

Purchasing Managers Index Report – Georgia June 2019 Report

*National and Southeastern PMI slip modestly in June,
 Georgia PMI advances on stronger new orders*

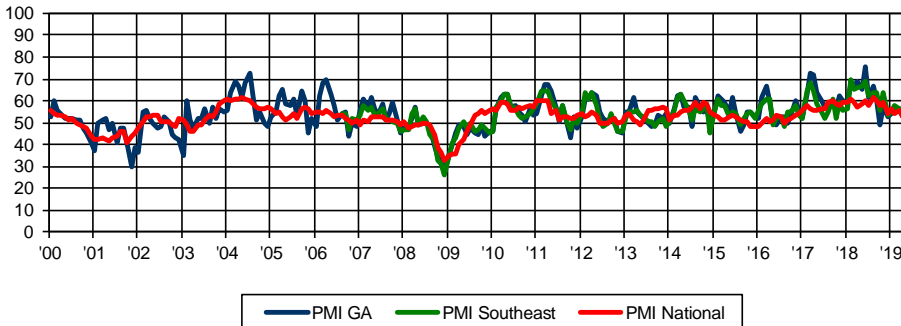
INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Jun '19	Jun-May	Jun '19	Jun-May	Jun '19	Jun-May
INDEX	66.7	+4.4	55.4	-1.7	51.7	-0.4
UNDERLYING VARIABLES:						
New Orders (NO)	75.0	+13.5	55.4	-1.8	50.0	-2.7
Production (P)	66.7	+9.0	53.6	-3.6	54.1	+2.8
Employment (E)	62.5	-2.9	55.4	-7.1	54.5	+0.8
Supply Deliveries (SD)	66.7	+1.3	57.1	+3.6	50.7	-1.3
Finished Inventory (FI)	62.5	+1.0	55.4	+0.0	49.1	-1.8
Commodity Prices (CP)	58.3	-3.2	46.4	-12.5	47.9	-5.3

Release: July 1, 2019
Media Contact
 Roger Tutterow
 Director, Econometric Center
 Kennesaw State University
 560 Parliament Garden Way, MD 0403
 Kennesaw, GA 30144-5591
 Phone (470) 578-3278
 Fax (470) 578-9023
rtuttero@kennesaw.edu

GA % Change: Jun - May

	PMI Georgia, PMI Southeast, and PMI National						Jun '19	Jun - May
	Jan '19	Feb '19	Mar '19	Apr '19	May '19			
PMI Georgia	53.8	54.5	55.7	56.7	62.3	66.7	+4.4	
PMI Southeast	55.0	57.7	56.3	55.4	57.1	55.4	-1.7	
PMI National	56.6	54.2	55.3	52.8	52.1	51.7	-0.4	

	Higher	Same	Lower
New Orders	12.8	1.3	-14.1
Production	10.9	-3.8	-7.1
Employment	-5.1	4.5	0.6
Deliveries	3.2	-3.8	0.6
Finished Inventory	3.2	-4.5	1.3
Commodity Prices	-6.4	6.4	0.0



	Outlook			
	Apr '19	May '19	Jun '19	Jun - May
Higher	58.3	53.8	50.0	-3.8
Same	33.3	30.8	41.7	+10.9
Lower	8.3	15.4	8.3	-7.1
INDEX	75.0	69.2	70.8	+1.6

* 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 June Respondents

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

"Tariffs and government incompetence is killing the business outlook with too much uncertainty based on lack of policies and direction."

"We are at the end of our busy season, so we beginning to see orders slowing. Overall we are up 11% for the year."

"We are keeping inventory very low as prices continue to decline."

"We continue to operate at a high level. backlogs continue to remain very strong."

"Demand for our products continues to very good. The future, next 6-9 months looks very good for us and our industry."

"So far so good for 2019 although tarriffs may hit us soon."

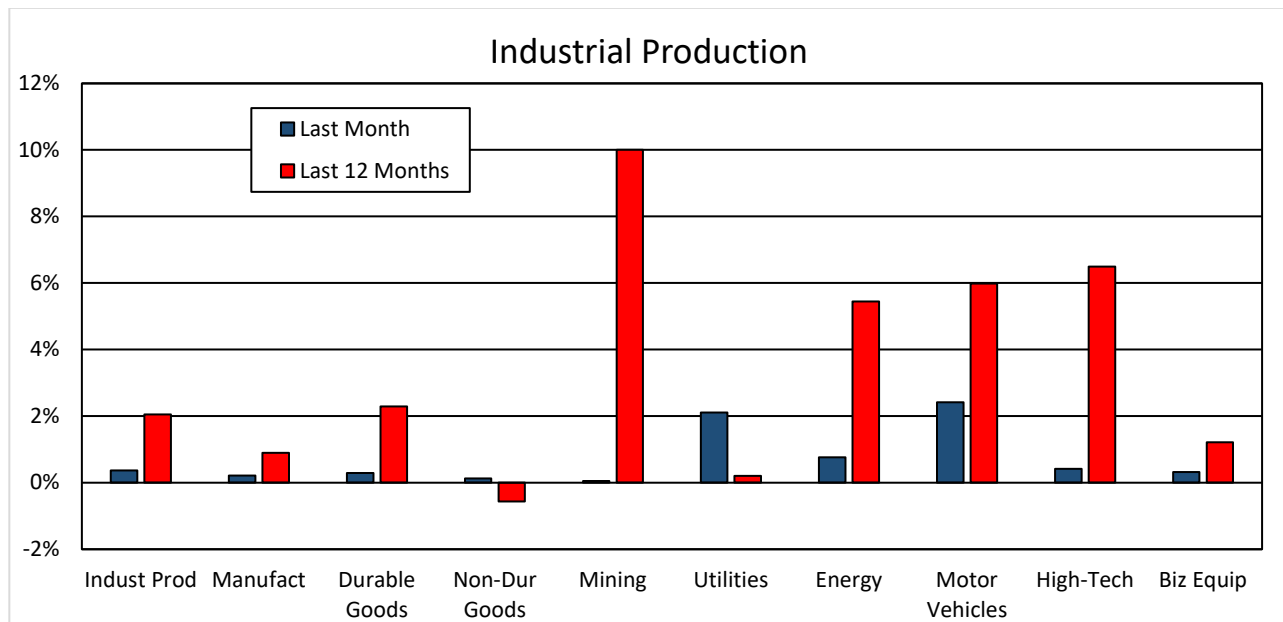
"Tariff uncertainty is making strategic supply base planning difficult."

"Our company is going through a multimillion dollar expansion; when complete will be much higher finished goods and will additional employees- several hundred."

"Oil Pricing."

"Manufacturing seems to be slowing down."

"Labor shortage and rates combined with local competition for labor continues to be our number one challenge. Our turnover rate for entry level mfg positions is near 100%."



From Federal Reserve Industrial Production Report:

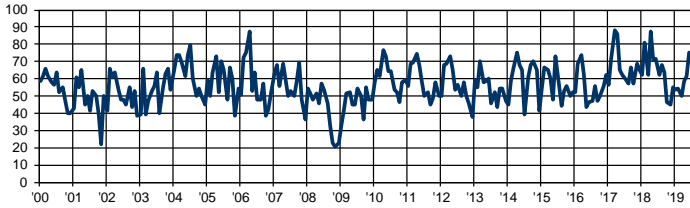
Industrial production rose 0.4 percent in May after falling 0.4 percent in April. The indexes for manufacturing and mining gained 0.2 percent and 0.1 percent, respectively, in May; the index for utilities climbed 2.1 percent.

At 109.6 percent of its 2012 average, total industrial production was 2.0 percent higher in May than it was a year earlier. Capacity utilization for the industrial sector moved up 0.2 percentage point in May to 78.1 percent, a rate that is 1.7 percentage points below its long-run (1972–2018) average.

New Orders

	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jun - May
Higher	30.8	36.4	35.7	41.7	53.8	66.7	+12.8
Same	46.2	36.4	28.6	33.3	15.4	16.7	+1.3
Lower	23.1	27.3	35.7	25.0	30.8	16.7	-14.1
INDEX	53.8	54.5	50.0	58.3	61.5	75.0	+13.5

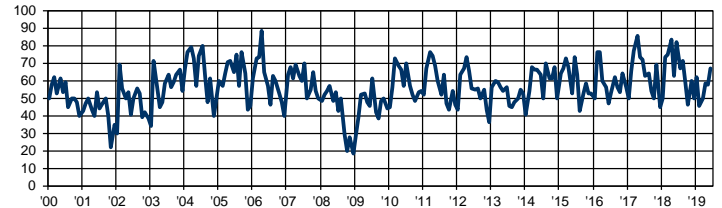
GA's NO increased 13.5 points as a result of 12.8% more participants reporting 'Higher' NO and 14.1% less participants reporting 'Lower' NO.



Production

	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jun - May
Higher	38.5	27.3	35.7	41.7	30.8	41.7	+10.9
Same	46.2	36.4	28.6	33.3	53.8	50.0	-3.8
Lower	15.4	36.4	35.7	25.0	15.4	8.3	-7.1
INDEX	61.5	45.5	50.0	58.3	57.7	66.7	+9.0

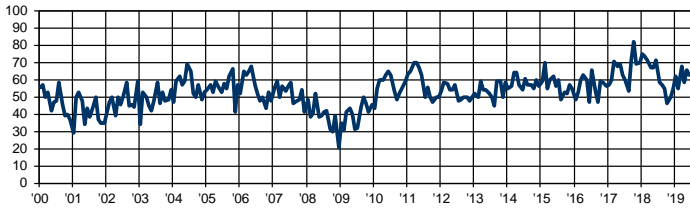
GA's P increased 9 points due to 10.9% more participants reporting 'Higher' P and 7.1% less participants reporting 'Lower' P.



Employment

	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jun - May
Higher	30.8	18.2	42.9	16.7	38.5	33.3	-5.1
Same	61.5	72.7	50.0	83.3	53.8	58.3	+4.5
Lower	7.7	9.1	7.1	0.0	7.7	8.3	+0.6
INDEX	61.5	54.5	67.9	58.3	65.4	62.5	-2.9

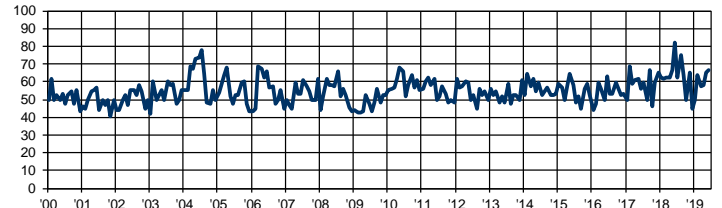
GA's E decreased 2.9 points based on 5.1% less participants reporting 'Higher' E.



Supplier Delivery Time

	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jun - May
Slower	15.4	36.4	14.3	33.3	38.5	41.7	+3.2
Same	69.2	54.5	85.7	50.0	53.8	50.0	-3.8
Faster	15.4	9.1	0.0	16.7	7.7	8.3	+0.6
INDEX	50.0	63.6	57.1	58.3	65.4	66.7	+1.3

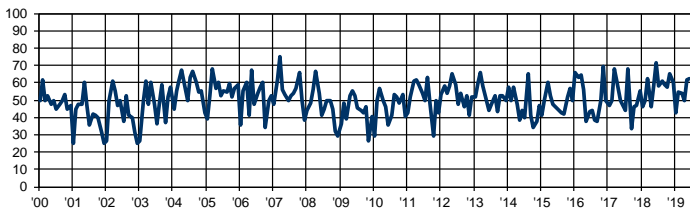
GA's SD increased 1.3 points due to 3.2% more participants reporting 'Slower' SD.



Finished Inventory

	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jun - May
Higher	7.7	36.4	42.9	33.3	38.5	41.7	+3.2
Same	69.2	36.4	21.4	33.3	46.2	41.7	-4.5
Lower	23.1	27.3	35.7	33.3	15.4	16.7	+1.3
INDEX	42.3	54.5	53.6	50.0	61.5	62.5	+1.0

GA's FI increased 1 point as a result of 3.2% more participants reporting 'Higher' FI.



Commodity Prices

	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jun - May
Higher	15.4	27.3	21.4	25.0	23.1	16.7	-6.4
Same	61.5	63.6	64.3	41.7	76.9	83.3	+6.4
Lower	23.1	9.1	14.3	33.3	0.0	0.0	+0.0
INDEX	46.2	59.1	53.6	45.8	61.5	58.3	-3.2

GA's CP decreased 3.2 points as a result of 6.4% less participants reporting 'Higher' CP.

