

Purchasing Managers Index Report – Georgia May 2017 Report

Georgia and Southeastern Manufacturing activity continues to expand, but it is outpacing the national index by a smaller margin. New Orders and Production components reverting to more moderate pace. The employment component remains consistent with additional job creation.

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	May '17	May-Apr	May '17	May-Apr	May '17	May-Apr
INDEX	63.8	-8.3	58.5	-5.7	54.9	+0.1
UNDERLYING VARIABLES:						
New Orders (NO)	65.4	-20.3	55.6	-15.4	59.5	+2.0
Production (P)	73.1	-12.6	63.0	-8.0	57.1	-1.5
Employment (E)	69.2	+1.4	59.3	-2.0	53.5	+1.5
Supply Deliveries (SD)	61.5	+0.8	61.1	+3.0	53.1	-2.0
Finished Inventory (FI)	50.0	-10.7	53.7	-6.0	51.5	+0.5
Commodity Prices (CP)	57.7	-13.7	63.0	-11.2	60.5	-8.0

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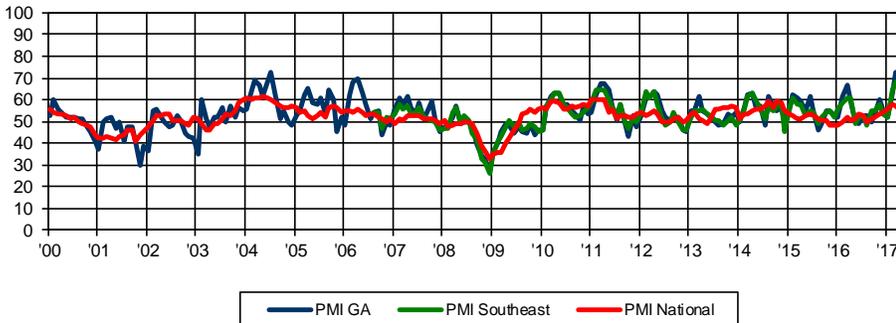
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GA % Change: May - Apr

	PMI Georgia, PMI Southeast, and PMI National						
	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
PMI Georgia	55.6	52.0	63.1	72.4	72.1	63.8	-8.3
PMI Southeast	53.8	52.1	64.3	68.5	64.2	58.5	-5.7
PMI National	54.5	56.0	57.7	57.2	54.8	54.9	+0.1

	Higher	Same	Lower
New Orders	-17.6	-5.5	23.1
Production	-17.6	9.9	7.7
Employment	2.7	-2.7	0.0
Deliveries	1.6	-1.6	0.0
Finished Inventory	-12.6	3.8	8.8
Commodity Prices	-19.2	11.0	8.2



	Outlook			
	Mar '17	Apr '17	May '17	May - Apr
Higher	58.8	64.3	53.8	-10.4
Same	35.3	35.7	38.5	+2.7
Lower	5.9	0.0	7.7	+7.7
INDEX	76.5	82.1	73.1	-9.1

* 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 **May** Respondents

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

"We are hearing rumors of imminent price increases on PVC products."

"Industry fundamentals are still good."

"Tennessee just passed a bill to provide extra funding for infrastructure which will create higher demand for our customers in Tennessee."

"Still stron but softening a bit over the next few months."

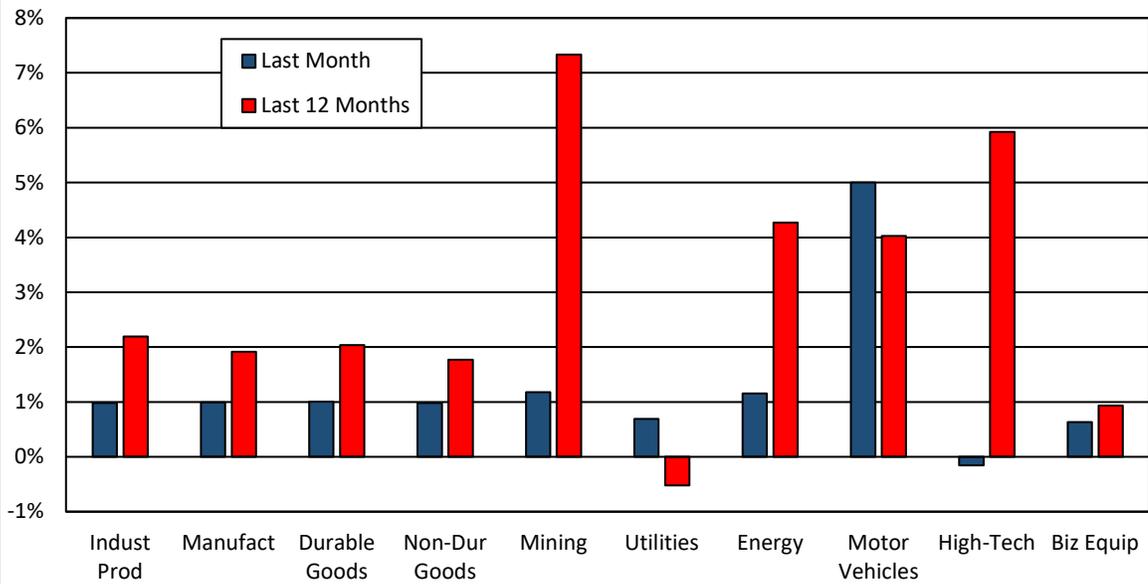
"Multi-wall paper and linerboard costs are increasing."

"Economy is strong, seasonal summer-oriented businesses slowing (product in stores)."

"Business is getting better due to tracking returning."

"We are seeing steady price increases each month."

Industrial Production



Industrial production advanced 1.0 percent in April for its third consecutive monthly increase and its largest gain since February 2014.

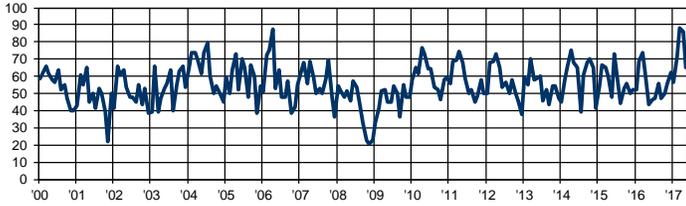
Manufacturing output rose 1.0 percent as a result of widespread increases among its major industries. The indexes for mining and utilities posted gains of 1.2 percent and 0.7 percent, respectively.

At 105.1 percent of its 2012 average, total industrial production in April was 2.2 percent above its year-earlier level. Capacity utilization for the industrial sector increased 0.6 percentage point in April to 76.7 percent, a rate that is 3.2 percentage points below its long-run (1972–2016) average.

New Orders

	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
Higher	37.5	33.3	50.0	82.4	71.4	53.8	-17.6
Same	50.0	46.7	43.8	11.8	28.6	23.1	-5.5
Lower	12.5	20.0	6.3	5.9	0.0	23.1	+23.1
INDEX	62.5	56.7	71.9	88.2	85.7	65.4	-20.3

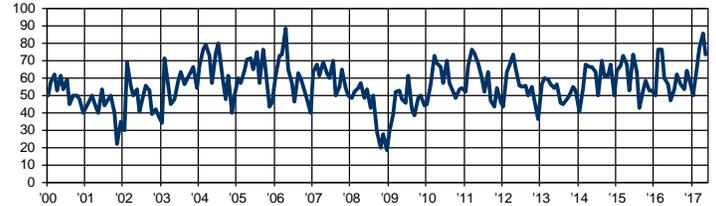
GA's NO decreased 20.3 points as a result of 17.6% less participants reporting 'Higher' NO and 23.1% more participants reporting 'Lower' NO.



Production

	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
Higher	25.0	20.0	43.8	64.7	71.4	53.8	-17.6
Same	62.5	60.0	43.8	23.5	28.6	38.5	+9.9
Lower	12.5	20.0	12.5	11.8	0.0	7.7	+7.7
INDEX	56.3	50.0	65.6	76.5	85.7	73.1	-12.6

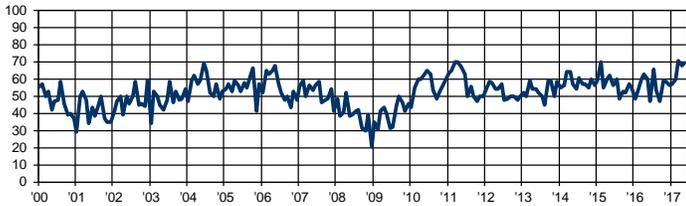
GA's P decreased 12.6 points based on 17.6% less participants reporting 'Higher' P and 7.7% more participants reporting 'Lower' P.



Employment

	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
Higher	18.8	13.3	18.8	41.2	35.7	38.5	+2.7
Same	75.0	86.7	81.3	58.8	64.3	61.5	-2.7
Lower	6.3	0.0	0.0	0.0	0.0	0.0	+0.0
INDEX	56.3	56.7	59.4	70.6	67.9	69.2	+1.4

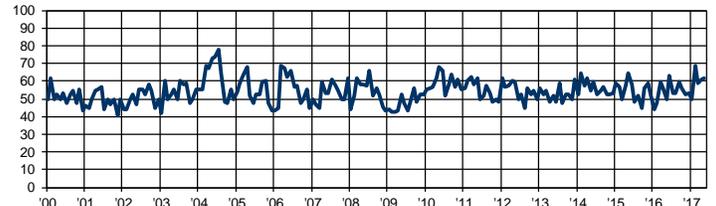
GA's E increased 1.4 points as a result of 2.7% more participants reporting 'Higher' E.



Supplier Delivery Time

	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
Slower	6.3	0.0	37.5	23.5	21.4	23.1	+1.6
Same	93.8	100.0	62.5	70.6	78.6	76.9	-1.6
Faster	0.0	0.0	0.0	5.9	0.0	0.0	+0.0
INDEX	53.1	50.0	68.8	58.8	60.7	61.5	+0.8

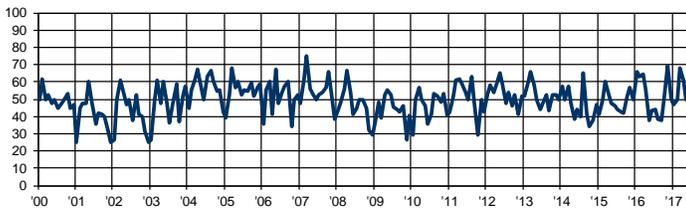
GA's SD increased 0.8 points as a result of 1.6% more participants reporting 'Slower' SD.



Finished Inventory

	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
Higher	25.0	20.0	18.8	52.9	35.7	23.1	-12.6
Same	50.0	53.3	62.5	29.4	50.0	53.8	+3.8
Lower	25.0	26.7	18.8	17.6	14.3	23.1	+8.8
INDEX	50.0	46.7	50.0	67.6	60.7	50.0	-10.7

GA's FI decreased 10.7 points as a result of 12.6% less participants reporting 'Higher' FI and 8.8% more participants reporting 'Lower' FI.



Commodity Prices

	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	May - Apr
Higher	43.8	20.0	37.5	64.7	50.0	30.8	-19.2
Same	50.0	73.3	62.5	29.4	42.9	53.8	+11.0
Lower	6.3	6.7	0.0	5.9	7.1	15.4	+8.2
INDEX	68.8	56.7	68.8	79.4	71.4	57.7	-13.7

GA's CP decreased 13.7 points based on 19.2% less participants reporting 'Higher' CP and 8.2% more participants reporting 'Lower' CP.

