

Purchasing Managers Index Report – Georgia July 2017 Report

National, Regional and Georgia PMI moderate in July, but all remain consistent with expansion in goods-producing industries. Source of pullback was broad-based, with new orders, current production and employment falling in all three indices.

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Jul '17	Jul-Jun	Jul '17	Jul-Jun	Jul '17	Jul-Jun
INDEX	56.9	-3.1	51.6	-3.1	56.3	-1.5
UNDERLYING VARIABLES:						
New Orders (NO)	59.4	-3.1	52.7	-2.9	60.4	-3.1
Production (P)	62.5	-9.4	51.4	-11.1	60.6	-1.8
Employment (E)	59.4	-3.1	51.4	-8.4	55.2	-2.0
Supply Deliveries (SD)	59.4	+3.1	56.8	+4.0	55.4	-1.6
Finished Inventory (FI)	43.8	-3.1	45.9	+2.9	50.0	+1.0
Commodity Prices (CP)	53.1	+3.1	54.1	-0.1	62.0	+7.0

Release: August 1, 2017

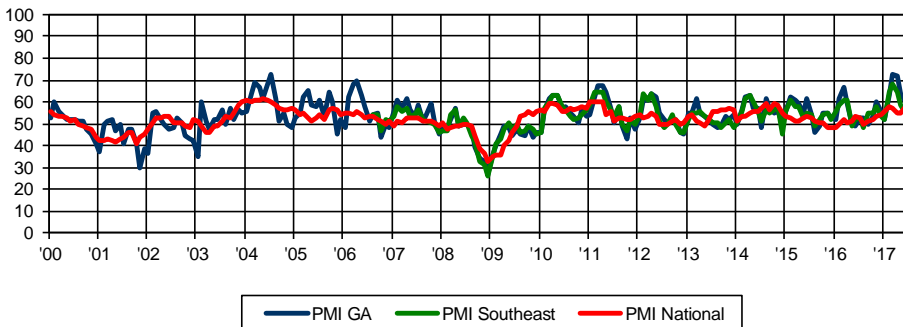
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GA % Change: Jul - Jun

	PMI Georgia, PMI Southeast, and PMI National						Jul - Jun
	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	
PMI Georgia	63.1	72.4	72.1	63.8	60.0	56.9	-3.1
PMI Southeast	64.3	68.5	64.2	58.5	54.7	51.6	-3.1
PMI National	57.7	57.2	54.8	54.9	57.8	56.3	-1.5

	Higher	Same	Lower
New Orders	-6.3	6.3	0.0
Production	-6.3	-6.3	12.5
Employment	-12.5	18.8	-6.3
Deliveries	6.3	-6.3	0.0
Finished Inventory	-6.3	6.3	0.0
Commodity Prices	0.0	6.3	-6.3



	Outlook			
	May '17	Jun '17	Jul '17	Jul - Jun
Higher	53.8	43.8	43.8	+0.0
Same	38.5	43.8	31.3	-12.5
Lower	7.7	12.5	25.0	+12.5
INDEX	73.1	65.6	59.4	-6.3

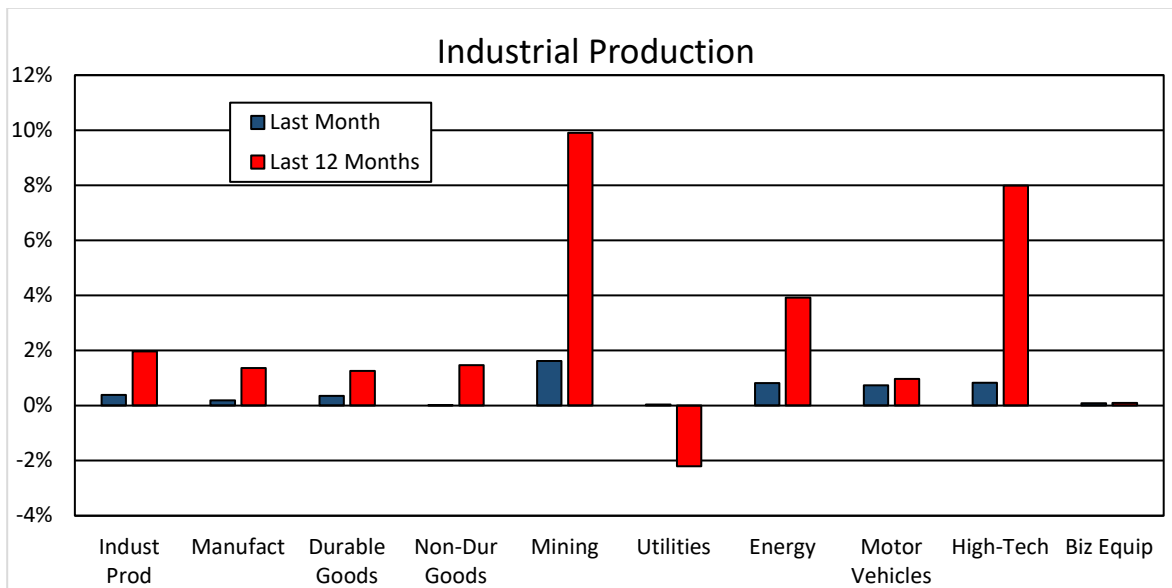
* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that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

General Remarks From July Respondents

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

"The next 4 months look good for our industry."
 "The class 8 truck driver shortage is influencing buying decisions by our customers. If they could hire more drivers, they would buy more dump trucks."
 "Extremely slow in July after record first 6 months."
 "We believe that price increase for materials will continue through this year."
 "Things seem to be status quo waiting to see what happens with section 232, healthcare and tax reform and infrastructure."
 "Strange market, business should pick up by September 1st."
 "There is always unrest as far as international- domestic seems stable as far as economical outlook."

"We are super busy and looks good balance of year."
 "For the most part purchase prices are within normal \$ limits."
 "Consumer garden segment is seasonal, see a slowing in the coming months due entirely to business seasonality."
 "Our first 6 months were very strong - over 30% over last year. Some pullback was expected."
 "Rail logistics in the SE are causing major problems getting deliveries in AL, GA of chemical raw materials (caustic soda, sulf. acid). Trucking logistic are being affected too, as 'collateral damage'.
 "Export orders higher than domestic, but both have increased the last 2 months."



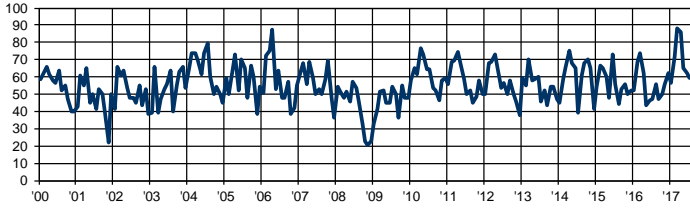
Industrial production rose 0.4 percent in June for its fifth consecutive monthly increase. Manufacturing output moved up 0.2 percent; although factory output has gone up and down in recent months, its level in June was little different from February. The index for mining posted a gain of 1.6 percent in June, just slightly below its pace in May. The index for utilities, however, remained unchanged. For the second quarter as a whole, industrial production advanced at an annual rate of 4.7 percent, primarily as a result of strong increases for mining and utilities.

Manufacturing output rose at an annual rate of 1.4 percent, a slightly slower increase than in the first quarter. At 105.2 percent of its 2012 average, total industrial production in June was 2.0 percent above its year-earlier level. Capacity utilization for the industrial sector increased 0.2 percentage point in June to 76.6 percent, a rate that is 3.3 percentage points below its long-run (1972–2016) average.

New Orders

	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Jul - Jun
Higher	50.0	82.4	71.4	53.8	50.0	43.8	-6.3
Same	43.8	11.8	28.6	23.1	25.0	31.3	+6.3
Lower	6.3	5.9	0.0	23.1	25.0	25.0	+0.0
INDEX	71.9	88.2	85.7	65.4	62.5	59.4	-3.1

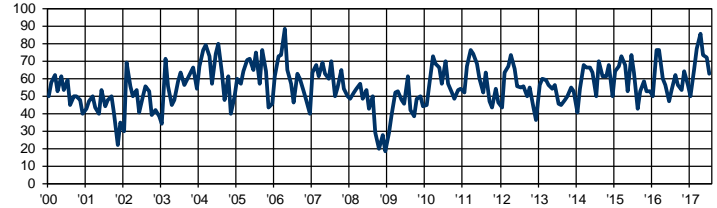
GA's NO decreased 3.1 points as a result of 6.3% less participants reporting 'Higher' NO.



Production

	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Jul - Jun
Higher	43.8	64.7	71.4	53.8	50.0	43.8	-6.3
Same	43.8	23.5	28.6	38.5	43.8	37.5	-6.3
Lower	12.5	11.8	0.0	7.7	6.3	18.8	+12.5
INDEX	65.6	76.5	85.7	73.1	71.9	62.5	-9.4

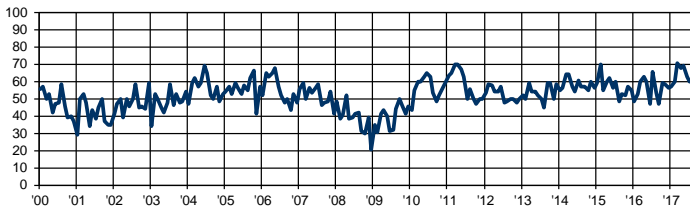
GA's P decreased 9.4 points as a result of 6.3% less participants reporting 'Higher' P and 12.5% more participants reporting 'Lower' P.



Employment

	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Jul - Jun
Higher	18.8	41.2	35.7	38.5	37.5	25.0	-12.5
Same	81.3	58.8	64.3	61.5	50.0	68.8	+18.8
Lower	0.0	0.0	0.0	0.0	12.5	6.3	-6.3
INDEX	59.4	70.6	67.9	69.2	62.5	59.4	-3.1

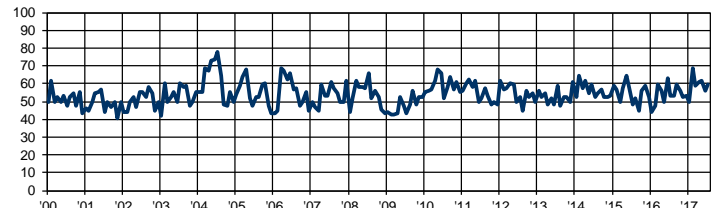
GA's E decreased 3.1 points as a result of 12.5% less participants reporting 'Higher' E.



Supplier Delivery Time

	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Jul - Jun
Slower	37.5	23.5	21.4	23.1	18.8	25.0	+6.3
Same	62.5	70.6	78.6	76.9	75.0	68.8	-6.3
Faster	0.0	5.9	0.0	0.0	6.3	6.3	+0.0
INDEX	68.8	58.8	60.7	61.5	56.3	59.4	+3.1

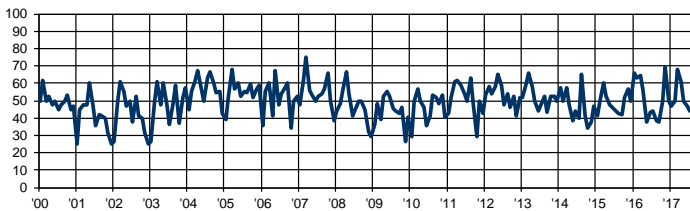
GA's SD increased 3.1 points due to 6.3% more participants reporting 'Slower' SD.



Finished Inventory

	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Jul - Jun
Higher	18.8	52.9	35.7	23.1	25.0	18.8	-6.3
Same	62.5	29.4	50.0	53.8	43.8	50.0	+6.3
Lower	18.8	17.6	14.3	23.1	31.3	31.3	+0.0
INDEX	50.0	67.6	60.7	50.0	46.9	43.8	-3.1

GA's FI decreased 3.1 points based on 6.3% less participants reporting 'Higher' FI.



Commodity Prices

	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Jul - Jun
Higher	37.5	64.7	50.0	30.8	18.8	18.8	+0.0
Same	62.5	29.4	42.9	53.8	62.5	68.8	+6.3
Lower	0.0	5.9	7.1	15.4	18.8	12.5	-6.3
INDEX	68.8	79.4	71.4	57.7	50.0	53.1	+3.1

GA's CP increased 3.1 points due to 6.3% less participants reporting 'Lower' CP.

