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News Release (For Immediate Release)

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Current Business Trends

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(Note: This report has no editorial content. Statistics and comments only)

NOVEMBER COMMENTS FROM SURVEY PARTICIPANTS

“Things have slowed down considerably. October was slowest month of the year, but it looks like deer season is bringing November to a grinding halt.”

“Business has rebounded for November, and December looks strong.”

“Seasonal sales are softening.”

“Our business good. Our stock price good. The future looks strong.”

“Quoting is still very active, but orders are down. We don't see any real change until the second quarter of next year.”

“All is well here.”

“October started off soft but strengthened toward the end of the month. So far, November has been solid from a volume standpoint.”

“Our business is seasonal, so we are expecting declining business through Feb as normal part of the seasonal pattern.”

“We will be below forecast for the fourth month in a row. We are building inventory to get us through the holidays and remaining vacation time.”

“We are seeing softening of orders for commercial regional aircraft.”

“The fourth quarter OEM business is slower than plan, and customers are deferring to 2017. I hope this is not a precursor to a slowdown.”

“Deer hunting and the holidays, while they occur every year, it still drives you nuts in manufacturing.”

“Steel pricing is starting to move up after several months of decline on the spot market. Paper prices are moving up.”

“Metals in general have been trending upward. Most notable are copper, tin and nickel.”

“We're having a record year.”

“New projects are starting to take off. I only hope the suppliers can keep up.”

“The first quarter of 2017 appears to be softening, but our overall 2017 looks strong. Most of that is because of new programs kicking off starting in March and April.”

“We are slowing down for the holidays. Business will probably be hit or miss for the next few months.”

“Business is still strong, but appears to be slowing.”

“Status quo.”

November 2016 Survey Statistics

	UP	SAME	DOWN	N/A	Nov. Index	Oct. Index	Sept. Index	25 Year Average
Sales (New Orders)	19%	49%	32%		-13	+ 1	+23	+14
Production	25%	48%	21%	6%	+ 4	+ 4	+24	+14
Employment	8%	83%	9%		- 1	+ 7	+ 9	+ 8
Purchases	17%	70%	11%	+2	+ 6	- 3	+15	+ 7
Prices Paid (major commod.)	11%	89%			+11	- 5	+ 0	+15
Lead Times (from suppliers)	9%	85%	6%		+ 3	+ 6	+ 5	+11
Purchased Materials Inv. (Raw materials & supplies)	11%	65%	23%	8%	-12	+ 2	+ 6	- 4
Finished Goods Inventory	17%	58%	19%	6%	- 2	+ 0	+ 3	- 8
Short Term Business Outlook (Next 3-6 months)	25%	62%	13%		+12	+22	+28	-
Long Term Business Outlook (Next 3-5 years)	38%	52%	4%	6%	+34	+45	+41	-

Items in short supply: Plastic resins, qualified labor.

Prices on the UP side: SEBS resin, paraffinic oil, polypropylene, China steel and wire rod, steel, steel from Taiwan, corrugated packaging, hot and cold rolled steel, wages.

Prices on the DOWN side: Custom engineered optics, carbon steel, paper products, rubber, plastic resin, fuel.

Latest Unemployment Reports

(Except as noted, data are **NOT** seasonally adjusted)

	Nov. 2016	Nov. 2015	Aug. 2009	20 Year Low
State of Michigan (Adj.)	4.9%	5.1%	14.6%	3.2%
State of Michigan (Unadj.)	4.5%	4.2%	14.1%	2.9%
Kent County	3.1%	2.7%	11.9%	2.1%
Kalamazoo County	3.6%	3.1%	11.1%	2.1%
Calhoun County	4.1%	3.7%	12.8%	2.7%
Ottawa County	3.0%	2.7%	13.3%	1.8%
Barry County	3.3%	3.0%	10.9%	2.2%
Kalamazoo City	4.5%	3.9%	15.2%	3.2%
Portage City	3.3%	2.9%	8.7%	1.3%
Grand Rapids City	4.1%	3.6%	16.1%	3.0%
Kentwood City	2.3%	2.5%	10.7%	1.4%
Plainfield Twp.	2.3%	2.0%	8.0%	1.4%
U.S. Official Rate (June)	4.6%	5.0%	9.6%	3.8%
U.S. Rate Unadjusted	4.4%	4.8%	9.6%	3.6%
U.S. U-6 Rate**	9.3%	9.9%	16.7%	8.0%

Index of New Orders: West Michigan

As the name implies, this index measures new business coming into the firm, and signifies business improvement or business decline. When this index is positive for an extended period of time, it implies that the firm or organization will soon need to purchase more raw materials and services, hire more people, or possibly expand facilities. Since new orders are often received weeks or even months before any money is actually paid, this index is our best view of the future.

Latest Report -13 for the month of November 2016

Previous Month +1 for the month of October 2016

One Year Ago + 7 for the month of November 2015

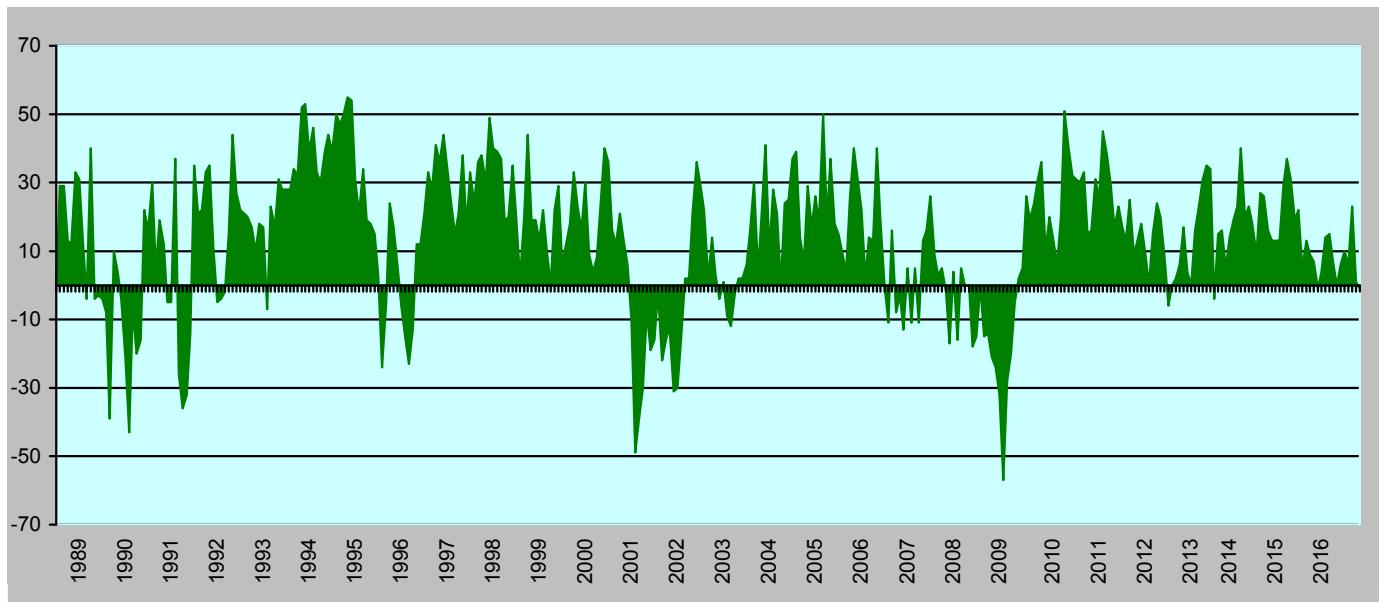
Record Low - 57 for the month of December, 2008

Record High + 55 for the month of September, 1994

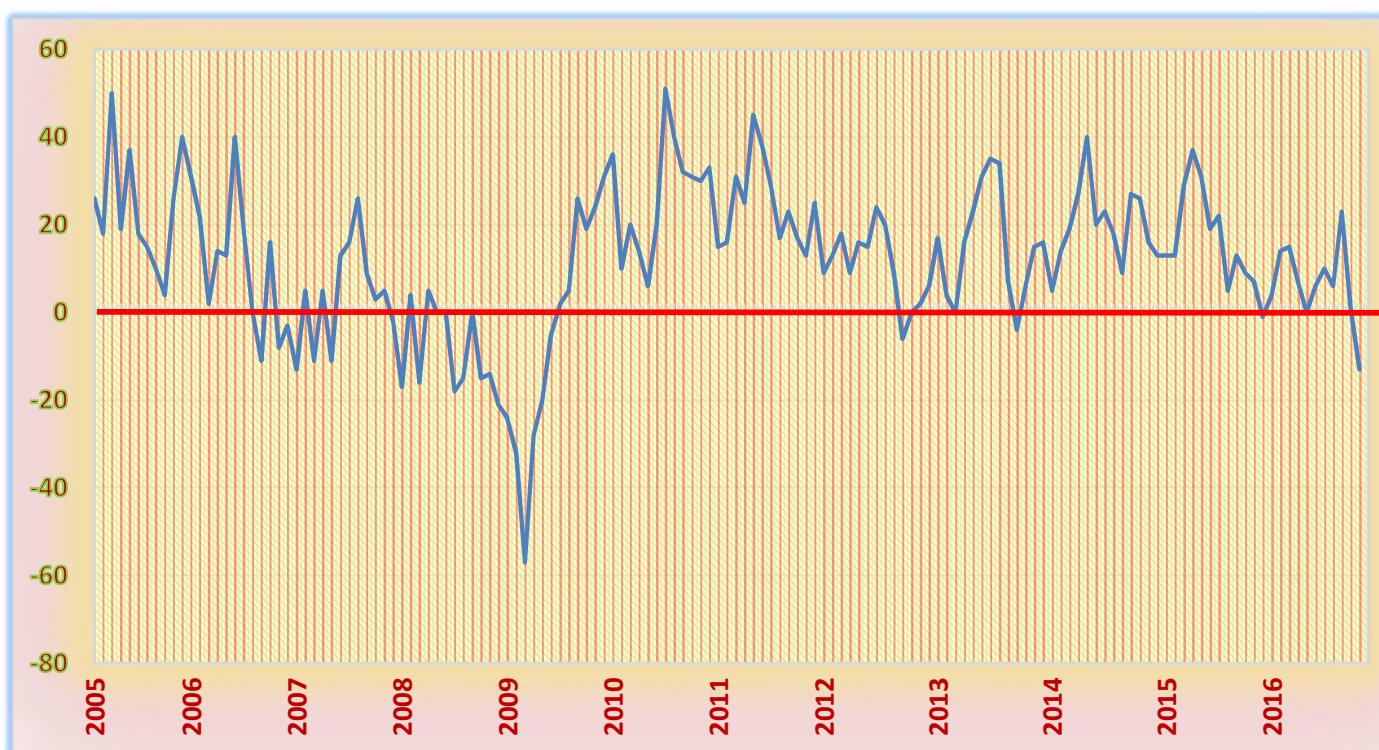
First Recovery + 3 in April of 2009 and forward

**U-6 for Michigan = 10.4% for Q3 of 2016

ISM-West Michigan Index of New Orders 1988 - 2016

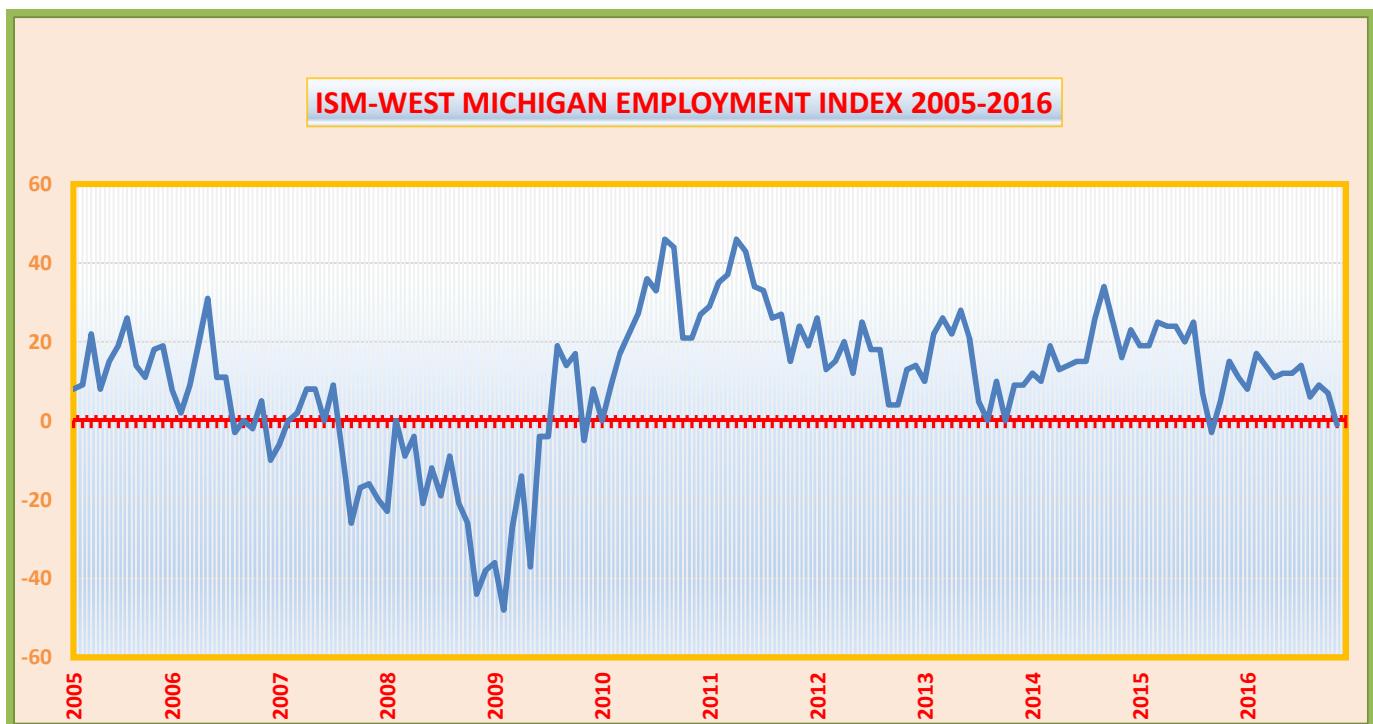


ISM-West Michigan Index of New Orders: 2005-2016 Only



ISM-West Michigan Index of Employment

The index of **EMPLOYMENT** measures the firm's increases and decreases in staffing, including permanent workers and temps. After economic downturns, it measures new hires as well as previous workers called back to work. When this index is positive for an extended period of time, it almost always signals a reduction in industrial unemployment for West Michigan. Normally, there is about a month or two in lag time between this report and the payroll numbers being reflected by the government statistics. However, almost all employment indexes are laggards, meaning that firms often wait until upticks in orders are confirmed before adding staff, and conversely laying off staff only after a downturn in orders appears to be certain for the foreseeable future.



ISM-West Michigan Future Business Outlook

The indexes of **LONG TERM BUSINESS OUTLOOK** and **SHORT TERM BUSINESS OUTLOOK** provide a glimpse at current and future attitudes of the business community. Traditionally, most businesses are more optimistic about the long term, although current events can result in perceptions changing very rapidly. Both short and long term attitudes reflect current business conditions, and are usually higher when sales, production, and employment are positive.

