

Purchasing Managers Index Report – Georgia April 2017 Report

National and Region PMIs slide several points while the Georgia Index is essentially unchanged. Despite pullback, the PMI remains in line with a continued expansion in the manufacturing sector. All three report pullback in forward-looking new orders component.

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Apr '17	Apr-Mar	Apr '17	Apr-Mar	Apr '17	Apr-Mar
INDEX	72.1	-0.3	64.2	-4.3	54.8	-2.4
UNDERLYING VARIABLES:						
New Orders (NO)	85.7	-2.5	71.0	-10.3	57.5	-7.0
Production (P)	85.7	+9.2	71.0	-6.5	58.6	+1.0
Employment (E)	67.9	-2.7	61.3	-3.7	52.0	-6.9
Supply Deliveries (SD)	60.7	+1.9	58.1	+3.1	55.1	-0.8
Finished Inventory (FI)	60.7	-6.9	59.7	-4.1	51.0	+2.0
Commodity Prices (CP)	71.4	-8.0	74.2	-3.3	68.5	-2.0

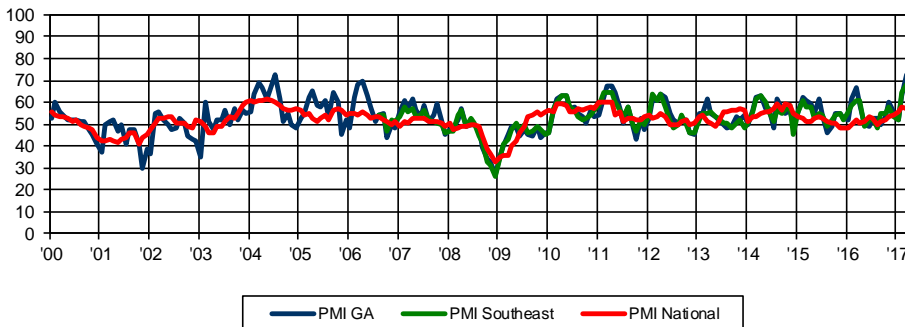
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PMI Georgia, PMI Southeast, and PMI National

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
PMI Georgia	60.0	55.6	52.0	63.1	72.4	72.1	-0.3
PMI Southeast	57.9	53.8	52.1	64.3	68.5	64.2	-4.3
PMI National	53.2	54.5	56.0	57.7	57.2	54.8	-2.4

GA % Change: Apr - Mar

	Higher	Same	Lower
New Orders	-10.9	16.8	-5.9
Production	6.7	5.0	-11.8
Employment	-5.5	5.5	0.0
Deliveries	-2.1	8.0	-5.9
Finished Inventory	-17.2	20.6	-3.4
Commodity Prices	-14.7	13.4	1.3



Outlook

	Feb '17	Mar '17	Apr '17	Apr - Mar
Higher	56.3	58.8	64.3	+5.5
Same	43.8	35.3	35.7	+0.4
Lower	0.0	5.9	0.0	-5.9
INDEX	78.1	76.5	82.1	+5.7

* 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 April Respondents

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

"Outlook is still very good even though a bit slower than last 60 days."

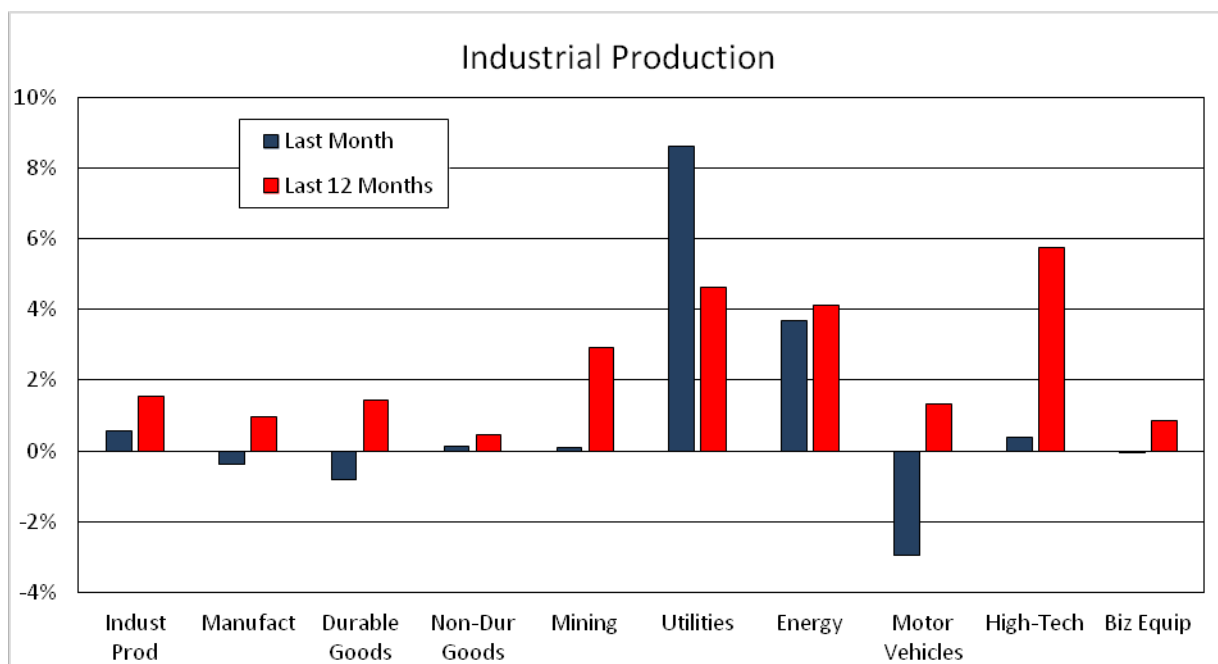
"Our backlog is strong based on our customers' expectations. Should these expectations fail to materialize, we will see a downturn."

"State and Federal attention to infrastructure funding is key to meet expectations."

"We still bring in many products from off shore. Container costs are climbing more than 20%."

"We continue to be optimistic and hopeful that the economy will continue to improve. Infrastructure spending will be very beneficial to the steel industry."

"Our new orders for April are 80% over last year April. YTD our new orders are more than 40%."



Summary From the Fed: Industrial production increased 0.5 percent in March after moving up 0.1 percent in February. The increase in March was more than accounted for by a jump of 8.6 percent in the output of utilities—the largest in the history of the index—as the demand for heating returned to seasonal norms after being suppressed by unusually warm weather in February.

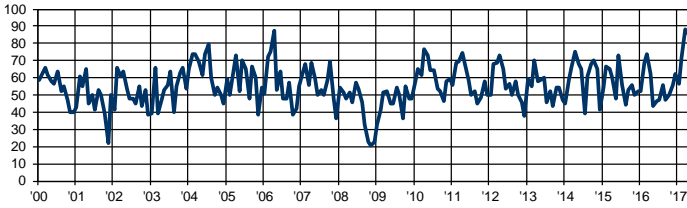
Manufacturing output fell 0.4 percent in March, led by a large step-down in the production of motor vehicles and parts; factory output aside from motor vehicles and parts moved down 0.2 percent. The production at mines edged up 0.1 percent.

For the first quarter as a whole, industrial production rose at an annual rate of 1.5 percent. At 104.1 percent of its 2012 average, total industrial production in March was 1.5 percent above its year-earlier level. Capacity utilization for the industrial sector increased 0.4 percentage point in March to 76.1 percent, a rate that is 3.8 percentage points below its long-run (1972–2016) average.

New Orders

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
Higher	22.2	37.5	33.3	50.0	82.4	71.4	-10.9
Same	66.7	50.0	46.7	43.8	11.8	28.6	+16.8
Lower	11.1	12.5	20.0	6.3	5.9	0.0	-5.9
INDEX	55.6	62.5	56.7	71.9	88.2	85.7	-2.5

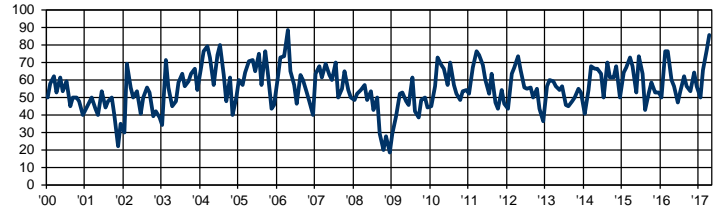
GA's NO decreased 2.5 points as a result of 10.9% less participants reporting 'Higher' NO.



Production

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
Higher	38.9	25.0	20.0	43.8	64.7	71.4	+6.7
Same	50.0	62.5	60.0	43.8	23.5	28.6	+5.0
Lower	11.1	12.5	20.0	12.5	11.8	0.0	-11.8
INDEX	63.9	56.3	50.0	65.6	76.5	85.7	+9.2

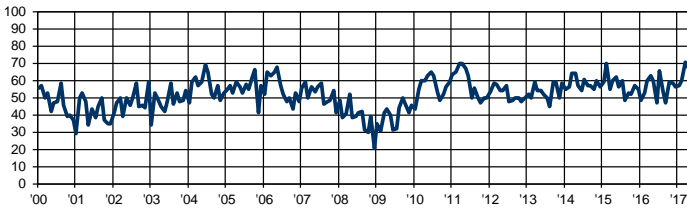
GA's P increased 9.2 points due to 6.7% more participants reporting 'Higher' P and 11.8% less participants reporting 'Lower' P.



Employment

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
Higher	27.8	18.8	13.3	18.8	41.2	35.7	-5.5
Same	61.1	75.0	86.7	81.3	58.8	64.3	+5.5
Lower	11.1	6.3	0.0	0.0	0.0	0.0	+0.0
INDEX	58.3	56.3	56.7	59.4	70.6	67.9	-2.7

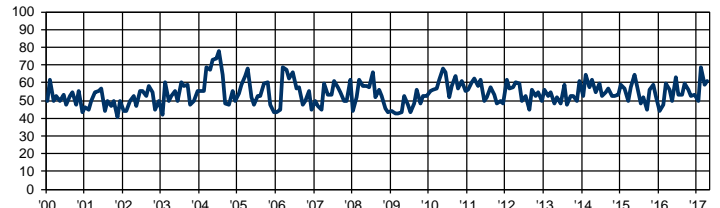
GA's E decreased 2.7 points as a result of 5.5% less participants reporting 'Higher' E.



Supplier Delivery Time

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
Slower	5.6	6.3	0.0	37.5	23.5	21.4	-2.1
Same	94.4	93.8	100.0	62.5	70.6	78.6	+8.0
Faster	0.0	0.0	0.0	0.0	5.9	0.0	-5.9
INDEX	52.8	53.1	50.0	68.8	58.8	60.7	+1.9

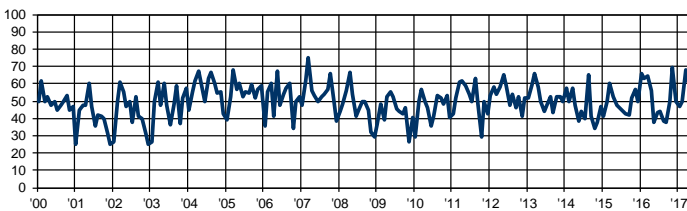
GA's SD increased 1.9 points as a result of 5.9% less participants reporting 'Faster' SD.



Finished Inventory

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
Higher	44.4	25.0	20.0	18.8	52.9	35.7	-17.2
Same	50.0	50.0	53.3	62.5	29.4	50.0	+20.6
Lower	5.6	25.0	26.7	18.8	17.6	14.3	-3.4
INDEX	69.4	50.0	46.7	50.0	67.6	60.7	-6.9

GA's FI decreased 6.9 points as a result of 17.2% less participants reporting 'Higher' FI.



Commodity Prices

	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	Apr - Mar
Higher	33.3	43.8	20.0	37.5	64.7	50.0	-14.7
Same	66.7	50.0	73.3	62.5	29.4	42.9	+13.4
Lower	0.0	6.3	6.7	0.0	5.9	7.1	+1.3
INDEX	66.7	68.8	56.7	68.8	79.4	71.4	-8.0

GA's CP decreased 8 points based on 14.7% less participants reporting 'Higher' CP.

