

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](mailto:ross.harvison@intuitivum.com) or 713-702-1088

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### **Press Release**

**October 10, 2016**  
by Ross S. Harvison

## **Health Care Continues Expansion**

### **Most Other Sectors Report Near Neutral**

(Houston, Texas) – Area Supply Chain leaders indicate that economic activity in Houston contracted in September for the twenty-first consecutive month.

The Houston Purchasing Managers Index (H-PMI) rose from its August level of 46.1 to 48.5 in September, its highest level since mid-2015. The Sales/New Orders, Prices Paid, and Finished Goods Inventory indices are now pointing to expansion. The Purchases index returned to indicating near term contraction, along with the Production, Employment, Lead Times, and Purchased Goods Inventory indices.

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  
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