

Purchasing Managers Index Report – Georgia August 2017 Report

Georgia and Southeast PMI rise in line with National PMI gain. All index components remain at levels consistent with expansion in the manufacturing sector.

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Aug '17	Aug-Jul	Aug '17	Aug-Jul	Aug '17	Aug-Jul
INDEX	58.6	+1.7	54.5	+2.9	58.8	+2.5
UNDERLYING VARIABLES:						
New Orders (NO)	57.1	-2.2	54.5	+1.8	60.3	-0.1
Production (P)	64.3	+1.8	57.6	+6.2	61.0	+0.4
Employment (E)	53.6	-5.8	54.5	+3.2	59.9	+4.7
Supply Deliveries (SD)	50.0	-9.4	51.5	-5.2	57.1	+1.7
Finished Inventory (FI)	67.9	+24.1	54.5	+8.6	55.5	+5.5
Commodity Prices (CP)	57.1	+4.0	56.1	+2.0	62.0	+0.0

Release: September 1, 2017

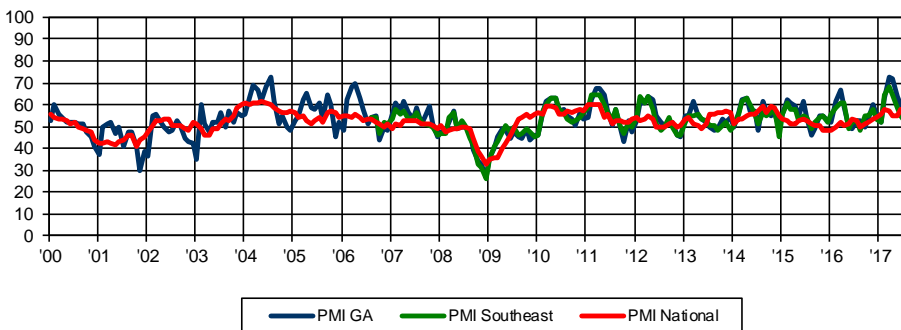
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GA % Change: Aug - Jul

	PMI Georgia, PMI Southeast, and PMI National						Aug '17	Aug - Jul
	Mar '17	Apr '17	May '17	Jun '17	Jul '17			
PMI Georgia	72.4	72.1	63.8	60.0	56.9	58.6	+1.7	
PMI Southeast	68.5	64.2	58.5	54.7	51.6	54.5	+2.9	
PMI National	57.2	54.8	54.9	57.8	56.3	58.8	+2.5	

	Higher	Same	Lower
New Orders	-8.0	11.6	-3.6
Production	-0.9	5.4	-4.5
Employment	-10.7	9.8	0.9
Deliveries	-3.6	-11.6	15.2
Finished Inventory	24.1	0.0	-24.1
Commodity Prices	2.7	2.7	-5.4



	Outlook			
	Jun '17	Jul '17	Aug '17	Aug - Jul
Higher	43.8	43.8	35.7	-8.0
Same	43.8	31.3	42.9	+11.6
Lower	12.5	25.0	21.4	-3.6
INDEX	65.6	59.4	57.1	-2.2

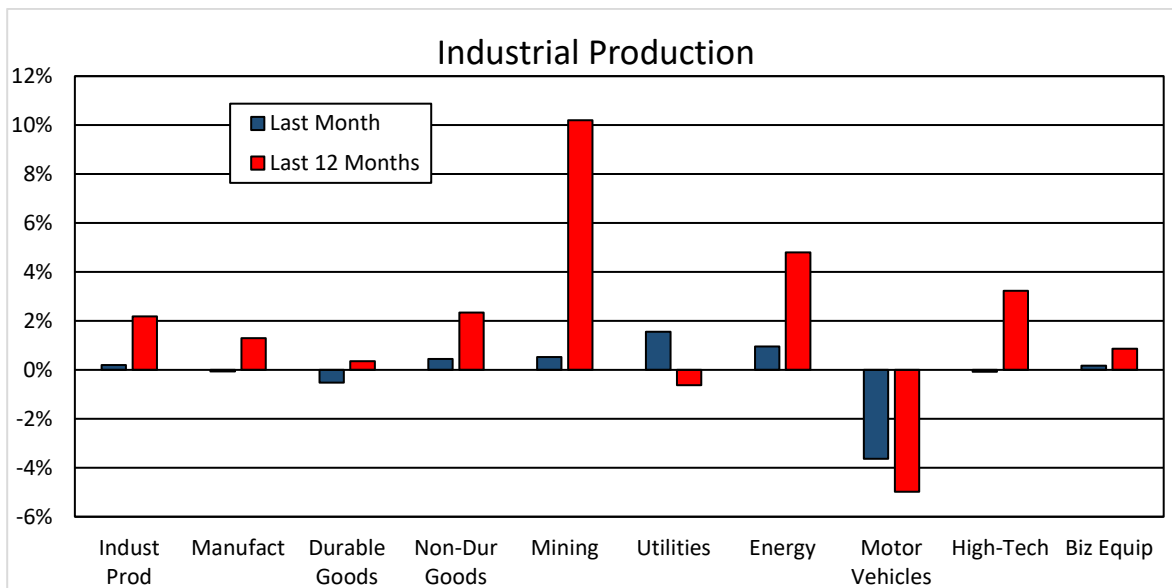
* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that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

General Remarks From August Respondents

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

"Industry outlook remains positive and our back log is healthy."
 "I am optimistic about next years orders."
 "Driver shortage is influencing our customers buying decisions. Would buy more if could find drive."
 "Year continues to be good with no trend one way or the other."
 "Increased sales for a month or 2."

"We are busier the ever before."
 "International Sales."
 "General up tick in economy is putting pressure on materials and labor cost. Labor shortages are now a major issues in our area."
 "We are still more than 25% over previous year; even though orders in July were lower than in June, they were still 25% over previous year July."



FROM THE FEDERAL RESERVE INDUSTRIAL PRODUCTION REPORT FOR JULY:

Industrial production rose 0.2 percent in July following an increase of 0.4 percent in June. In July, manufacturing output edged down 0.1 percent; the production of motor vehicles and parts fell substantially, but that decrease was mostly offset by a net gain of 0.2 percent for other manufacturing industries.

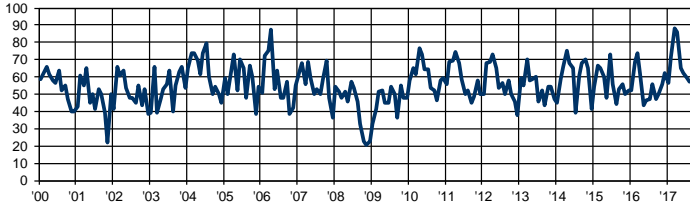
Following a six-month string of increases beginning in September 2016, factory output was little changed, on net, between February and July. The indexes for mining and utilities in July rose 0.5 percent and 1.6 percent, respectively.

At 105.5 percent of its 2012 average, total industrial production was 2.2 percent above its year-earlier level. Capacity utilization for the industrial sector was unchanged in July at 76.7 percent, a rate that is 3.2 percentage points below its long-run (1972–2016) average.

New Orders

	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Aug - Jul
Higher	82.4	71.4	53.8	50.0	43.8	35.7	-8.0
Same	11.8	28.6	23.1	25.0	31.3	42.9	+11.6
Lower	5.9	0.0	23.1	25.0	25.0	21.4	-3.6
INDEX	88.2	85.7	65.4	62.5	59.4	57.1	-2.2

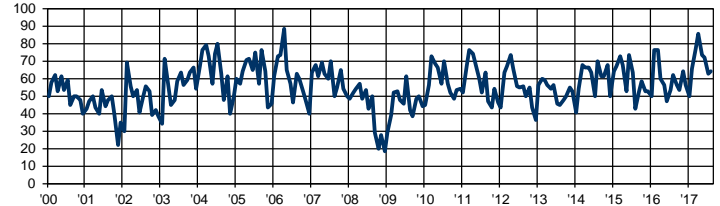
GA's NO decreased 2.2 points based on 8% less participants reporting 'Higher' NO.



Production

	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Aug - Jul
Higher	64.7	71.4	53.8	50.0	43.8	42.9	-0.9
Same	23.5	28.6	38.5	43.8	37.5	42.9	+5.4
Lower	11.8	0.0	7.7	6.3	18.8	14.3	-4.5
INDEX	76.5	85.7	73.1	71.9	62.5	64.3	+1.8

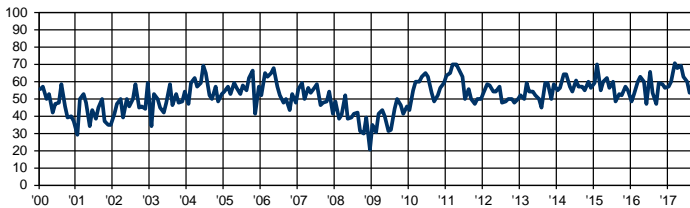
GA's P increased 1.8 points as a result of 4.5% less participants reporting 'Lower' P.



Employment

	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Aug - Jul
Higher	41.2	35.7	38.5	37.5	25.0	14.3	-10.7
Same	58.8	64.3	61.5	50.0	68.8	78.6	+9.8
Lower	0.0	0.0	0.0	12.5	6.3	7.1	+0.9
INDEX	70.6	67.9	69.2	62.5	59.4	53.6	-5.8

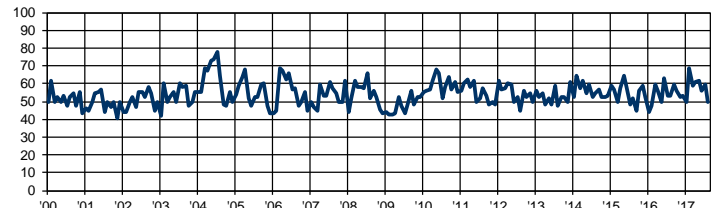
GA's E decreased 5.8 points due to 10.7% less participants reporting 'Higher' E.



Supplier Delivery Time

	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Aug - Jul
Slower	23.5	21.4	23.1	18.8	25.0	21.4	-3.6
Same	70.6	78.6	76.9	75.0	68.8	57.1	-11.6
Faster	5.9	0.0	0.0	6.3	6.3	21.4	+15.2
INDEX	58.8	60.7	61.5	56.3	59.4	50.0	-9.4

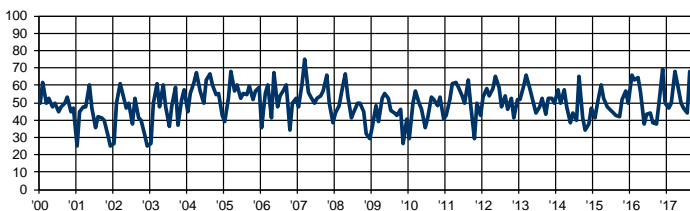
GA's SD decreased 9.4 points based on 3.6% less participants reporting 'Slower' SD and 15.2% more participants reporting 'Faster' SD.



Finished Inventory

	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Aug - Jul
Higher	52.9	35.7	23.1	25.0	18.8	42.9	+24.1
Same	29.4	50.0	53.8	43.8	50.0	50.0	+0.0
Lower	17.6	14.3	23.1	31.3	31.3	7.1	-24.1
INDEX	67.6	60.7	50.0	46.9	43.8	67.9	+24.1

GA's FI increased 24.1 points due to 24.1% more participants reporting 'Higher' FI and 24.1% less participants reporting 'Lower' FI.



Commodity Prices

	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Aug - Jul
Higher	64.7	50.0	30.8	18.8	18.8	21.4	+2.7
Same	29.4	42.9	53.8	62.5	68.8	71.4	+2.7
Lower	5.9	7.1	15.4	18.8	12.5	7.1	-5.4
INDEX	79.4	71.4	57.7	50.0	53.1	57.1	+4.0

GA's CP increased 4 points as a result of 2.7% more participants reporting 'Higher' CP and 5.4% less participants reporting 'Lower' CP.

