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ISM - HOUSTON BUSINESS REPORT

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Press Release

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by Ross S. Harvison

Health Care Moves from Strong Expansion to Neutral Mid-Stream Activities Pick Up

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

The Houston Purchasing Managers Index (H-PMI) rose marginally from its June level of 43.7 to 43.8 in July. Seven of the underlying indicators (Sales/New Orders, Production, Employment, Lead Times, Purchases, Purchased Inventory, and Finished Good Inventory) are now pointing to contraction. The Prices Paid Index is the only indicator pointing to expansion.

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.

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