

Purchasing Managers Index Report – Georgia February 2017 Report

National PMI rises again, indicating industrial expansion continues. State and regional PMIs surge on gains in new orders and production.

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Feb '17	Feb-Jan	Feb '17	Feb-Jan	Feb '17	Feb-Jan
INDEX	63.1	+11.1	64.3	+12.2	57.7	+1.7
UNDERLYING VARIABLES:						
New Orders (NO)	71.9	+15.2	68.6	+15.9	65.1	+4.7
Production (P)	65.6	+15.6	65.7	+9.1	62.9	+1.5
Employment (E)	59.4	+2.7	62.9	+8.9	54.2	-1.9
Supply Deliveries (SD)	68.8	+18.8	62.9	+11.5	54.8	+1.2
Finished Inventory (FI)	50.0	+3.3	61.4	+15.4	51.5	+3.0
Commodity Prices (CP)	68.8	+12.1	67.1	+9.2	68.0	-1.0

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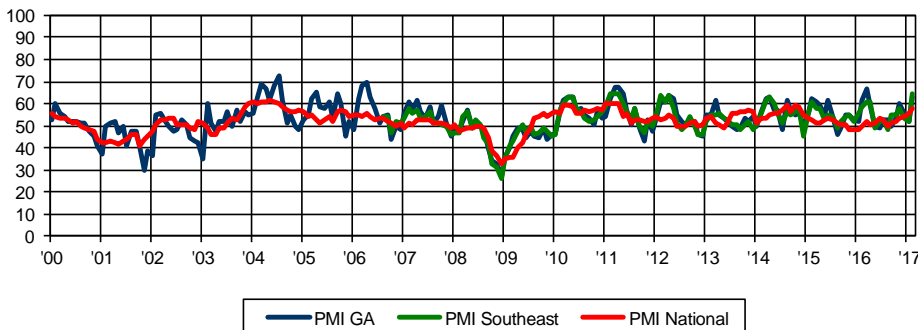
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GA % Change: Feb - Jan

	PMI Georgia, PMI Southeast, and PMI National						
	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
PMI Georgia	49.4	53.5	60.0	55.6	52.0	63.1	+11.1
PMI Southeast	54.8	55.1	57.9	53.8	52.1	64.3	+12.2
PMI National	51.5	51.9	53.2	54.5	56.0	57.7	+1.7

	Higher	Same	Lower
New Orders	16.7	-2.9	-13.8
Production	23.8	-16.3	-7.5
Employment	5.4	-5.4	0.0
Deliveries	37.5	-37.5	0.0
Finished Inventory	-1.3	9.2	-7.9
Commodity Prices	17.5	-10.8	-6.7



Outlook

	Dec '16	Jan '17	Feb '17	Feb - Jan
Higher	75.0	60.0	56.3	-3.8
Same	25.0	40.0	43.8	+3.8
Lower	0.0	0.0	0.0	+0.0
INDEX	87.5	80.0	78.1	-1.9

* 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 February Respondents

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

"Industry dynamics are stable."

"There is a lot of optimism, I am waiting for the results to catch up with the optimism. Hopefully it will not take a few years."

"Outlook is very good."

"We expect a much better economy this year and through 2018."

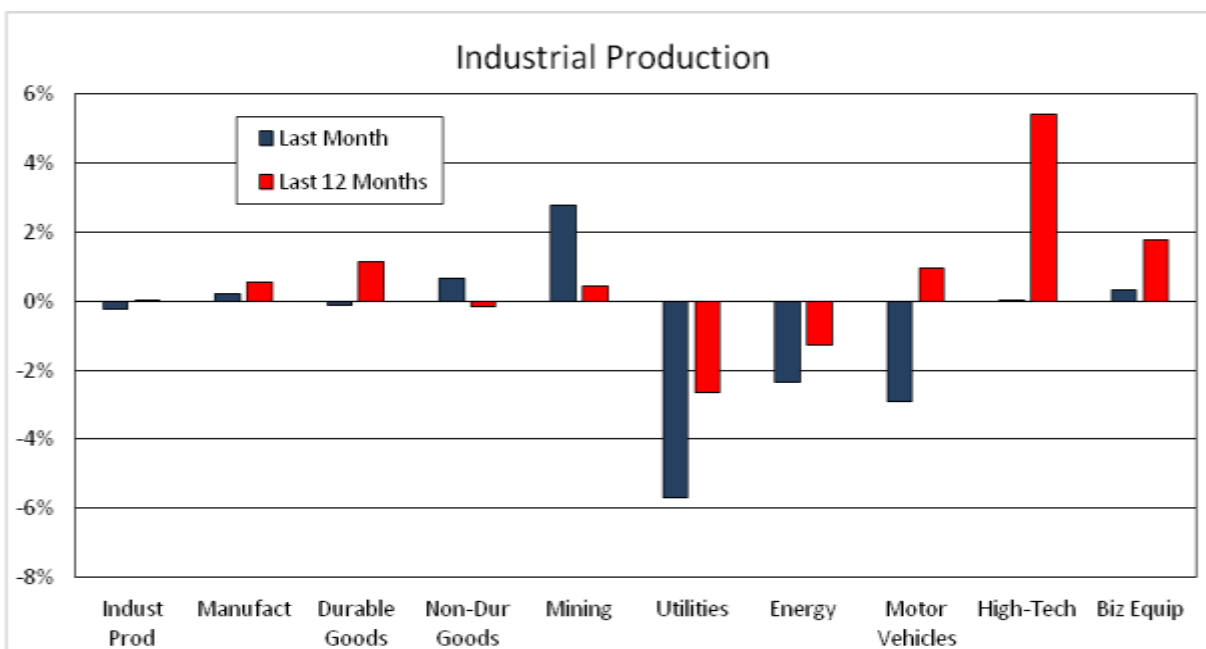
"Overall outlook is good...hopefully Im right!."

"Spring will commence our business to increase - as November and December are seasonal months."

"There seems to be pressure from almost every market segment for price increases."

"Business spiked in the 4th quarter last year - our January was 35% over last year January."

"Business good for first quarter 2017."



Industrial production decreased 0.3 percent in January following a 0.6 percent increase in December.

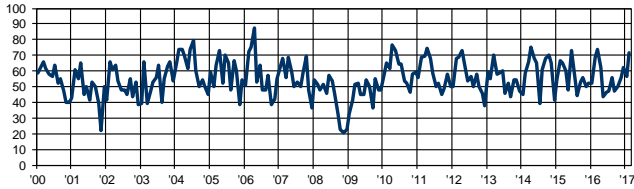
In January, manufacturing output moved up 0.2 percent, and mining output jumped 2.8 percent. The index for utilities fell 5.7 percent, largely because unseasonably warm weather reduced the demand for heating. At 104.6 percent of its 2012 average, total industrial production in January was at about the same level as it was a year earlier.

Capacity utilization for the industrial sector fell 0.3 percentage point in January to 75.3 percent, a rate that is 4.6 percentage points below its long-run (1972–2016) average.

New Orders

	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
Higher	31.3	23.5	22.2	37.5	33.3	50.0	+16.7
Same	31.3	52.9	66.7	50.0	46.7	43.8	-2.9
Lower	37.5	23.5	11.1	12.5	20.0	6.3	-13.8
INDEX	46.9	50.0	55.6	62.5	56.7	71.9	+15.2

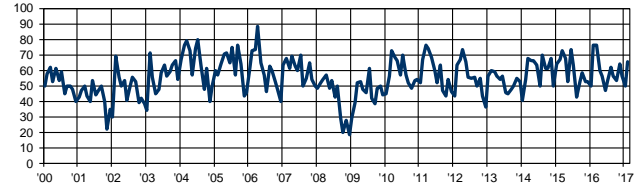
GA's NO increased 15.2 points as a result of 16.7% more participants reporting 'Higher' NO and 13.8% less participants reporting 'Lower' NO.



Production

	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
Higher	37.5	23.5	38.9	25.0	20.0	43.8	+23.8
Same	37.5	58.8	50.0	62.5	60.0	43.8	-16.3
Lower	25.0	17.6	11.1	12.5	20.0	12.5	-7.5
INDEX	56.3	52.9	63.9	56.3	50.0	65.6	+15.6

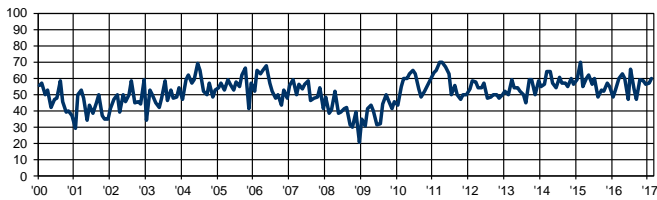
GA's P increased 15.6 points as a result of 23.8% more participants reporting 'Higher' P and 7.5% less participants reporting 'Lower' P.



Employment

	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
Higher	12.5	23.5	27.8	18.8	13.3	18.8	+5.4
Same	68.8	70.6	61.1	75.0	86.7	81.3	-5.4
Lower	18.8	5.9	11.1	6.3	0.0	0.0	+0.0
INDEX	46.9	58.8	58.3	56.3	56.7	59.4	+2.7

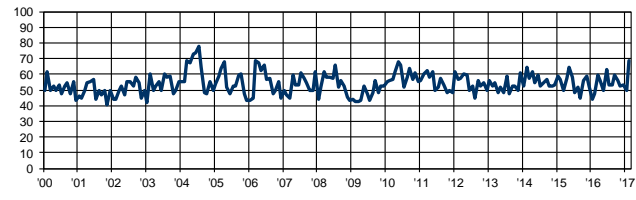
GA's E increased 2.7 points due to 5.4% more participants reporting 'Higher' E.



Supplier Delivery Time

	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
Slower	18.8	11.8	5.6	6.3	0.0	37.5	+37.5
Same	81.3	88.2	94.4	93.8	100.0	62.5	-37.5
Faster	0.0	0.0	0.0	0.0	0.0	0.0	+0.0
INDEX	59.4	55.9	52.8	53.1	50.0	68.8	+18.8

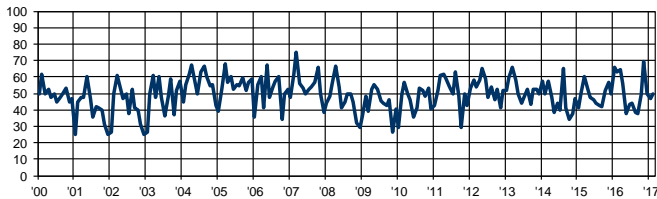
GA's SD increased 18.8 points due to 37.5% more participants reporting 'Slower' SD.



Finished Inventory

	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
Higher	6.3	23.5	44.4	25.0	20.0	18.8	-1.3
Same	62.5	52.9	50.0	50.0	53.3	62.5	+9.2
Lower	31.3	23.5	5.6	25.0	26.7	18.8	-7.9
INDEX	37.5	50.0	69.4	50.0	46.7	50.0	+3.3

GA's FI increased 3.3 points based on 7.9% less participants reporting 'Lower' FI.



Commodity Prices

	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Feb - Jan
Higher	31.3	35.3	33.3	43.8	20.0	37.5	+17.5
Same	68.8	58.8	66.7	50.0	73.3	62.5	-10.8
Lower	0.0	5.9	0.0	6.3	6.7	0.0	-6.7
INDEX	65.6	64.7	66.7	68.8	56.7	68.8	+12.1

GA's CP increased 12.1 points as a result of 17.5% more participants reporting 'Higher' CP and 6.7% less participants reporting 'Lower' CP.

