

# ECONOMIC INDICATOR REPORT

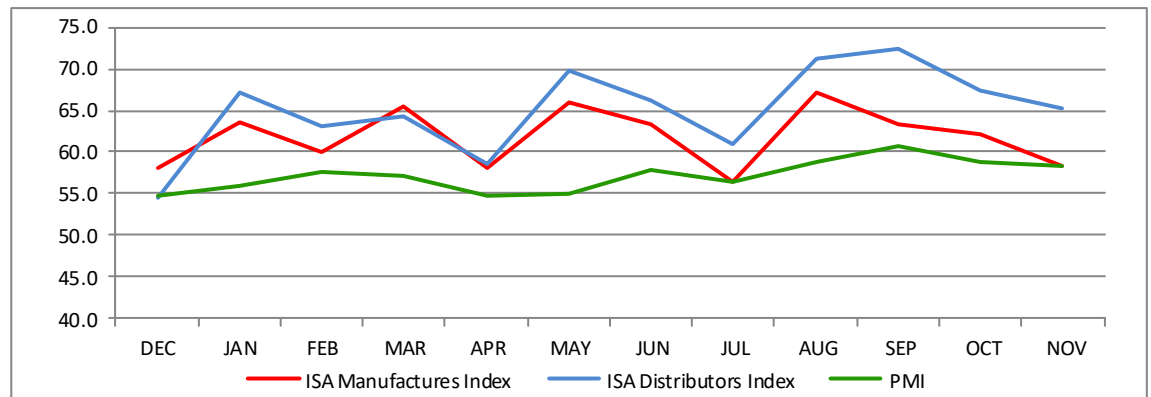
DECEMBER 15, 2017

Volume 5, Issue 12

## Special points of interest:

- ALL three Indexes fell!
- October's *Anticipated Business Conditions* and *Anticipated New Orders* indexes indicated this possible slow-down. November indexes indicate a continued slowdown in December too.
- Comments such as these, indicate sense of confusion: "We anticipate the usual holiday and inventory slow downs." and "Heading into the last month, we are not displeased with our position. December can be hit or miss for us."

In November too, ALL three Indexes dropped—ISM's PMI from 58.7 to 58.2, and the ISA's Manufacturer and Distributor Indexes from 62.1 and 67.4 to 58.4 and 65.2 respectively. Thus, while the economy continues to expand, it is doing so at a slower rate. However comments from survey respondents are mixed: "Incredible November, up double digits again!" and "November tied for worst month of year..."



	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
ISA Manufacturers Index	58.0	63.5	60.0	65.5	58.0	66.0	63.4	56.4	67.2	63.3	62.1	58.4
ISA Distributors Index	54.6	67.2	63.0	64.3	58.5	69.9	66.3	61.1	71.2	72.4	67.4	65.2
PMI	54.7	56.0	57.7	57.2	54.8	54.9	57.8	56.3	58.8	60.8	58.7	58.2

## In this issue:

12-Month Running Indicators	1
ISA-Manufacturer and Distributor Index Comparisons	1
Responses to selected questions	2
Responses to selected questions (contd.)	3
Member Comments	4

INDEXES	INDUSTRIAL SUPPLY ASSOCIATION				INST. OF SUPPLY MGNT.	
	MANUFACTURERS		DISTRIBUTORS		MANUFACTURERS	
	Oct-17	Nov-17	Oct-17	Nov-17	Oct-17	Nov-17
ISA Index	62.1	58.4	67.4	65.2	58.7	58.2
New Orders	50.0	40.5	55.3	40.9	63.4	64.0
Business Activity	50.0	48.6	52.6	50.0	61.0	63.9
Employment	88.6	81.1	84.2	86.4	59.8	59.7
Supplier Deliveries	72.9	73.0	89.5	95.5	61.4	56.5
Inventories	60.0	68.9	73.7	88.6	48.0	47.0
New Exports	75.0	62.1			56.5	56.0
Imports			100.0	100.0	54.0	54.5
Sales Revenue	50.0	36.5	47.4	43.2		
Anticipated Business Conditions	72.9	56.8	60.5	56.8		
Anticipated New Orders	54.3	54.3	52.7	63.2		

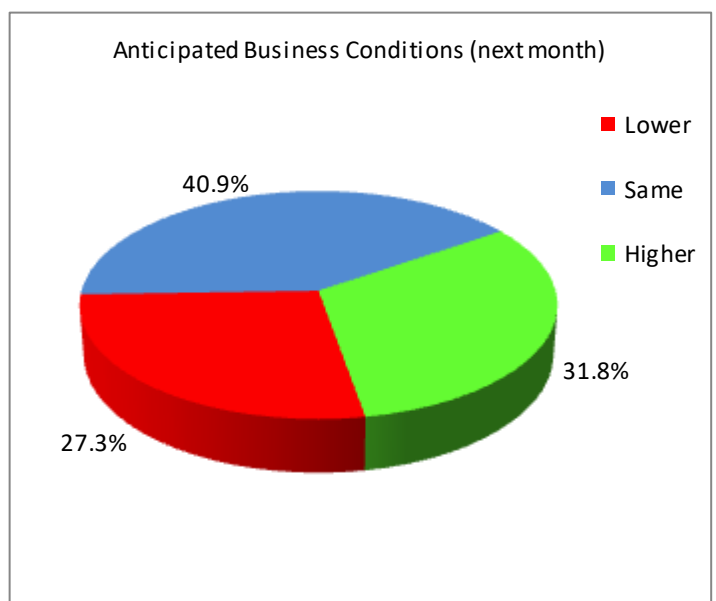
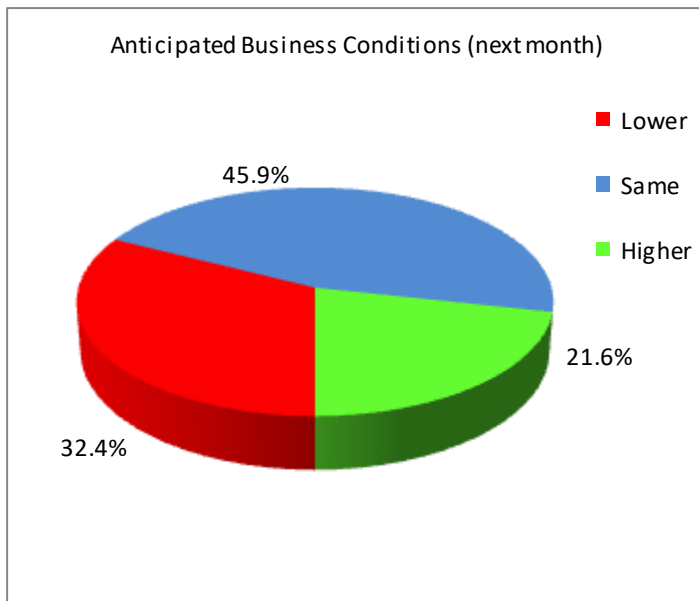
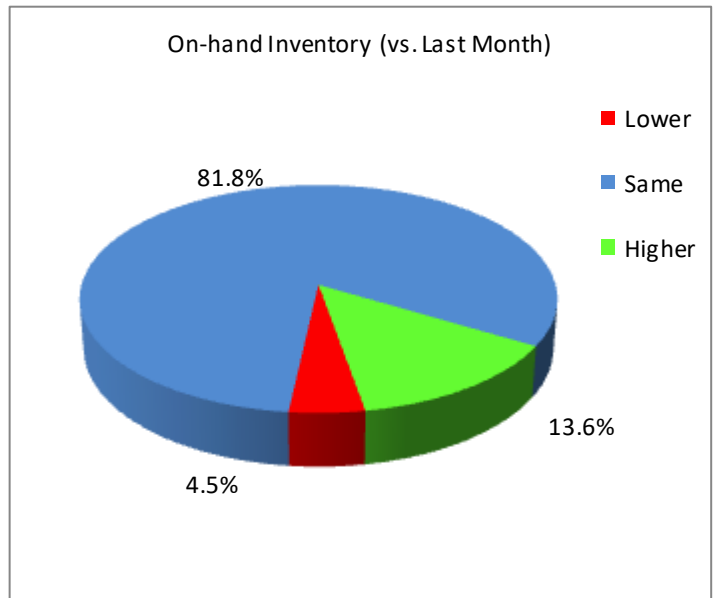
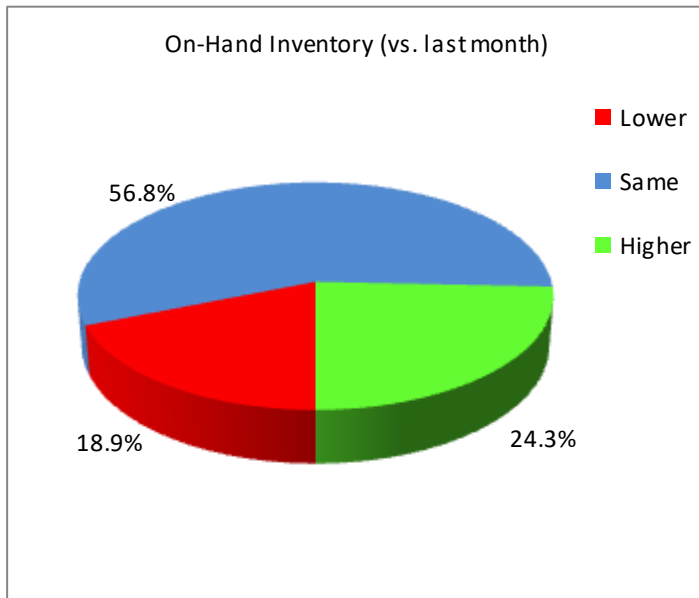
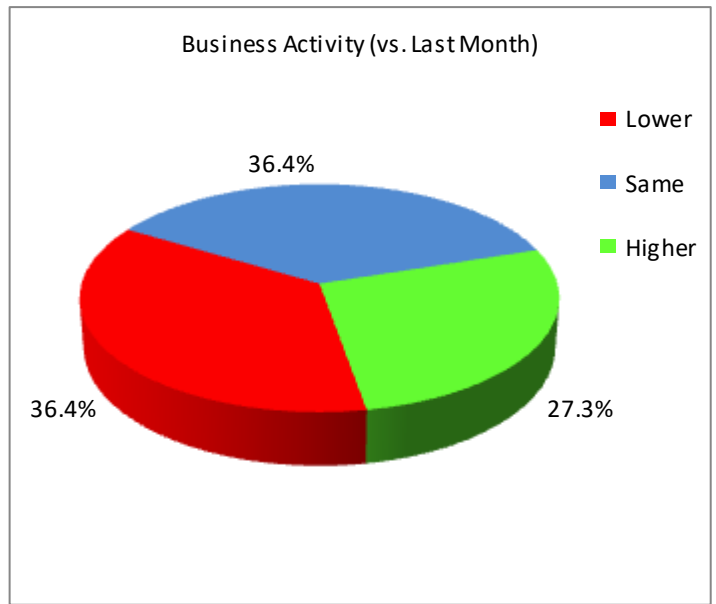
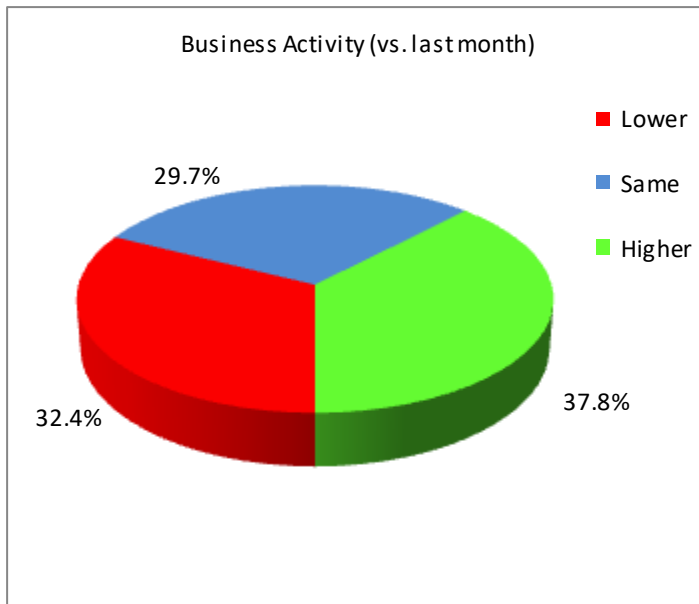
For More Info Contact:

**Bryon Shafer**  
 Chair, Strategic Information Committee,  
 bryon.shafer@jergensinc.com

While the ISA Manufacturer and ISA Distributor Indexes are weighted measure of selected diffusion indexes, diffusion indexes themselves are summary measures indicating *directions of change*. A diffusion index takes all those respondents indicating "Better" and half of those indicating "Same" and adds their respective percentages. For example, if the response to a specific question is 30% "Better," 60% "Same," and 10% "Worse," then the diffusion index for that economic variable would be 60% (30% + (0.50 x 60%)). For each index, a reading above 50% indicates expansion, while a reading below 50% indicates contraction.

RESPONSES FROM: M A N U F A C T U R E R S

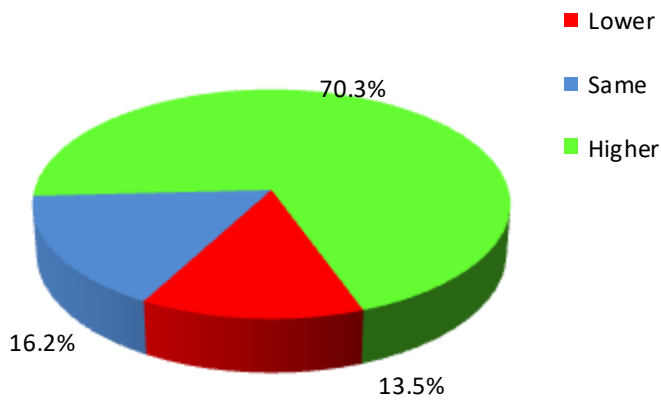
RESPONSES FROM: D I S T R I B U T O R S



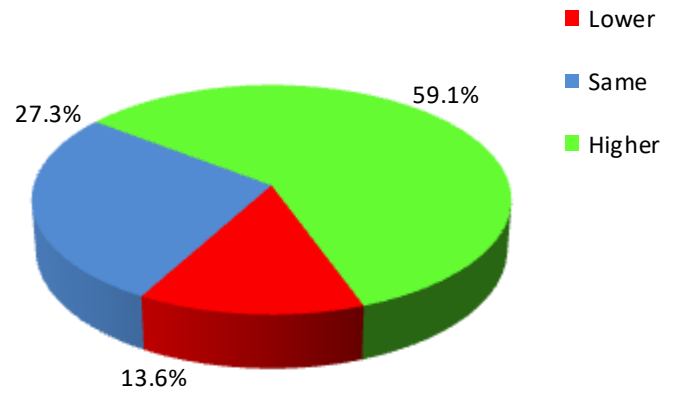
RESPONSES FROM: M A N U F A C T U R E R S

RESPONSES FROM: D I S T R I B U T O R S

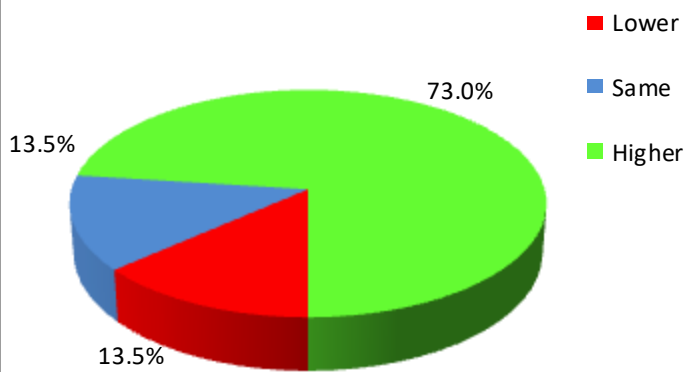
New Orders (vs. Same Month Last Year)



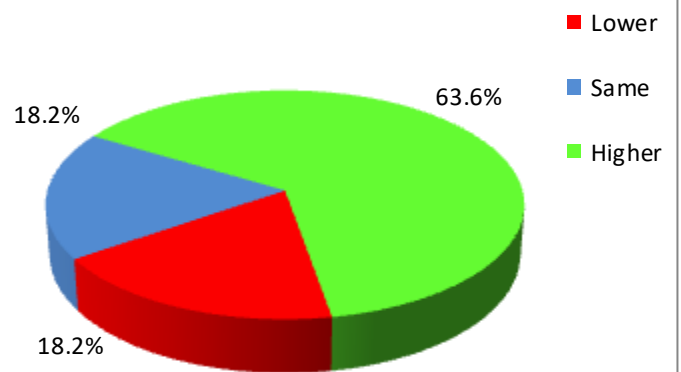
New Orders (vs. Same Month Last Year)



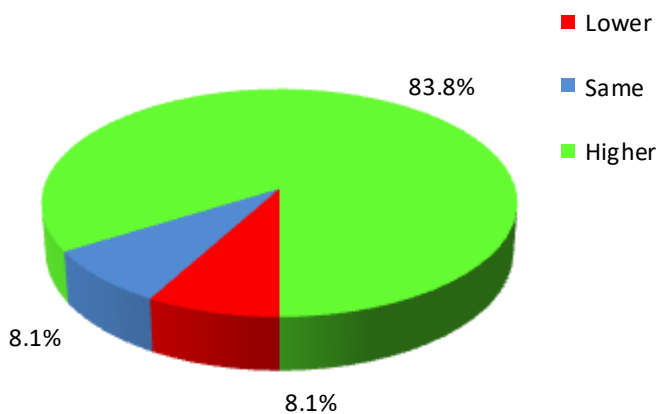
Sales Revenue (vs. Same Month last Year)



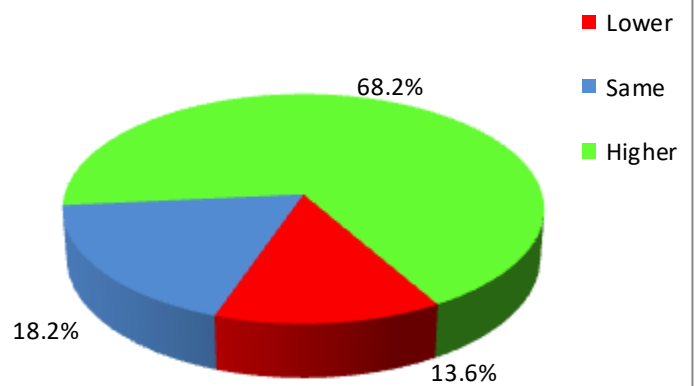
Sales Revenue (vs. Same Month last Year)



YTD Sales (vs. Same Month last Year)



YTD Sales (vs. Same Month Last Year)



## **MANUFACTURER COMMENTS:**

- November tied for worst month of year. some end of the year rush activity to help December but year end totals will be down.
- Still waiting for core business to catch the holiday spirit and take off like we read everywhere...is this real or a bit of a pipe dream or somewhere in between? Our specials however continue to be strong!!
- Gave up a little bit to plan in November, but things remain reasonably robust and steady. Will finish year 10%+ over 2016.
- Since the last half of September 2017, business activity has improved by 17 percent.
- Would really like to see 2018 take off. Maybe reduction in corp tax rate will be the catalyst to make this happen!
- Heading into the last month, we are not displeased with our position. December can be hit or miss for us. Last year was a record December. Doesn't seem like its shaping up the same this month. We'll just have to see.
- Excellent November, excellent YTD!!
- In all respects, our overall business has been increasing year over year by at least 8%, and sustaining equal to or better profit.
- Incredible November, up double digits again!
- Difficult to compare vs. prior month as there were 2 less billing days in Nov. vs. Oct.

## **DISTRIBUTOR COMMENTS:**

- Looks strong to the end of the year at least. Last month was stronger than we anticipated it would be. Lots of tools packages for new machines.
- Getting Better
- We anticipate the usual holiday and inventory slow downs.