

PMI Report **Purchasing Managers Index Report – Georgia**
November 2016

Release Date: December 1, 2016

Georgia PMI surges to 60.0 on strength in new orders and production components. Increase mirrors that in the Southeast and National PMI. Economic expansion remains in place for the 90th consecutive month.

	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Nov '16	Nov-Oct	Nov '16	Nov-Oct	Nov '16	Nov-Oct
INDEX	60.0	+6.5	57.9	+2.8	53.2	+1.3
UNDERLYING VARIABLES:						
New Orders (NO)	55.6	+5.6	56.6	-2.0	53.0	+0.9
Production (P)	63.9	+10.9	63.2	+2.2	56.0	+1.4
Employment (E)	58.3	-0.5	56.6	+2.9	52.3	-0.6
Supply Deliveries (SD)	52.8	-3.1	51.3	-4.8	55.7	+3.5
Finished Inventory (FI)	69.4	+19.4	61.8	+15.5	49.0	+1.5
Commodity Prices (CP)	66.7	+2.0	60.5	-0.4	54.5	+0.0

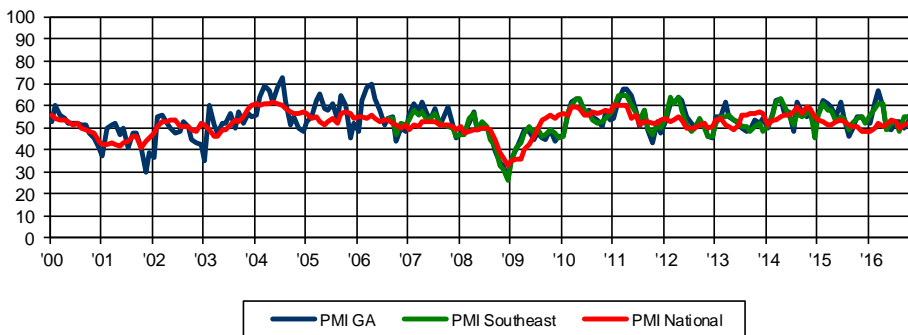
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PMI Georgia, PMI Southeast, and PMI National

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
PMI Georgia	49.3	52.5	52.4	49.4	53.5	60.0	+6.5
PMI Southeast	51.8	52.3	48.5	54.8	55.1	57.9	+2.8
PMI National	53.2	52.6	49.4	51.5	51.9	53.2	+1.3

GA % Change: Nov - Oct

	Higher	Same	Lower
New Orders	-1.3	13.7	-12.4
Production	15.4	-8.8	-6.5
Employment	4.2	-9.5	5.2
Deliveries	-6.2	6.2	0.0
Finished Inventory	20.9	-2.9	-18.0
Commodity Prices	-2.0	7.8	-5.9



Outlook

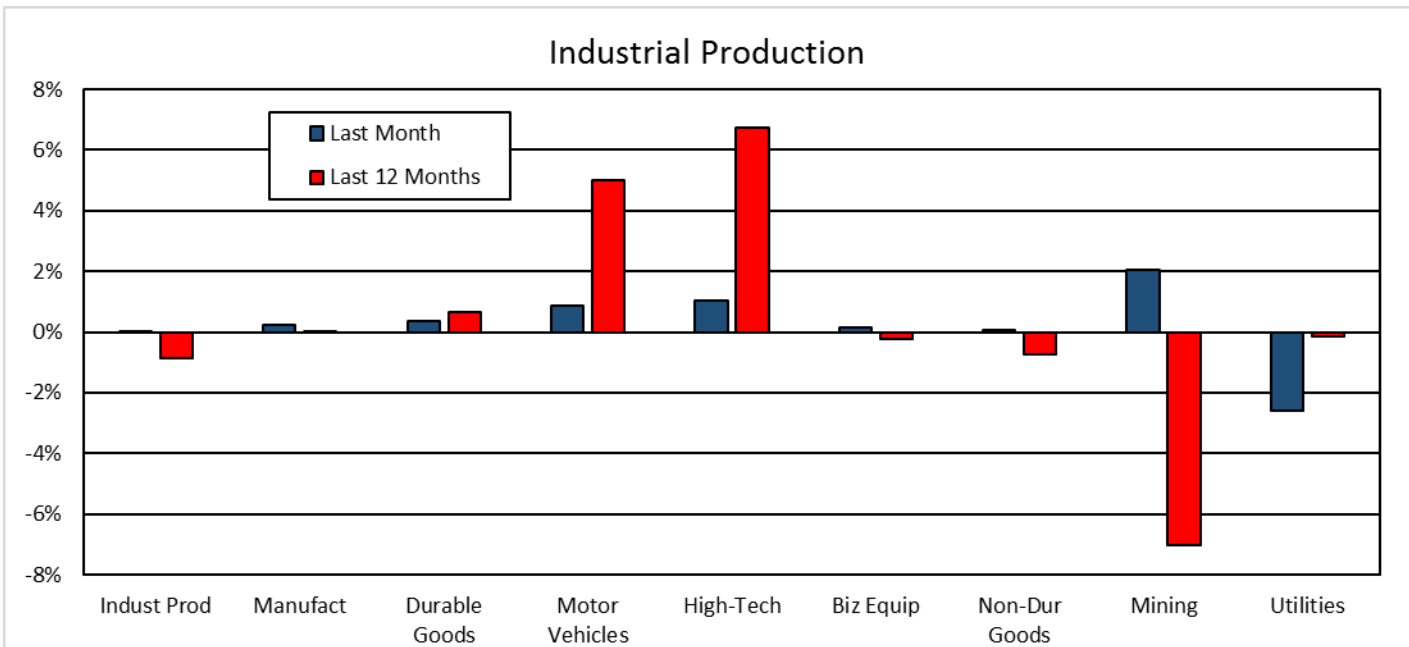
	Sep '16	Oct '16	Nov '16	Nov - Oct
Higher	56.3	41.2	44.4	+3.3
Same	31.3	41.2	50.0	+8.8
Lower	12.5	17.6	5.6	-12.1
INDEX	71.9	61.8	69.4	+7.7

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

"A significant increase in infrastructure spending will significantly improve our business."
 "Very good with no affect of election."
 "Extremely concerned about the phase out of blowing agents set for January 1, 2020 due to a time constraint for testing and the learning curve."

"Outlook seems positive for 2017."
 "Economy is slow."
 "We are booked a year in advance!!"
 "Expecting the economy to improve in future due in large part to Trump."



From the most recent (October 2016) Federal Reserve Industrial Production Report . . .

Industrial production was unchanged in October after decreasing 0.2 percent in September. Although the level of industrial production in September was the same as the previous estimate, revisions to the index for utilities raised the rate of change in total industrial production in August and lowered it in September.

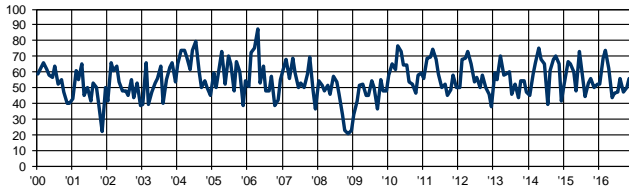
In October, manufacturing output increased 0.2 percent, and mining posted a gain of 2.1 percent for its largest increase since March 2014. The index for utilities dropped 2.6 percent, as warmer-than-normal temperatures reduced the demand for heating.

At 104.3 percent of its 2012 average, total industrial production in October was 0.9 percent lower than its year-earlier level. Capacity utilization for the industrial sector edged down 0.1 percentage point in October to 75.3 percent, a rate that is 4.7 percentage points below its long-run (1972–2015) average.

New Orders

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
Higher	26.7	25.0	29.4	31.3	23.5	22.2	-1.3
Same	40.0	43.8	52.9	31.3	52.9	66.7	+13.7
Lower	33.3	31.3	17.6	37.5	23.5	11.1	-12.4
INDEX	46.7	46.9	55.9	46.9	50.0	55.6	+5.6

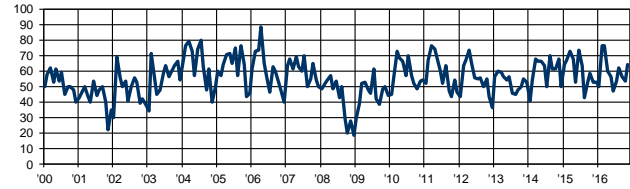
GA's NO increased 5.6 points due to 12.4% less participants reporting 'Lower' NO.



Production

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
Higher	26.7	31.3	23.5	37.5	23.5	38.9	+15.4
Same	40.0	43.8	76.5	37.5	58.8	50.0	-8.8
Lower	33.3	25.0	0.0	25.0	17.6	11.1	-6.5
INDEX	46.7	53.1	61.8	56.3	52.9	63.9	+10.9

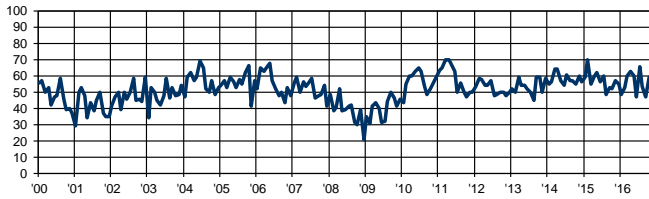
GA's P increased 10.9 points as a result of 15.4% more participants reporting 'Higher' P and 6.5% less participants reporting 'Lower' P.



Employment

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
Higher	6.7	37.5	11.8	12.5	23.5	27.8	+4.2
Same	80.0	56.3	82.4	68.8	70.6	61.1	-9.5
Lower	13.3	6.3	5.9	18.8	5.9	11.1	+5.2
INDEX	46.7	65.6	52.9	46.9	58.8	58.3	-0.5

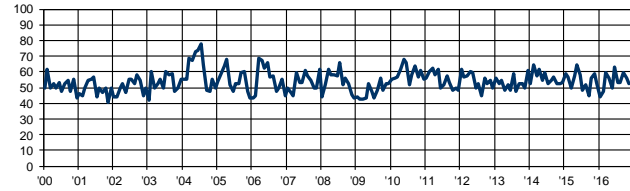
GA's E decreased 0.5 points as a result of 5.2% more participants reporting 'Lower' E.



Supplier Delivery Time

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
Slower	26.7	12.5	5.9	18.8	11.8	5.6	-6.2
Same	73.3	81.3	94.1	81.3	88.2	94.4	+6.2
Faster	0.0	6.3	0.0	0.0	0.0	0.0	+0.0
INDEX	63.3	53.1	52.9	59.4	55.9	52.8	-3.1

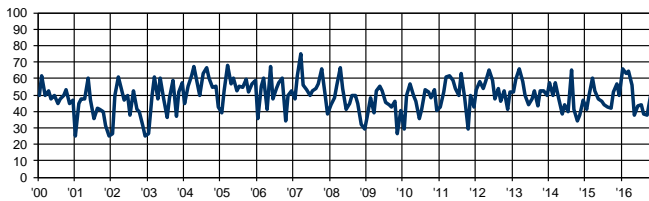
GA's SD decreased 3.1 points due to 6.2% less participants reporting 'Slower' SD.



Finished Inventory

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
Higher	26.7	18.8	11.8	6.3	23.5	44.4	+20.9
Same	33.3	50.0	52.9	62.5	52.9	50.0	-2.9
Lower	40.0	31.3	35.3	31.3	23.5	5.6	-18.0
INDEX	43.3	43.8	38.2	37.5	50.0	69.4	+19.4

GA's FI increased 19.4 points due to 20.9% more participants reporting 'Higher' FI and 18% less participants reporting 'Lower' FI.



Commodity Prices

	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Nov - Oct
Higher	26.7	43.8	17.6	31.3	35.3	33.3	-2.0
Same	73.3	56.3	64.7	68.8	58.8	66.7	+7.8
Lower	0.0	0.0	17.6	0.0	5.9	0.0	-5.9
INDEX	63.3	71.9	50.0	65.6	64.7	66.7	+2.0

GA's CP increased 2 points as a result of 5.9% less participants reporting 'Lower' CP.

