



**August - 2013 (FOR RELEASE: September 3, 2013 - 6 am EST)**

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 60.2 ↑**

**ISM-SEM Index:** In August, the PMI sharply increased from 53.1 to 60.2. This further demonstrates that the June drop to 49.2 was temporary, since six of the last eight months were in the low to mid 50's. The three month average remains relatively unchanged 54.2.

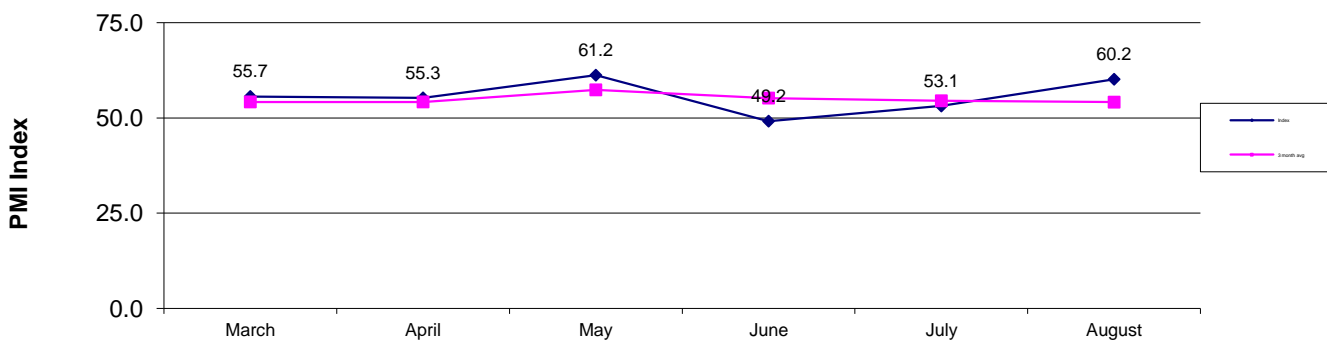
**Employment:** The Employment Index modestly increased 1.5 points to 59.6. The last two reports with numbers in the high 50's, occurred during the summer, a time when there might be a typical slow down in new hiring. The three month average is at 58.3.

**Commodity Prices:** The Commodity price index rose in August, from 54.8 to 55.6.

**Items up or down in price:** In August, prices for brass coil, copper, and polypropylene increased, while petroleum is reported down in price.

**Economic Issues:** The August survey shows continued strengthening of the Southeast Michigan Economy with the Southeast Michigan Purchasing Managers Index (PMI) increasing from 53.1 to 60.2. A PMI value of 50 or more generally indicates an expanding economy. The strong PMI score is primarily a result of the improved Production and New Orders Index values. Both of those economic measures increased by more than ten points. Production increased from a July score of 54.8 to an August score of 68.5. New Orders, a key leading indicator component of the PMI, increased from 53.2 in July to 64.8 in August. The Employment indicator improved modestly from 58.1 to 59.6. The Raw Material and Finished Goods inventories' indexes dropped sharply during August which, along with the increase in New Orders and Production, bodes well for the Southeast Michigan economy. These values correspond closely to positive news from domestic automakers regarding sales, and to generally positive consumer confidence reports. Purchasing managers report that prices for brass coil, copper, and polypropylene increased, while petroleum is reported down in price. The Commodity Prices Index edged up 0.8 points. Several respondents reported concern over the Affordable Care Act. One respondent reported, "Auto industry capital spending has slowed versus last year. However, requests to bid are strong, and we expect some customers to be releasing funding for purchases before the end of the year." In spite of these positive signs, 22.2 percent of respondents expect the business environment to become less stable during the next six months, while 77.8 percent anticipate the economy to remain the same or become more stable.

**Southeast Michigan Index: 2013**

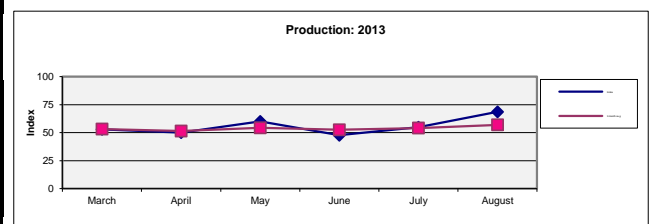


ISM-SEM Index		2013					
		March	April	May	June	July	August
Index		55.7	55.3	61.2	49.2	53.1	60.2
Index	3 month average	54.2	54.2	57.4	55.2	54.5	54.2

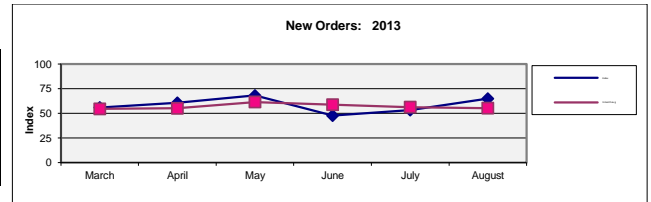
Production		2013					
		March	April	May	June	July	August
Higher		29.4	18.2	36.0	19.0	35.5	44.4
Same		47.1	63.6	48.0	57.1	38.7	48.1
Lower		23.5	18.2	16.0	23.8	25.8	7.4
Index		52.9	50.0	60.0	47.6	54.8	68.5
Index	3 month average	53.2	51.4	54.3	52.5	54.2	57.0

**Production increased over 10 points.**



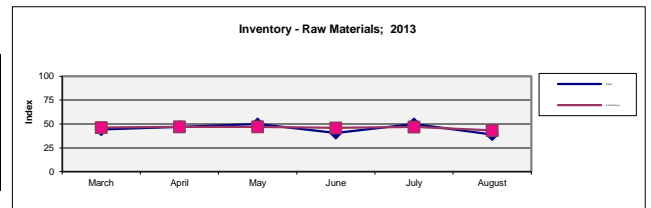
New Orders		2013					
		March	April	May	June	July	August
	Higher	32.4	42.4	56.0	19.0	29.0	44.4
	Same	47.1	36.4	24.0	57.1	48.4	40.7
	Lower	20.6	21.2	20.0	23.8	22.6	14.8
Index		55.9	60.6	68.0	47.6	53.2	64.8
Index	3 month average	54.5	55.0	61.5	58.7	56.3	55.2

New orders increased over 10 points.



Inventory - Raw Materials		2013					
		March	April	May	June	July	August
	Higher	11.8	18.2	20.0	9.5	22.6	11.1
	Same	64.7	57.6	60.0	61.9	54.8	55.6
	Lower	23.5	24.2	20.0	28.6	22.6	33.3
Index		44.1	47.0	50.0	40.5	50.0	38.9
Index	3 month average	46.3	47.0	47.0	45.8	46.8	43.1

Raw materials inventories declined sharply, to 38.9.



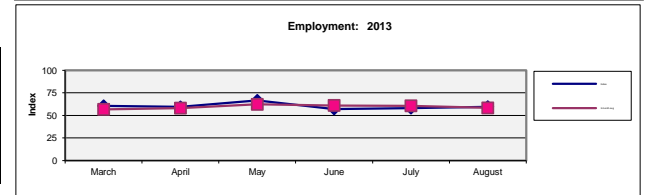
Inventory - Finished Goods		2013					
		March	April	May	June	July	August
	Higher	23.5	15.2	12.0	0.0	12.9	7.4
	Same	55.9	60.6	64.0	66.7	61.3	63.0
	Lower	20.6	24.2	24.0	33.3	25.8	29.6
Index		51.5	45.5	44.0	33.3	43.5	38.9
Index	3 month average	49.8	49.4	47.0	40.9	40.3	38.6

Finished goods inventories declined sharply.



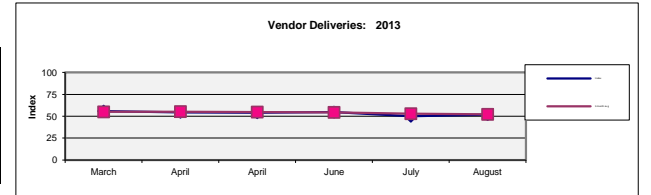
Employment		2013					
		March	April	May	June	July	August
	Higher	33.3	31.3	41.7	33.3	32.3	30.8
	Same	54.5	56.3	50.0	47.6	51.6	57.7
	Lower	12.1	12.5	8.3	19.0	16.1	11.5
Index		60.6	59.4	66.7	57.1	58.1	59.6
Index	3 month average	56.7	58.0	62.2	61.1	60.6	58.3

Employment edged up slightly.



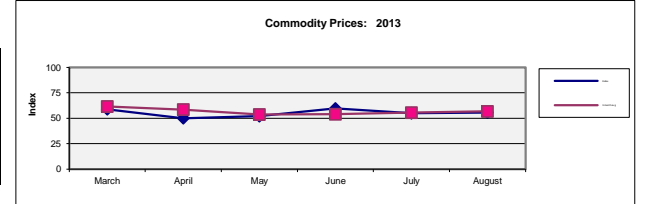
Vendor Deliveries		2013					
		March	April	April	June	July	August
	Faster	2.9	6.1	4.0	9.5	3.2	3.7
	Same	82.4	78.8	84.0	71.4	93.5	88.9
	Slower	14.7	15.2	12.0	19.0	3.2	7.4
Index		55.9	54.5	54.0	54.8	50.0	51.9
Index	3 month average	55.0	55.3	54.8	54.4	52.9	52.2

Deliveries gained slightly.



Commodity Prices		2013					
		March	April	May	June	July	August
	Higher	17.6	18.2	16.0	23.8	16.1	18.5
	Same	82.4	63.6	72.0	71.4	77.4	74.1
	Lower	0.0	18.2	12.0	4.8	6.5	7.4
Index		58.8	50.0	52.0	59.5	54.8	55.6
Index	3 month average	61.5	58.5	53.6	53.8	55.5	56.6

Commodity prices increased slightly.

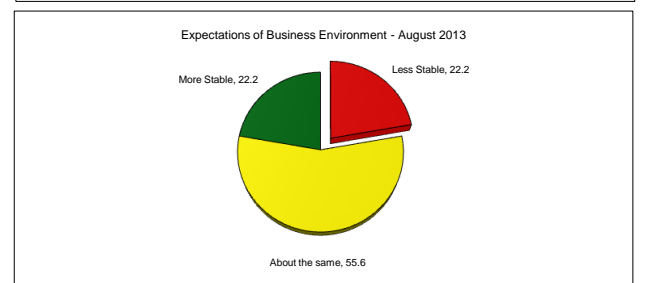


#### Expectations of Business Environment - August 2013

6 months into the future:

Less Stable	22.2	percent
About the same	55.6	percent
More Stable	22.2	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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