



September - 2013 (FOR RELEASE: October 1, 2013 - 6 am EST)

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 59.9 ↓**

**ISM-SEM Index:** In September the Purchasing Managers Index (PMI) remained essentially unchanged at 59.9. Three consecutive strong months have raised the three month average to 57.7.

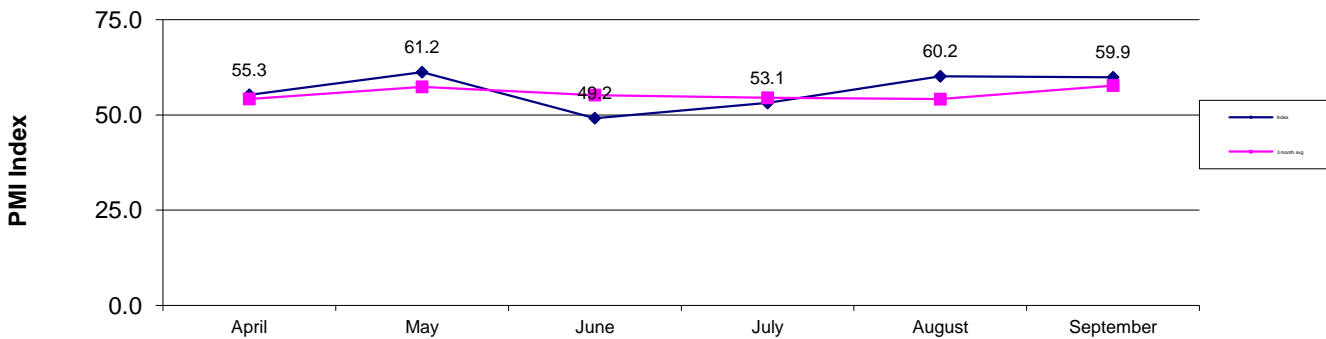
**Employment:** The Employment Index dropped from 59.6 to 54.2, the lowest of the six months reported. However, any reading above 50 is still a favorable number. The three month average is at 57.3.

**Commodity Prices:** The Commodity Price Index slipped downward in September from 55.6 to 54.2. Commodity prices continue to show relatively stable three month averages, and September's three month average is at 54.9.

**Items up or down in price:** September prices for nickel, steel, stainless steel, lumber, energy, and air fares were up. Some resin grades, petroleum, and natural gas were trending down or flat.

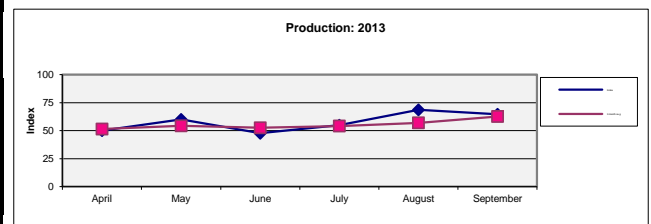
**Economic Issues:** The September survey shows a strong Southeast Michigan economy with the Southeast Michigan Purchasing Managers Index (PMI) dropping from 60.2 to 59.9. A PMI value of 50 or greater, generally indicates an expanding economy. The slight drop in the PMI was primarily a result of a drop in production by about four points to 64.6, new orders basically unchanged at 64.6, and employment dropping about five points to 54.2. All these components of the PMI show strong growth in the economy and portend well for the future. The Raw Material and Finished Goods inventories' indexes rose sharply however, which might lead to a slowdown in the economy. Commodity prices dropped slightly, though still growing. Looking six months into the future in terms of expectations of the business environment, 25% of respondents expected the environment to be less stable, while 75% expected either more or continued stability. Comments from respondents focused on domestic issues such as health care reform, inflation, supplier capacity, and the debt ceiling issue. Foreign issues such as the recovery of the European Union market were also a matter of concern. Issues important to this month's respondents' included the following comments: "Health care reform," "Concern about the deployment and impact of Affordable Care Act", "The Federal debt ceiling issue," as well as "I am very concerned about inflation and the impact on the economy and our industry," "Inflation, supplier capacity," "Capital equipment orders seem to be trending down for 4th quarter," "Automotive companies appear to be losing funds for capital equipment purchases, which will be critical for our company." "Sales and deliveries in 2012 were at high levels, but 2013 sales have not meet expectations or remained at the same pace with the prior year." "Signals we are receiving from customers for the remainder of this year into 2014 appear to bode well for business in factory automation equipment," and "Recovery of EU market."

**Southeast Michigan Index: 2013**



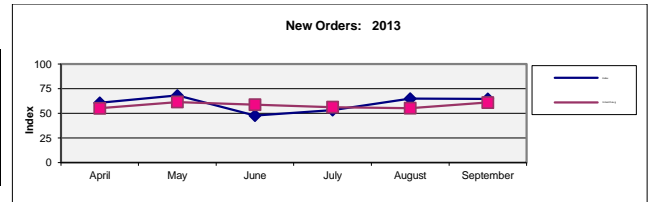
ISM-SEM Index		2013					
		April	May	June	July	August	September
Index		55.3	61.2	49.2	53.1	60.2	59.9
Index	3 month average	54.2	57.4	55.2	54.5	54.2	57.7
Production		2013					
		April	May	June	July	August	September
	Higher	18.2	36.0	19.0	35.5	44.4	41.7
	Same	63.6	48.0	57.1	38.7	48.1	45.8
	Lower	18.2	16.0	23.8	25.8	7.4	12.5
Index		50.0	60.0	47.6	54.8	68.5	64.6
Index	3 month average	51.4	54.3	52.5	54.2	57.0	62.6

Production dropped slightly to 64.6.



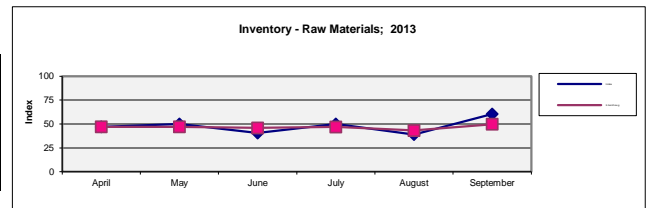
New Orders		2013					
		April	May	June	July	August	September
	Higher	42.4	56.0	19.0	29.0	44.4	45.8
	Same	36.4	24.0	57.1	48.4	40.7	37.5
	Lower	21.2	20.0	23.8	22.6	14.8	16.7
Index		60.6	68.0	47.6	53.2	64.8	64.6
Index	3 month average	55.0	61.5	58.7	56.3	55.2	60.9

New orders were basically unchanged.



Inventory - Raw Materials		2013					
		April	May	June	July	August	September
	Higher	18.2	20.0	9.5	22.6	11.1	33.3
	Same	57.6	60.0	61.9	54.8	55.6	54.2
	Lower	24.2	20.0	28.6	22.6	33.3	12.5
Index		47.0	50.0	40.5	50.0	38.9	60.4
Index	3 month average	47.0	47.0	45.8	46.8	43.1	49.8

Raw materials inventories rose sharply to 60.4.



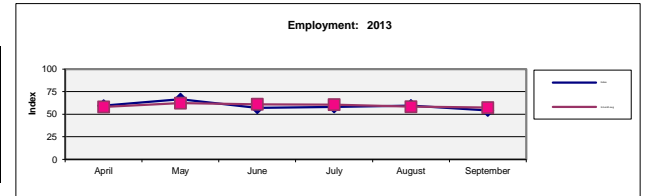
Inventory - Finished Goods		2013					
		April	May	June	July	August	September
	Higher	15.2	12.0	0.0	12.9	7.4	16.7
	Same	60.6	64.0	66.7	61.3	63.0	75.0
	Lower	24.2	24.0	33.3	25.8	29.6	8.3
Index		45.5	44.0	33.3	43.5	38.9	54.2
Index	3 month average	49.4	47.0	40.9	40.3	38.6	45.5

Finished goods inventories increased sharply to 54.2.



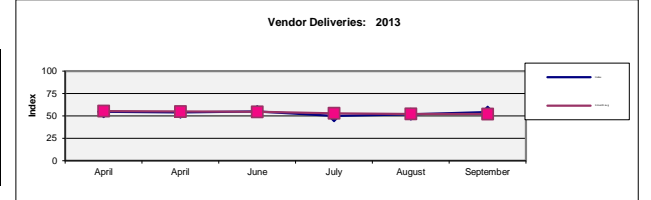
Employment		2013					
		April	May	June	July	August	September
	Higher	31.3	41.7	33.3	32.3	30.8	20.8
	Same	56.3	50.0	47.6	51.6	57.7	66.7
	Lower	12.5	8.3	19.0	16.1	11.5	12.5
Index		59.4	66.7	57.1	58.1	59.6	54.2
Index	3 month average	58.0	62.2	61.1	60.6	58.3	57.3

Employment dropped to 54.2.



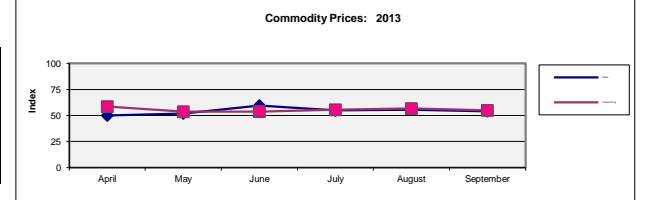
Vendor Deliveries		2013					
		April	April	June	July	August	September
	Faster	6.1	4.0	9.5	3.2	3.7	0.0
	Same	78.8	84.0	71.4	93.5	88.9	91.7
	Slower	15.2	12.0	19.0	3.2	7.4	8.3
Index		54.5	54.0	54.8	50.0	51.9	54.2
Index	3 month average	55.3	54.8	54.4	52.9	52.2	52.0

Deliveries rose to 54.2.



Commodity Prices		2013					
		April	May	June	July	August	September
	Higher	18.2	16.0	23.8	16.1	18.5	16.7
	Same	63.6	72.0	71.4	77.4	74.1	75.0
	Lower	18.2	12.0	4.8	6.5	7.4	8.3
Index		50.0	52.0	59.5	54.8	55.6	54.2
Index	3 month average	58.5	53.6	53.8	55.5	56.6	54.9

Commodity prices dropped slightly to 54.2.



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

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**For more information, contact**

ISM - Southeast Michigan  
Email: [businessmanager@ism-sem.org](mailto:businessmanager@ism-sem.org)  
Tel: 313-881-0800

OR  
Wayne State University  
Timothy Butler  
[timothy.butler@wayne.edu](mailto:timothy.butler@wayne.edu)  
Tel: 313-577-9810

OR  
Nitin Paranjpe  
[ai8668@wayne.edu](mailto:ai8668@wayne.edu)  
Tel: 248-292-0208