

Purchasing Managers Index Report – Georgia December 2017 Report

Georgia, Southeastern and National PMI remain in range consistent with continued expansion in goods-producing industries. Regional index components are volatile due to seasonal factors and lower response rate.

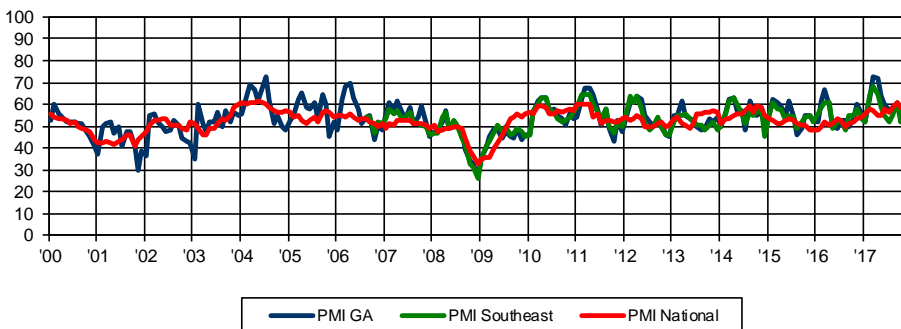
INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Dec '17	Dec-Nov	Dec '17	Dec-Nov	Dec '17	Dec-Nov
INDEX	60.0	-2.5	55.8	-3.3	59.7	+1.5
UNDERLYING VARIABLES:						
New Orders (NO)	65.0	-3.8	58.3	-6.4	69.4	+5.4
Production (P)	45.0	-23.8	47.9	-15.3	65.8	+1.9
Employment (E)	70.0	+1.3	60.4	+1.6	57.0	-2.7
Supply Deliveries (SD)	65.0	+5.6	56.3	+0.4	57.9	+1.4
Finished Inventory (FI)	55.0	+8.1	56.3	+3.3	48.5	+1.5
Commodity Prices (CP)	65.0	-0.6	62.5	-2.2	69.0	+3.5

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GA % Change: Dec - Nov

	PMI Georgia, PMI Southeast, and PMI National						Dec - Nov
	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	
PMI Georgia	56.9	58.6	58.3	56.4	62.5	60.0	-2.5
PMI Southeast	51.6	54.5	60.7	51.7	59.1	55.8	-3.3
PMI National	56.3	58.8	60.8	58.7	58.2	59.7	+1.5

	Higher	Same	Lower
New Orders	-20.0	32.5	-12.5
Production	-30.0	12.5	17.5
Employment	2.5	-2.5	0.0
Deliveries	11.3	-11.3	0.0
Finished Inventory	5.0	6.3	-11.3
Commodity Prices	6.3	-13.8	7.5



	Outlook			
	Oct '17	Nov '17	Dec '17	Dec - Nov
Higher	57.1	62.5	70.0	+7.5
Same	35.7	31.3	30.0	-1.3
Lower	7.1	6.3	0.0	-6.3
INDEX	75.0	78.1	85.0	+6.9

* 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 December Respondents

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

"Seasonal slowdown so no surprise it will be slower for the next 2 months."

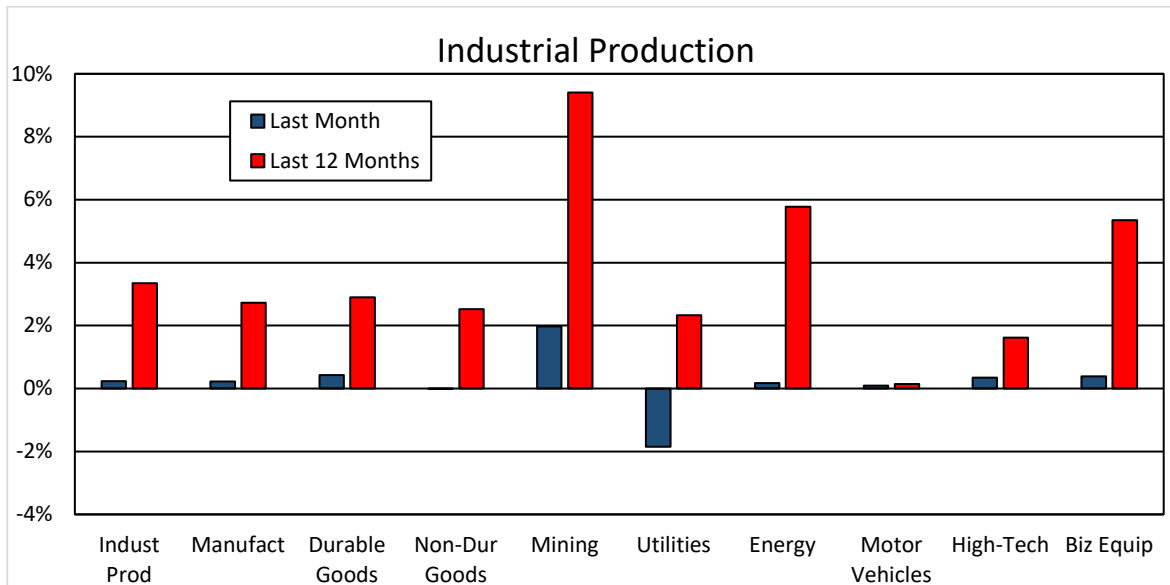
"First quarter of 2018 looks very good. "

"Our customers are reducing class 8 dump truck purchases because of a driver shortage. "

"This is our typical slowdown."

"No concern as we are expecting sales volume to increase in Jan / Feb."

"We have a good degree of positivity for 2018 for growth but a great deal of concern over rising prices, driver shortages, and tight inventories of TiO2."



From the most recent Federal Reserve's National Industrial Production report: Industrial production moved up 0.2 percent in November after posting an upwardly revised increase of 1.2 percent in October. Manufacturing production also rose 0.2 percent in November, its third consecutive monthly gain.

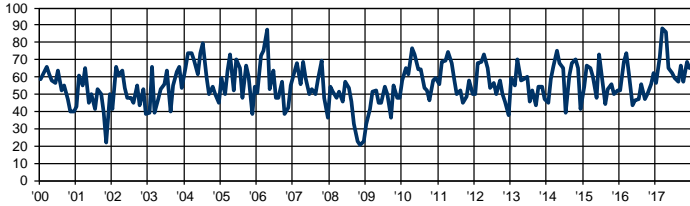
The output of utilities dropped 1.9 percent. The index for mining increased 2.0 percent, as oil and gas extraction returned to normal levels after being held down in October by Hurricane Nate. Excluding the post-hurricane rebound in oil and gas extraction, total industrial production would have been unchanged in November.

Total industrial production was 106.4 percent of its 2012 average in November and was 3.4 percent above its year-earlier level. Capacity utilization for the industrial sector was 77.1 percent in November, a rate that is 2.8 percentage points below its long-run (1972–2016) average.

New Orders

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Dec - Nov
Higher	43.8	35.7	41.7	35.7	50.0	30.0	-20.0
Same	31.3	42.9	50.0	42.9	37.5	70.0	+32.5
Lower	25.0	21.4	8.3	21.4	12.5	0.0	-12.5
INDEX	59.4	57.1	66.7	57.1	68.8	65.0	-3.8

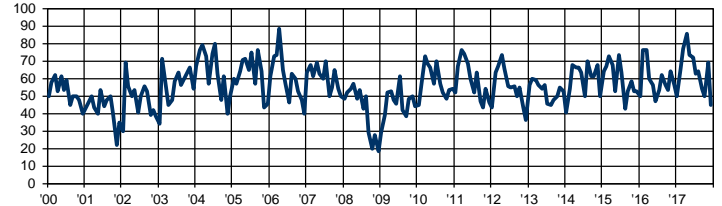
GA's NO decreased 3.8 points due to 20% less participants reporting 'Higher' NO.



Production

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Dec - Nov
Higher	43.8	42.9	41.7	28.6	50.0	20.0	-30.0
Same	37.5	42.9	25.0	42.9	37.5	50.0	+12.5
Lower	18.8	14.3	33.3	28.6	12.5	30.0	+17.5
INDEX	62.5	64.3	54.2	50.0	68.8	45.0	-23.8

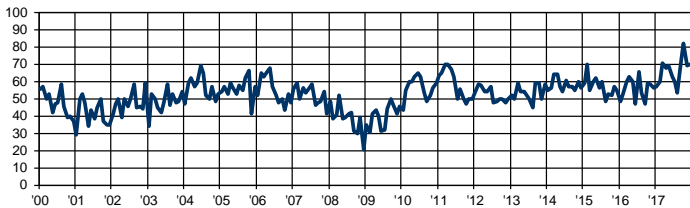
GA's P decreased 23.8 points based on 30% less participants reporting 'Higher' P and 17.5% more participants reporting 'Lower' P.



Employment

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Dec - Nov
Higher	25.0	14.3	50.0	64.3	37.5	40.0	+2.5
Same	68.8	78.6	41.7	35.7	62.5	60.0	-2.5
Lower	6.3	7.1	8.3	0.0	0.0	0.0	+0.0
INDEX	59.4	53.6	70.8	82.1	68.8	70.0	+1.3

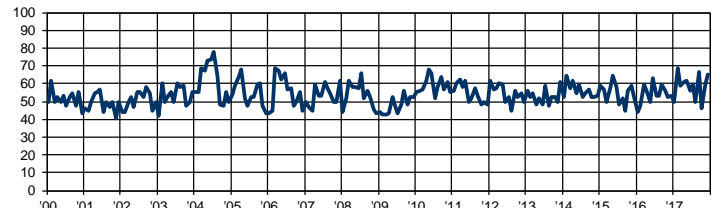
GA's E increased 1.3 points due to 2.5% more participants reporting 'Higher' E.



Supplier Delivery Time

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Dec - Nov
Slower	25.0	21.4	33.3	0.0	18.8	30.0	+11.3
Same	68.8	57.1	66.7	92.9	81.3	70.0	-11.3
Faster	6.3	21.4	0.0	7.1	0.0	0.0	+0.0
INDEX	59.4	50.0	66.7	46.4	59.4	65.0	+5.6

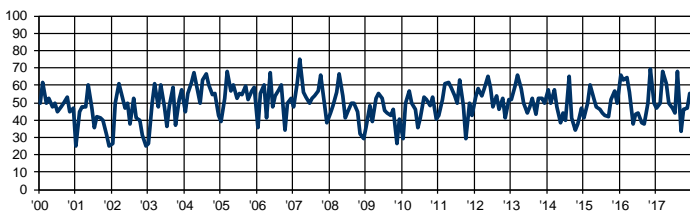
GA's SD increased 5.6 points due to 11.3% more participants reporting 'Slower' SD.



Finished Inventory

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Dec - Nov
Higher	18.8	42.9	8.3	21.4	25.0	30.0	+5.0
Same	50.0	50.0	50.0	50.0	43.8	50.0	+6.3
Lower	31.3	7.1	41.7	28.6	31.3	20.0	-11.3
INDEX	43.8	67.9	33.3	46.4	46.9	55.0	+8.1

GA's FI increased 8.1 points based on 5% more participants reporting 'Higher' FI and 11.3% less participants reporting 'Lower' FI.



Commodity Prices

	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Dec - Nov
Higher	18.8	21.4	41.7	64.3	43.8	50.0	+6.3
Same	68.8	71.4	58.3	35.7	43.8	30.0	-13.8
Lower	12.5	7.1	0.0	0.0	12.5	20.0	+7.5
INDEX	53.1	57.1	70.8	82.1	65.6	65.0	-0.6

GA's CP decreased 0.6 points as a result of 7.5% more participants reporting 'Lower' CP.

