



Purchasing Managers Index Report – Georgia

Release: May 2, 2016

April 2016

GA's PMI Decreased Based On Decreases For New Orders, Production, Supply Deliveries, and Finished Inventory

Georgia PMI	59.4	Southeast PMI	61.1	National PMI	50.8
Apr-Mar	-7.3	Apr-Mar	+0.5	Apr-Mar	-1.0

Underlying Variables	Georgia PMI		Southeast	National
	Index	Change	Index	Index
	Apr-16	Apr-Mar	Apr-16	Apr-16
New Orders (NO)	62.5	-11.3	66.2	55.8
Production (P)	59.4	-16.8	68.9	54.2
Employment (E)	62.5	+3.0	62.2	49.2
Supply Deliveries (SD)	56.3	-3.3	58.1	49.1
Finished Inventory (FI)	56.3	-8.0	50.0	45.5
Commodity Prices (CP)	65.6	+20.4	60.8	59.0



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An analysis of the April PMI Report:

New Orders:

New Orders decreased 11.3 points to 62.5 based on 10.1% less respondents reporting higher new orders for a total of 37.5 and 12.5% more respondents reporting lower New Orders for a total of 12.5%.

Production:

Production decreased 16.8 points to 59.4 based on 21% less respondents reporting higher production for a total of 31.3% and 12.5% less respondents reporting lower Production for a total of 12.5%.

Employment:

Employment increased 3.0 points to 62.5 based on 2.7% more respondents reporting higher employment for a total of 31% and 3.3% less respondents reporting lower employment for a total of 6.3%.

Supplier Delivery Time:

Supplier Delivery Time decreased 3.3 points to 56.3 based on 6.5% less respondents reporting slower delivery time for a total of 12.5% and 0% respondents reporting faster delivery for a total of 0%.

Finished Inventory:

Finished Inventory decreased 8.0 points to 56.3 points based on 2.1% less respondents reporting higher finished inventory for a total of 31.3% and 14% more respondents reporting lower finished inventory for a total of 18.8%.

Commodity Price:

Commodity Price increased 20.4 points to 65.6 based on 28% more respondents reporting higher commodity price for a total of 37.5% and 12.6% less respondents reporting lower commodity price for a total of 6.3%.

Survey Question:

Forty percent expect production to be higher in the next three to six months versus thirty

three percent for March. Twelve percent of respondents expect production to be lower than their current production versus twelve percent in January. The index is 65.6.

National PMI Report:

The National April PMI decreased 1.0 points to 50.8 as a result of the following: new orders decreased 2.5 points to 56.8; production decreased 1.1 points to 54.2; employment increased 1.1 points to 49.2 points; supplier delivery time decreased 1.1 points to 49.1; and finished inventory decreased 1.5 points to 45.5. Commodity price increased 7.5 points to 59. Exports increased 0.5 points to 52.5 points. Backlog orders decreased 0.5 points to 50.5.

Of the 18 manufacturing industries, 11 are reporting growth down from 12 in March. The 11 industries include: Wood Products; Printing & Related Support Activities; Paper Products; Plastics & Rubber Products; Primary Metals; Fabricated Metal Products; Chemical Products; Machinery; Computer & Electronic Products; Nonmetallic Mineral Products; and Food, Beverage & Tobacco Products.

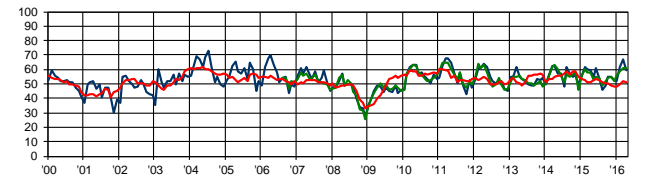
The 4 industries reporting contraction in April are: Petroleum & Coal Products; Transportation Equipment; Miscellaneous Manufacturing; and Furniture & Related Products.

Industrial Production Report:

The March Industrial Production Report recorded a 0.6% monthly decrease following a 0.6 percent decrease for February. March manufacturing recorded a 0.3% decrease following a 0.1% decrease for February.

March durable goods recorded a 0.4% decrease following a 0.2% increase for February. Motor vehicle and parts recorded a 1.6% decrease following a 0.8% increase for February. Business equipment recorded a 0.4

PMI Georgia, PMI Southeast, and PMI National							
	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	Apr - Mar
PMI Georgia	55.0	52.5	52.0	61.6	66.7	59.4	-7.3
PMI Southeast	54.6	52.0	55.3	58.4	60.6	61.1	+0.5
PMI National	48.6	48.0	48.2	49.5	51.8	50.8	-1.0



Change in Percent April – March

	Higher	Same	Lower
New Orders	-10.1	-2.4	12.5
Production	-21.1	8.6	12.5
Employment	2.7	0.6	-3.3
Deliveries	-6.5	6.5	0.0
Finished Inventory	-2.1	-11.9	14.0
Commodity Prices	28.0	-15.2	-12.8

percent decrease following February's 0.3% increase. High-tech recorded a 0.5% increase following a 0.4% increase for February. Mining recorded a 2.9% decrease following a 1.0% decrease for February. Utilities recorded a 1.2% decrease following a 3.6% decrease for February.

Georgia versus the Southeast Survey:

Georgia's PMI decreased 7.3 points to 59.4 as the Southeast's PMI increased 0.5 points to 61.1. Southeast's new orders, production, and supplier delivery time registered 3.7, 9.5, and 1.9 points respectively higher compared to Georgia's components. Georgia's employment and commodity price recorded 0.3 and 6.3 points higher than for the Southeast.

Georgia versus the National Survey:

In April Georgia's PMI decreased 7.3 points to 59.4 and the National PMI decreased 1.0 points to 50.8. The Georgia PMI's higher reading of 8.6 points is based on higher readings for new orders, production, employment, supplier delivery time, and finished inventory of 6.7, 5.2, 13.3, 7.2, and 10.8 points, respectively. Georgia's commodity price of 65.6 registered 6.6 points higher than National's reading of 59.

Comment:

Georgia's PMI decreased 7.3 based on volatile movements for new orders, production and finished inventory.

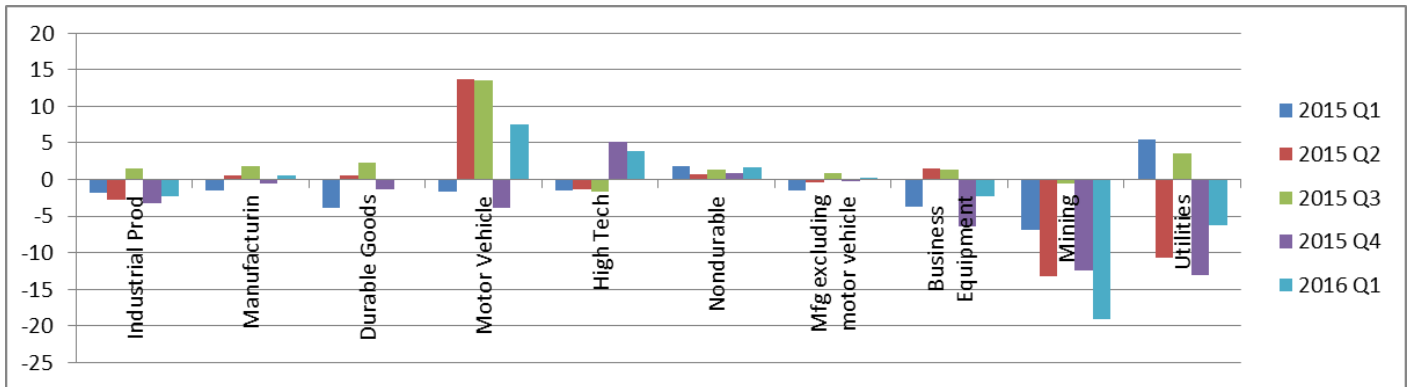
* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that manufacturing is expanding while anything below 50 means that the industry is contracting.

General Remarks From April Respondents

Give your frank opinion on any conditions, local, national or international, that affect your purchasing operation or your company's outlook

"Steel market pricing is increasing with mills controlling supply. Not demand driven."
 "We are very glad to see prices increase from a very low point. We just don't know how long this will last."
 "Backlog is still good. Our delivery is further out than we would like. Skilled workers hard to find. Industry outlook is strong."

"We are finally seeing prices of our products rising due to shuttered domestic capacity and lower imports due to trade cases."
 "Very challenging to find people willing to work. On going issue."
 "Outlook has improved, but is primarily due to seasonal factors."
 "'Normal' weather patters driving good lawn and garden sales, except for Tx."



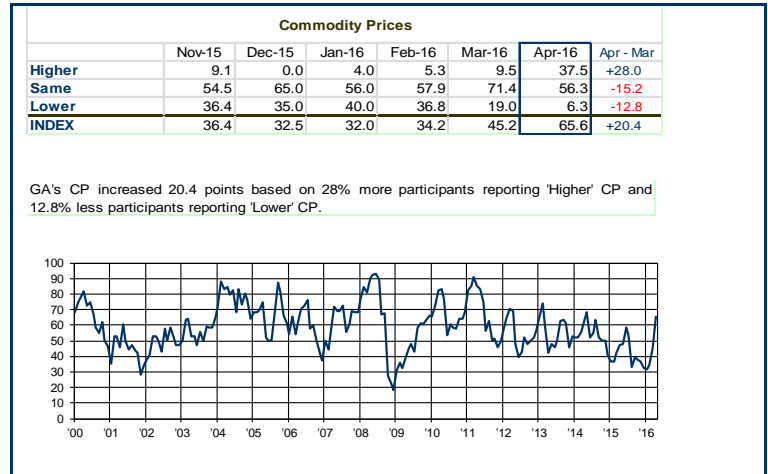
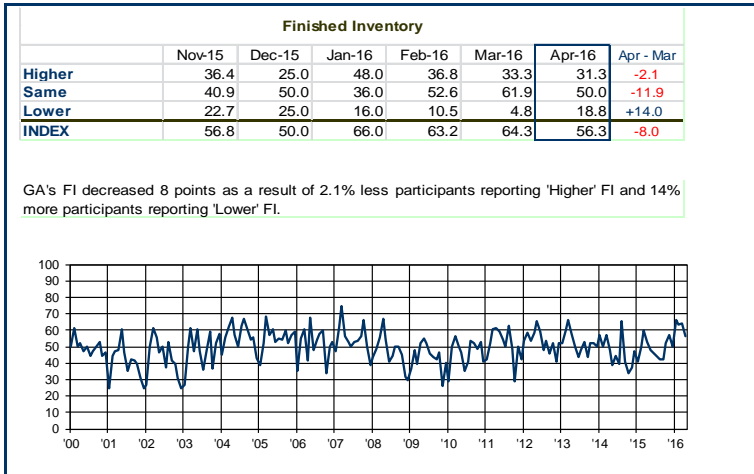
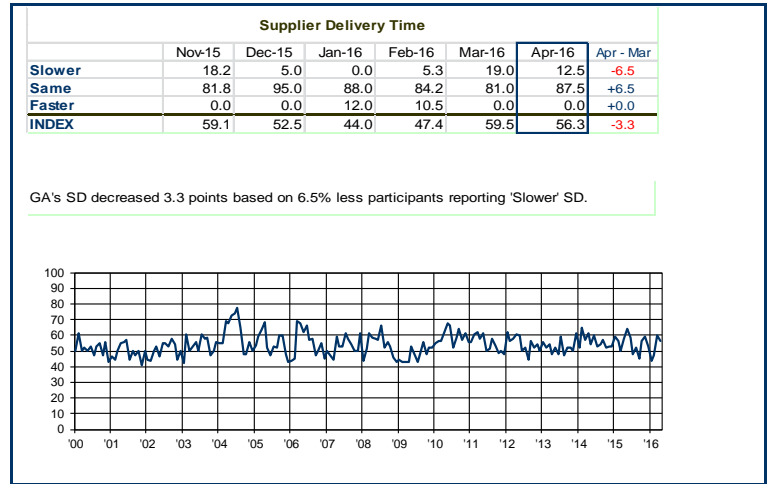
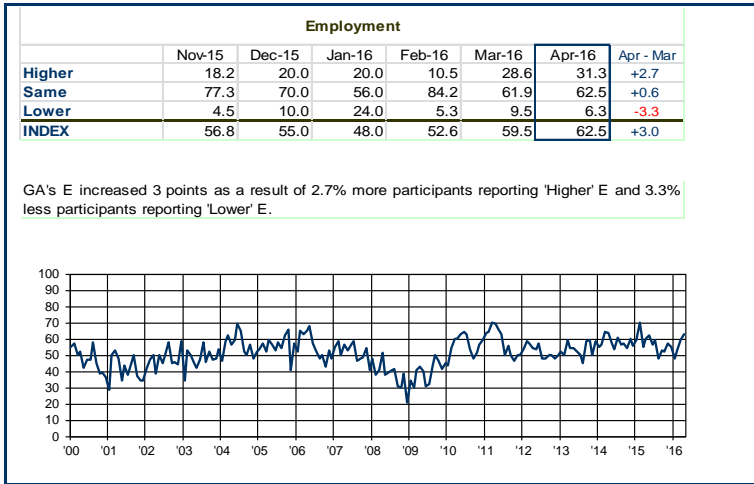
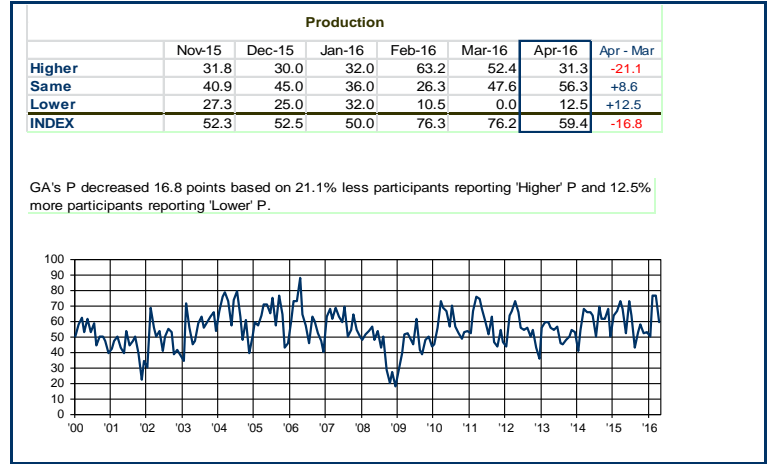
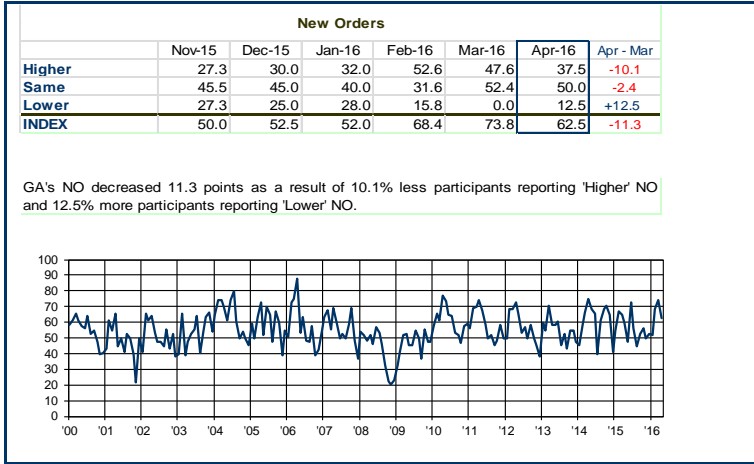
All quarterly growth rates based on annualized rates

Manufacturing's Quarter 1 2016 annualized growth rate of 0.6 percent increase is up from a 0.5 percent decrease for Quarter 4 2015. Quarter 1 2016 durable goods decreased 0.1 percent, up from a 1.4 percent decrease for Quarter 4 2015. Motor vehicle's production increased 7.6 percent up from a 3.8 percent decrease for Quarter 4 2015. Manufacturing minus motor vehicle production was 0 percent up from a 0.2 percent decrease for Quarter 4 2015. Quarter 1 2016. high-tech increased 3.9 percent down from 5.1 percent increase for Quarter 4 2015. Nondurable increased 1.7 percent up from 0.8 percent increase for Quarter 4 2015.

Business equipment decreased 2.3 percent up from 6.4 percent decrease for Quarter 4 2015. Mining decreased 19 percent down from a 12.4 percent decrease for Quarter 4 2015. Utility decreased 6.3 percent up from a 13.1 percent decrease for Quarter 4 2015. March 2016 industrial production finished the Quarter 1 2016 with a decrease of 0.6 percent, was driven by weakness in all subsector except for high-tech. Motor vehicle, mining and utilities experienced the greatest decreases for industrial production. Manufacturing ended the quarter in March with a 0.3 percent decrease led by a 1.6 percent decrease for motor vehicle and parts.

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