

Georgia Purchasing Manager's Index Report

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An analysis of the March PMI Report:

New Orders:

New Orders increased 5.4 points to 73.8 based on 5% less respondents reporting higher new orders for a total of 47.6 and 15.8% less respondents reporting lower New Orders for a total of 0%.

Production:

Production decreased 0.3 points to 76.2 based on 10.6% less respondents reporting higher production for a total of 52.4% and 10.5% less respondents reporting lower Production for a total of 0%.

Employment:

Employment increased 6.9 points to 59.5 based on 18% more respondents reporting higher employment for a total of 28.6% and 4.3% more respondents reporting lower employment for a total of 9.5%.

Supplier Delivery Time:

Supplier Delivery Time increased 12.2 points to 59.5 based on 13.8% more respondents reporting slower delivery time for a total of 19% and 10.5% less respondents reporting faster delivery for a total of 0%.

Finished Inventory:

Finished Inventory increased 1.1 points to 64.3 points based on 3.5% less respondents reporting higher finished inventory for a total of 33.3% and 5.8% less respondents reporting lower finished inventory for a total of 4.8%.

Commodity Price:

Commodity Price increased 11 points to 45.2 based on 4.3% more respondents reporting higher commodity price for a total of 9.5% and 17.6% less respondents reporting lower commodity price for a total of 19%.

Survey Question:

Thirty three percent expect production to be higher in the next three to six months versus twenty six percent for February. Five percent of respondents expect production to be lower than their current production versus twelve percent in January. The index is 64.2.

National PMI Report:

The National February PMI increased 1.3 point to 49.5 as a

result of the following: new orders stayed at 51.5; production increased 2.6 points to 52.8; employment increased 2.6 points to 48.5 points; supplier delivery time decreased 0.3 of a point to 49.7; and finished inventory increased 1.5 points to 45. Commodity price decreased 4.5 points to 47. Exports decreased 0.5 points to 46.5 points. Backlog orders increased 5.5 points to 48.5.

Of the 18 manufacturing industries, 9 are reporting growth up from 8 in February. The 9 industries include: Textile Mills; Wood Products; Furniture & Related Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Chemical Products; Primary Metals; and Paper Products.

The 7 industries reporting contraction in February are: Apparel, Leather & Allied Products; Petroleum & Coal Products; Computer & Electronic Products; Printing & Related Support Activities; Transportation Equipment; Plastics & Rubber Products; and Fabricated Metal Products.

Industrial Production Report:

The February Industrial Production Report recorded a 0.5% monthly decrease following a 0.8 percent increase for January. February manufacturing recorded a 0.2% increase following a 0.5% increase for January. February durable goods recorded a 0.4% increase following a 0.4% increase for January. Motor vehicle and parts recorded a 0.1% decrease following a 3.4% increase for January. Business equipment recorded a 0.6 percent increase following January's 0.6% increase. High-tech recorded a 0.1% decrease following a 0.7% increase for January. Mining recorded a 1.4% decrease following a 0.7% decrease for January. Utilities recorded a 4% decrease following a 4.2% increase for January.

Georgia versus the Southeast Survey:

Georgia's PMI increased 5.1 points to 66.7 as the Southeast's PMI increased 2.2 points to 60.6. Georgia's new orders, production, employment, supplier delivery time, and finished inventory registered 6.1, 9.5, 0.1, 2.2, and 12.2 points respectively higher compared to Southeast's components. Southeast's commodity price recorded 4.8 points higher than for Georgia.

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Georgia versus the National Survey:

In February Georgia's PMI increased 9.6 points to 61.6 and the National PMI increased 1.3 points to 49.5. The Georgia PMI's higher reading of 12.1 points is based on higher readings for new orders, employment and finished inventory of 16.9, 23.5, 4.1, and 18.2 points, respectively. National's Supplier delivery time registered 2.3 points higher

than Georgia's readings. National's commodity price registered 4.3 points higher than for Georgia.

Comment:

Georgia's PMI increase of 5.1 points was driven by strong increases for new orders, employment, and supplier delivery time.

Change In Percent of Georgia Participants Reporting Higher, Same and Lower MARCH - FEBRUARY

	Higher	Same	Lower
New Orders	-5.0	20.8	-15.8
Production	-10.8	21.3	-10.5
Employment	18.0	-22.3	4.3
Deliveries	13.8	-3.3	-10.5
Finished Inventory	-3.5	9.3	-5.8
Commodity Prices	4.3	13.5	-17.8

PMI Georgia, PMI Southeast, and PMI National

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Mar - Feb
PMI GA	54.8	55.0	52.5	52.0	61.6	66.7	+5.1
PMI Southeast	54.2	54.6	52.0	55.3	58.4	60.6	+2.2
PMI National	50.1	48.6	48.0	48.2	49.5	51.8	+2.3

COMMENTS FROM SURVEY PARTICIPANTS REGARDING CONDITIONS THAT AFFECT PURCHASING OPERATION:

Specific commodities UP IN PRICE were:

"Plate, Flat Rolled, Tubing, polyethylene, polypropylene, natural rubber, carbon black, stearic acid, zinc oxide, carbon steel plate, PE film, copper, petrochemicals"

Specific commodities DOWN IN PRICE were:

"Steel, rubber goods, Kraft paper, paper, propylene base products, plastic resins, aluminum, railcars"

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Items in Short Supply- Specific commodities, materials or finished products I buy that were in short supply last month are:

"Scrap metal is beginning to show signs of being in short supply, some hydraulic components, in-stock steel, aluminum hydroxide, starch"

Buying Policy - Report here any change during the last month, versus the prior month, in the number of days ahead you are committing for purchases of production materials, MRO supplies and capital spending:

"Reducing raw material purchases"

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

"Very busy trying to reduce sales backlog"

"We are hopeful that commodity prices are starting to rise"

"Extremely busy for the next 3 months"

"Our backlog is at historical high. our delivery is out so far we are losing some business. demand remains very strong for our products. How long it will last???"

"Positive"

"Oil and gas business is hurting economy"

"I think we are heading into recession and the lifting construction, mining industries are in the downward spiral or cyclical trends"

"Good weather helping increased sales"

"Oil and mining commodities need to rise for us to see an increase in business"

"Sales Market still soft in US"

"What will crude's small growth turn into?"

