

Institute for Supply Management - Houston, Inc.
PO Box 771203 - Houston, Texas 77215-1203

ISM - HOUSTON BUSINESS REPORT

For further information, contact Ross Harvison at ross.harvison@intuitivum.com or 713-702-1088

Press Release

June 10, 2016

by Ross S. Harvison

Health Care and Wholesale Trade Show Strength

Oil & Gas Exploration Remains Weak

((Houston, Texas) – Area Supply Chain leaders indicate that economic activity in Houston contracted in May for the seventeenth consecutive month.

The Houston Purchasing Managers Index (H-PMI) rose from its April level of 44.2 to 45.8 in May. The seasonally adjusted Finished Goods Inventory Index, one of two indicators that are inversely correlated with economic activity, continues to predict economic expansion near term. All other indicators (Sales/New Orders, Production, Employment, Lead Times, Purchases, Prices Paid, and Purchased Inventory) are now pointing towards contraction.

The Houston PMI indicates likely shifts in Production three or four months in advance. This indicator has a possible range of 0 to 100. Readings over 50 generally indicate production expansion over the near term, while readings below 50 show coming contraction. This index is based on diffusion indices for eight underlying indicators: Sales/New Orders, Production, Employment, Purchases, Prices Paid, Lead Times, Purchase Inventory, and Finished Goods Inventory.

The Institute for Supply Management - Houston has published the Houston Purchasing Managers Index monthly since January 1995 as a service to its members and the greater Houston business community.

The ISM-Houston Business Report began in January 1995
Subscriptions are available through ISM-Houston, Inc. and can be obtained by request at ismhoustonbusinessreport@intuitivum.com
The Institute for Supply Management-Houston is an affiliate of the Institute for Supply Management
Copyright 2016 by ISM-Houston, Inc. All Rights Reserved