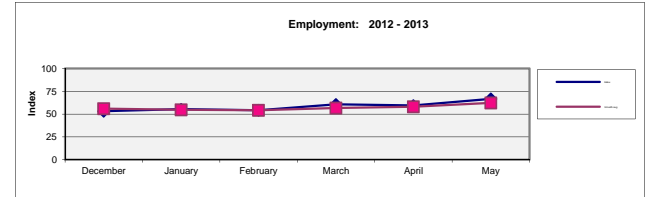
Inventory - Finished Goods		2012 - 2013					
		December	January	February	March	April	May
	Higher	18.2	14.3	16.7	23.5	15.2	12.0
	Same	63.6	64.3	69.4	55.9	60.6	64.0
	Lower	18.2	21.4	13.9	20.6	24.2	24.0
Index		50.0	46.4	51.4	51.5	45.5	44.0
Index	3 month average	48.2	47.5	49.3	49.8	49.4	47.0

Finished goods inventories dropped slightly to 44.



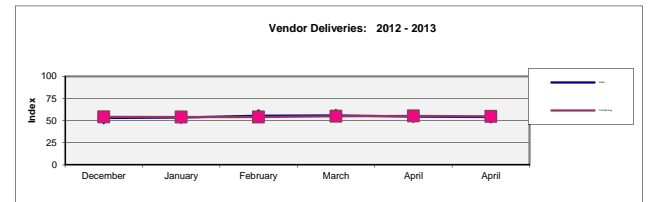
Employment		2012 - 2013					
		December	January	February	March	April	May
	Higher	19.4	25.0	25.0	33.3	31.3	41.7
	Same	67.7	60.7	58.3	54.5	56.3	50.0
	Lower	12.9	14.3	16.7	12.1	12.5	8.3
Index		53.2	55.4	54.2	60.6	59.4	66.7
Index	3 month average	55.9	54.8	54.2	56.7	58.0	62.2

Employment up nicely to 66.7.



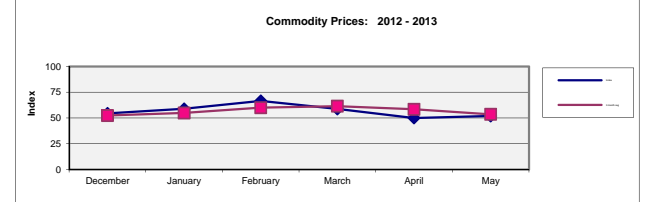
Vendor Deliveries		2012 - 2013					
		December	January	February	March	April	April
	Faster	9.1	3.6	8.3	2.9	6.1	4.0
	Same	75.8	85.7	72.2	82.4	78.8	84.0
	Slower	15.2	10.7	19.4	14.7	15.2	12.0
Index		53.0	53.6	55.6	55.9	54.5	54.0
Index	3 month average	54.3	54.0	54.1	55.0	55.3	54.8

Deliveries down slightly to 54.



Commodity Prices		2012 - 2013					
		December	January	February	March	April	May
	Higher	21.2	21.4	36.1	17.6	18.2	16.0
	Same	66.7	75.0	61.1	82.4	63.6	72.0
	Lower	12.1	3.6	2.8	0.0	18.2	12.0
Index		54.5	58.9	66.7	58.8	50.0	52.0
Index	3 month average	52.5	54.9	60.0	61.5	58.5	53.6

Commodity prices up slightly to 52.



#### Expectations of Business Environment - May 2013

6 months into the future:

Less Stable	8.0	percent
About the same	84.0	percent
More Stable	8.0	percent

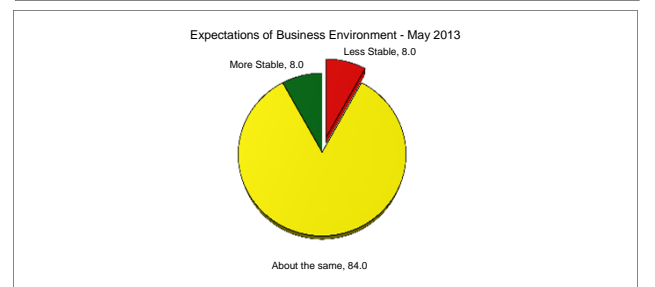
For more information about the Survey or to obtain copies of previous surveys, visit our website at [www.ism-sem.org](http://www.ism-sem.org) and click on "Economic Surveys"

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Survey Results Production by:  
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