



June - 2013 (FOR RELEASE: July 1, 2013 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 49.2 ↓

ISM-SEM Index: In June ... the PMI dropped sharply, from 61.2 to 49.2. This occurred after six months in the low to mid 50's, followed by May's rise into the low sixties. The 3 month average remains a favorable 55.2, so perhaps the June drop is temporary.

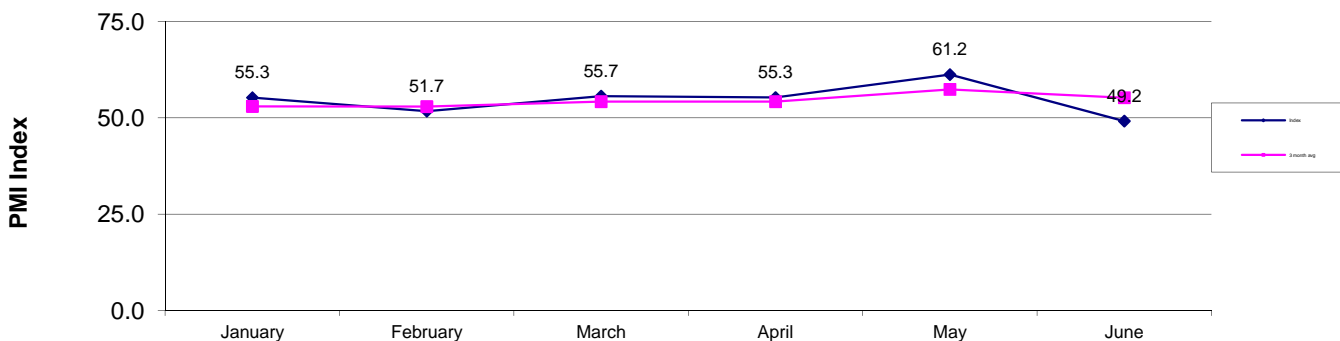
Employment: The Employment dropped in June, from 66.7 to 57.1, but even at that number, it's an encouraging indication of the economic climate. The 3 month average actually rose from 55.2 to 61.1.

Commodity Prices: Commodity price index rose in June, from 52.0 to 59.5. The three month average is essentially unchanged at 53.8.

Items up or down in price: June shows items up in price include zinc, plastics, resins, fuel. Aluminum was identified as down in price.

Economic Issues: The June survey shows a marked drop in the Southeast Michigan Purchasing Managers Index (PMI) with a value of 49.2. This is a drop of 12 points from the May PMI of 61.2, and is due, most notably, to a reported drop in the New Orders Index (from 68.0 to 47.6), Finished Goods Inventory Index (from 44.0 to 33.3), and Employment Index (from 66.7 to 57.1). This month is the first Southeast Michigan PMI to fall below 50 since August, 2012. PMI values above 50 generally indicate an expanding economy while values below 50 indicate a contracting economy. The Commodity Prices Index increased slightly from 52.0 to 59.5, and the Production Index reduced slightly, from 50.0 to 47.6. According to purchasing managers, commodity prices increasing were zinc, plastics, resins, and fuel. The only commodity declining in price, according to the respondents, was aluminum. Over 90 percent of the respondents anticipate that the stability of the economy will remain about the same, or become more stable. However, 9.5 percent of the respondents anticipate the economy will become less stable. One primary concern of the respondents is the impact of the Affordable Health Care Act, with one respondent concerned whether it will help or hurt health care providers. Another respondent expressed concern regarding the cutback on government military spending stating that his company is trying to develop new customers in both automotive and energy related to pick up slack in defense work. This drop in the PMI follows a surge in May, so this month's drop may simply be a "leveling out" of the prior months activity.

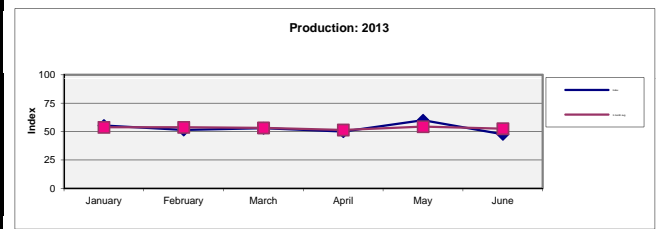
Southeast Michigan Index: 2013



ISM-SEM Index		2013					
		January	February	March	April	May	June
Index		55.3	51.7	55.7	55.3	61.2	49.2
Index	3 month average	53.0	52.9	54.2	54.2	57.4	55.2

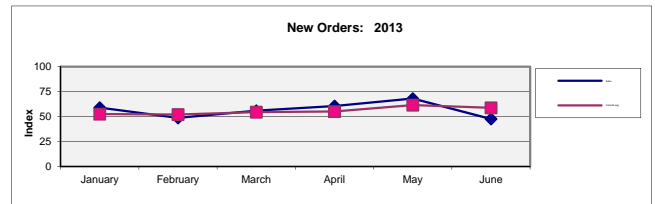
Production		2013					
		January	February	March	April	May	June
	Higher	25.0	25.0	29.4	18.2	36.0	19.0
	Same	60.7	52.8	47.1	63.6	48.0	57.1
	Lower	14.3	22.2	23.5	18.2	16.0	23.8
Index		55.4	51.4	52.9	50.0	60.0	47.6
Index	3 month average	53.8	53.8	53.2	51.4	54.3	52.5

Production down sharply.



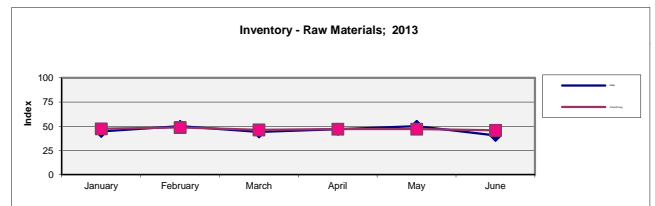
New Orders		2013					
		January	February	March	April	May	June
	Higher	32.1	25.0	32.4	42.4	56.0	19.0
	Same	53.6	47.2	47.1	36.4	24.0	57.1
	Lower	14.3	27.8	20.6	21.2	20.0	23.8
Index		58.9	48.6	55.9	60.6	68.0	47.6
Index	3 month average	52.5	52.0	54.5	55.0	61.5	58.7

New orders down sharply.



Inventory - Raw Materials		2013					
		January	February	March	April	May	June
	Higher	7.1	19.4	11.8	18.2	20.0	9.5
	Same	75.0	61.1	64.7	57.6	60.0	61.9
	Lower	17.9	19.4	23.5	24.2	20.0	28.6
Index		44.6	50.0	44.1	47.0	50.0	40.5
Index	3 month average	47.4	48.7	46.3	47.0	47.0	45.8

Raw materials inventories down sharply.



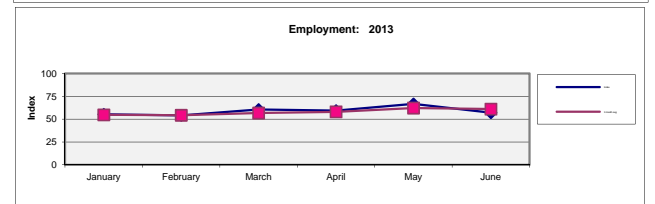
Inventory - Finished Goods		2013					
		January	February	March	April	May	June
	Higher	14.3	16.7	23.5	15.2	12.0	0.0
	Same	64.3	69.4	55.9	60.6	64.0	66.7
	Lower	21.4	13.9	20.6	24.2	24.0	33.3
Index		46.4	51.4	51.5	45.5	44.0	33.3
Index	3 month average	47.5	49.3	49.8	49.4	47.0	40.9

Finished goods inventories dropped sharply to 33.3.



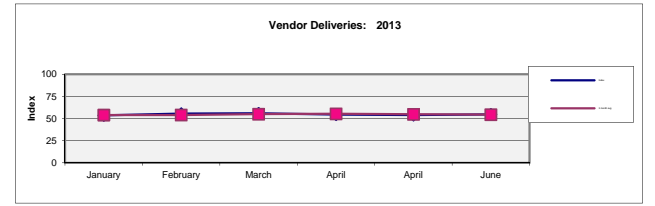
Employment		2013					
		January	February	March	April	May	June
	Higher	25.0	25.0	33.3	31.3	41.7	33.3
	Same	60.7	58.3	54.5	56.3	50.0	47.6
	Lower	14.3	16.7	12.1	12.5	8.3	19.0
Index		55.4	54.2	60.6	59.4	66.7	57.1
Index	3 month average	54.8	54.2	56.7	58.0	62.2	61.1

Employment dropped sharply to 57.1.



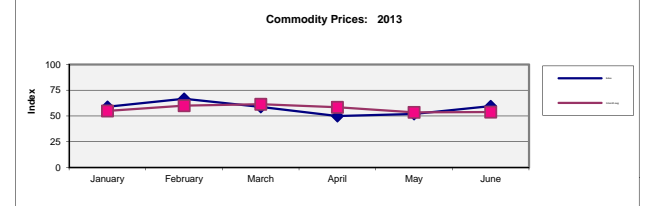
Vendor Deliveries		2013					
		January	February	March	April	April	June
	Faster	3.6	8.3	2.9	6.1	4.0	9.5
	Same	85.7	72.2	82.4	78.8	84.0	71.4
	Slower	10.7	19.4	14.7	15.2	12.0	19.0
Index		53.6	55.6	55.9	54.5	54.0	54.8
Index	3 month average	54.0	54.1	55.0	55.3	54.8	54.4

Deliveries increased slightly, to 54.8.



Commodity Prices		2013					
		January	February	March	April	May	June
	Higher	21.4	36.1	17.6	18.2	16.0	23.8
	Same	75.0	61.1	82.4	63.6	72.0	71.4
	Lower	3.6	2.8	0.0	18.2	12.0	4.8
Index		58.9	66.7	58.8	50.0	52.0	59.5
Index	3 month average	54.9	60.0	61.5	58.5	53.6	53.8

Commodity prices increased.

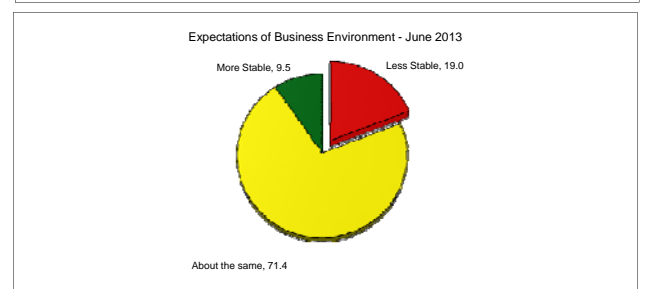


Expectations of Business Environment - June 2013

6 months into the future:

Less Stable	19.0	percent
About the same	71.4	percent
More Stable	9.5	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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