



Purchasing Managers Index Report – Georgia

Release: September 1, 2015

August 2015

GA PMI Decreased 8.3 Points Based On Decreases For New Orders, Production, Employment, And Finished Inventory

Georgia PMI	45.9	Southeast PMI	48.8	National PMI	51.1
Aug-Jul	-8.3	Aug-Jul	-5.5	Aug-Jul	-1.6

Underlying Variables	Georgia PMI		Southeast	National
	Index	Change		
	Aug-15	Aug-Jul		
New Orders (NO)	44.4	-11.3	49.1	51.7
Production (P)	42.6	-20.9	49.1	53.6
Employment (E)	48.1	-11.5	50.0	51.2
Supply Deliveries (SD)	51.9	+3.8	50.9	50.7
Finished Inventory (FI)	42.6	-1.6	44.6	48.5
Commodity Prices (CP)	33.3	-20.5	34.8	39.0



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An analysis of the August PMI Report:

New Orders:

New Orders decreased 11.3 points to 44 based on 12.4% less respondents reporting higher new orders for a total of 22 and 10.3% more respondents reporting lower New Orders for a total of 33%.

Production:

Production decreased 20.9 points to 42.6 based on 20% less respondents reporting higher production for a total of 18.5% and 21.8% more respondents reporting lower Production for a total of 33%.

Employment:

Employment decreased 11.5 points to 48.1 based on 4.7% less respondents reporting higher employment for a total of 22% and 18.2% more respondents reporting lower employment for a total of 26%.

Supplier Delivery Time:

Supplier Delivery Time increased 3.8 points to 51.9 based on 7.3% more respondents reporting slower delivery time for a total of 11% and 0.3% less respondents reporting faster delivery for a total of 7.4%.

Finished Inventory:

Finished Inventory decreased 1.6 points to 42.6 points based on 4.6% less respondents reporting higher finished inventory for a total of 18.5% and 1.3% less respondents reporting lower finished inventory for a total of 33%.

Commodity Price:

Commodity Price decreased 20.5 points to 33 based on 11.7% less respondents reporting higher commodity price for a total of 3.7% and 29.3% more respondents reporting lower commodity price for a total of 37%.

Survey Question:

Thirty seven percent expect production to be higher in the next three to six months versus forty two percent for July. Twenty two percent of respondents expect production to

be lower than their current production. The index is 57.4.

National PMI Report:

The National August PMI decreased 1.6 points to 51.1 as a result of the following: new orders decreased 4.8 points to 51.7; production decreased 2.4 points to 53.6; employment decreased 1.5 points to 51.2 points; supplier delivery time increased 1.8 points to 50.7; and finished inventory decreased 1.0 points to 48.5. Commodity price decreased 5.0 points to 39.

Exports decreased 1.5 points to 46.5. Backlog orders increased 4.0 points to 46.5.

Of the 18 manufacturing industries, 10 are reporting growth down from 11 in July.

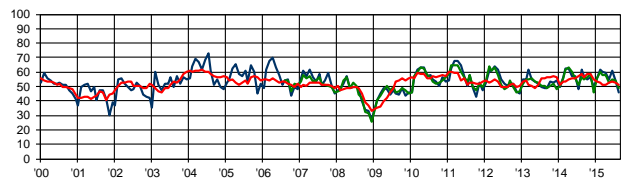
The 10 industries include: Textile Mills; Furniture & Related Products; Paper Products; Nonmetallic Mineral Products; Chemical Products; Food, Beverage & Tobacco Products; Miscellaneous Manufacturing; Fabricated Metal Products; Plastics & Rubber Products; and Machinery.

The six industries reporting contraction in August are: Apparel, Leather & Allied Products; Primary Metals; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Computer & Electronic Products; and Transportation Equipment.

Industrial Production Report:

The July Industrial Production Report recorded a 0.6% monthly increase following a 0.1 percent increase for June. July manufacturing recorded a 0.8% change following a 0.3% decrease for June. July durable goods recorded a 1.2% increase following a 0.4% decrease for June. Motor vehicle and parts recorded a 10.6% increase following a 4.3% decrease for June. Business equipment recorded a 0.1 percent increase following June's 0.2% decrease. High-tech

	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Aug - Jul
PMI Georgia	60.5	59.5	54.8	61.3	54.2	45.9	-8.3
PMI Southeast	58.0	57.6	52.4	55.1	54.3	48.8	-5.5
PMI National	51.5	51.5	52.8	53.5	52.7	51.1	-1.6



Change in Percent August – July

	Higher	Same	Lower
New Orders	-12.4	2.1	10.3
Production	-19.9	-1.9	21.8
Employment	-4.7	-13.5	18.2
Deliveries	7.3	-7.0	-0.3
Finished Inventory	-4.6	5.8	-1.3
Commodity Prices	-11.7	-17.7	29.3

recorded a 1.2% increase following a 0.2% decrease for June. Mining recorded a 0.2% increase following a 0.7% increase for June. Utilities recorded a 1.0% decrease following a 2.3% increase for June.

Georgia versus the Southeast Survey:

Georgia's PMI decreased 8.3 points and Southeast PMI decreased 5.5 points with readings of 45.9 and 48.8, respectively. Southeast's new orders, production, employment and finished inventory registered 4.7, 6.5, 1.9, and 2.1 points respectively higher compared to Georgia's components. Georgia's Supplier delivery time recorded a 1 point higher reading than for the Southeast.. Southeast's commodity price reading registered 1.5 points higher than Georgia's reading of 33.

Georgia versus the National Survey:

In August Georgia's PMI decreased 8.3 points to 45.9 and the National PMI decreased 1.6 to 51.1. The National PMI is 5.2 points higher than Georgia's PMI based on higher readings for new orders, production, employment, and finished inventory of 7.3, 11, 3.1, and 5.9 points, respectively. Georgia's, supplier delivery time registered 1.2 points above National's reading. National's commodity price registered 5.7 points higher than National's reading of 33.

Comment: Georgia's August PMI reveal manufacturing has slowed down and remains volatile.

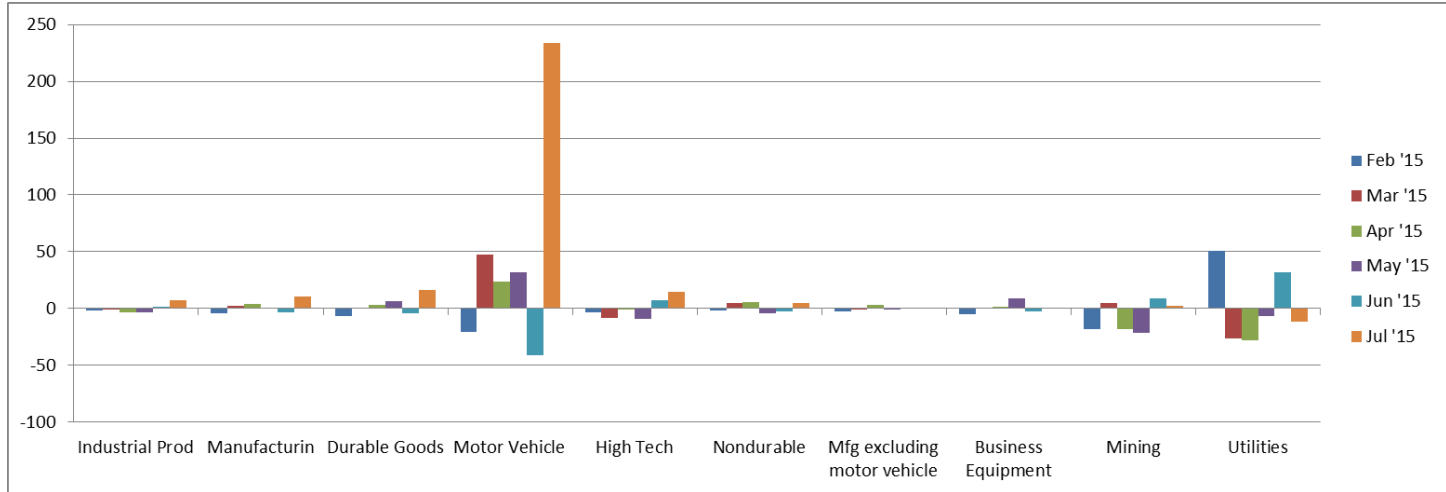
* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that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

"Federal Road Bill needed for our industry."
 "Our industry conditions are good and our customers are investing in capital equipment inspite of no long term Highway Authorization Bill."
 "More confidence is needed for stability."
 "Outlook for existing and new customers is still very good. Record year so far."
 "Demand is rather flat!"
 "Regardless of what is happening nationally or globally we see no change in our purchases, orders or costs other than labor which is going up."
 "Appears things have slowed down."
 "Oil prices are good for some businesses. We are considered an energy company. Our stock is dying."

"Unsure about impact of what is going on in China."
 "The price of oil is impacted the stock market and our share price. We are considered an energy company."
 "FX is still a challenge for selling into Europe."
 "Upcoming winter weather forecasts will affect purchases and inventory levels."
 "Our sister company is gas and oil -we absorbed there employees to avoid lay-offs - The steel industry seems to be in trouble due to down turn in gas and oil and agriculture."



All monthly growth rates based on annualized rates

Manufacturing's July 2015 annualized growth rate of 10.5 percent increase is down from a 3.7 percent decrease for June 2015. July 2015 durable goods increased 16 percent, up from a 4.3 percent decrease for June 2015. Motor vehicle's production increased 233 percent up from 41 percent decrease for June 2015. Manufacturing minus motor vehicle production increased 0.87 percent up from a 0.16 percent increase for June 2015. July 2015 high-tech increased 14.8 percent up from a 7 percent increase for June 2015.

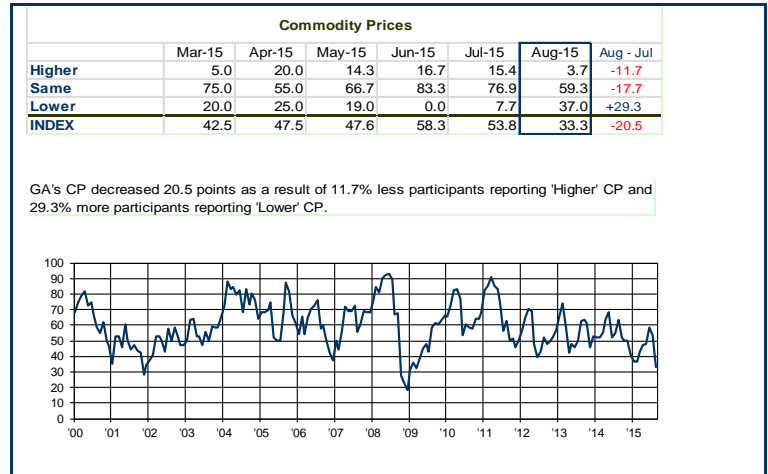
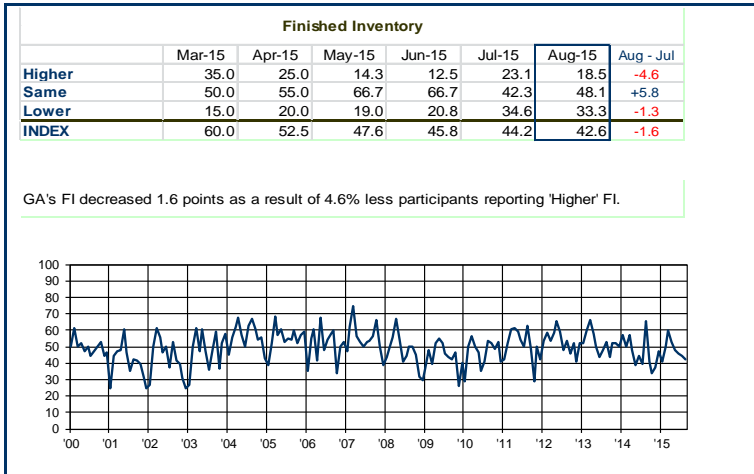
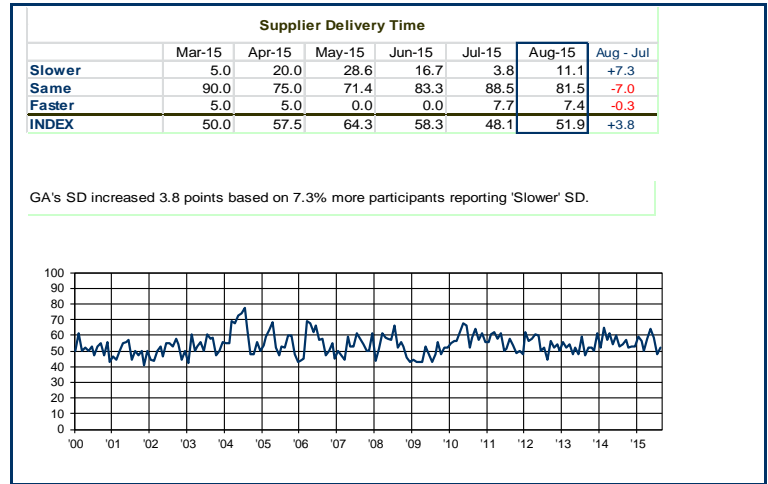
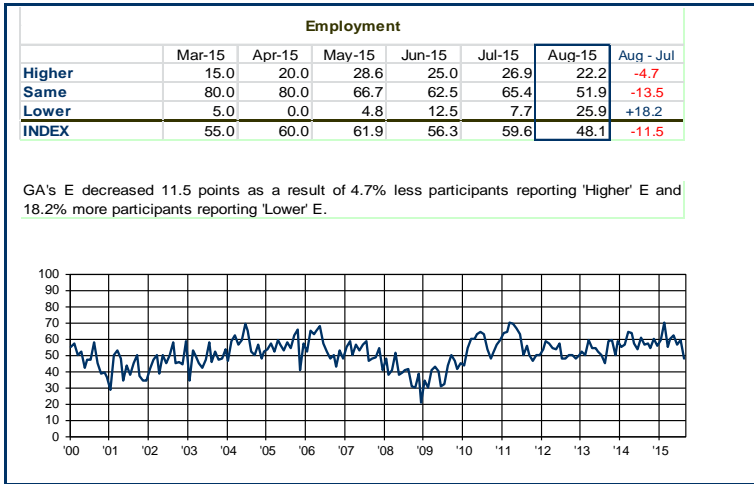
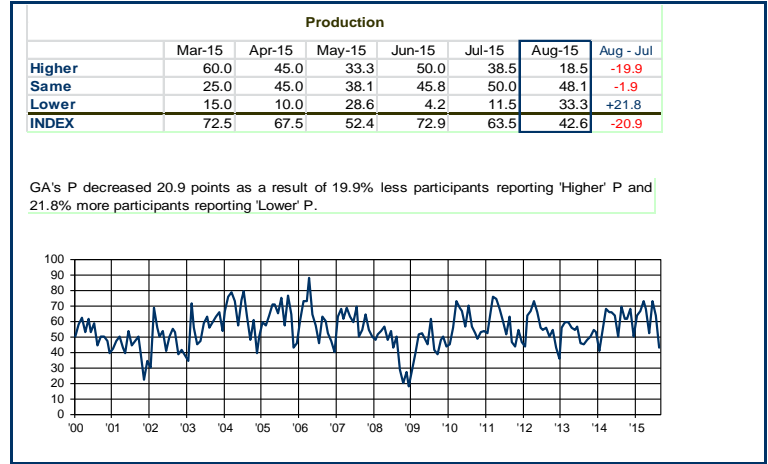
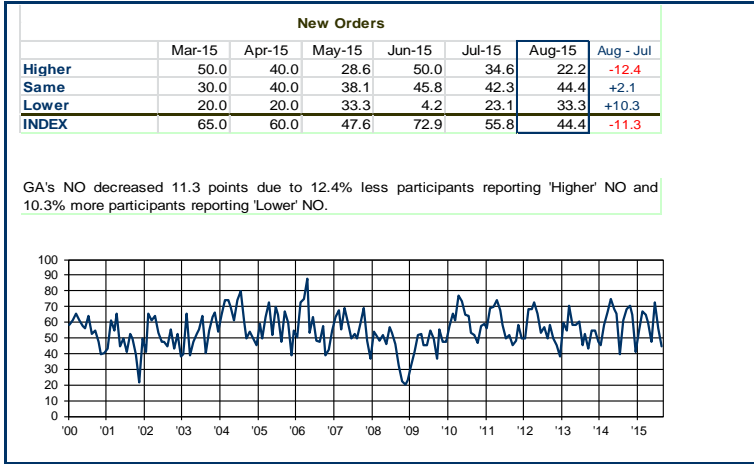
Nondurable's July 2015 increased 4.8 percent up from 2.5 percent decrease for

June 2015. Business equipment increased 0.62 percent in July up from a 2.2 percent decrease for June. Mining increased 2.2 percent down from a 8.7 percent increase for June. Utility decreased 11.3 percent down from 31 percent increase for June 2015.

July 2015 industrial production increased 6.8 percent, up from a 1.12 percent increase for June. Other than Motor Vehicle production manufacturing was weaker than anticipated. July auto retooling was shortened which contributed to the large jump in auto production.

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