

Purchasing Managers Index of Puerto Rico Manufacturing

April 2015

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until 10:00 a.m. (AST) Monday, June 1, 2015

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<http://www.estadisticas.gobierno.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>

PUERTO RICO MANUFACTURING PMI INCHED DOWN TO 58.4 IN APRIL

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector decreased to 58.4 in April, but remained above the threshold level for the third consecutive month. A reading above the threshold level of 50 suggests an expansion in the manufacturing sector with respect to the previous month. All of the sub-indexes were above the threshold level in April. The Supplier Deliveries sub-index moved up to 58.0 in April, remaining above the threshold level for the seventh consecutive month. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 40 of the 60 months since the survey was first undertaken. The PRM-PMI is currently available only on a Non-Seasonally Adjusted (NSA) basis which means that seasonal fluctuations can affect its performance.

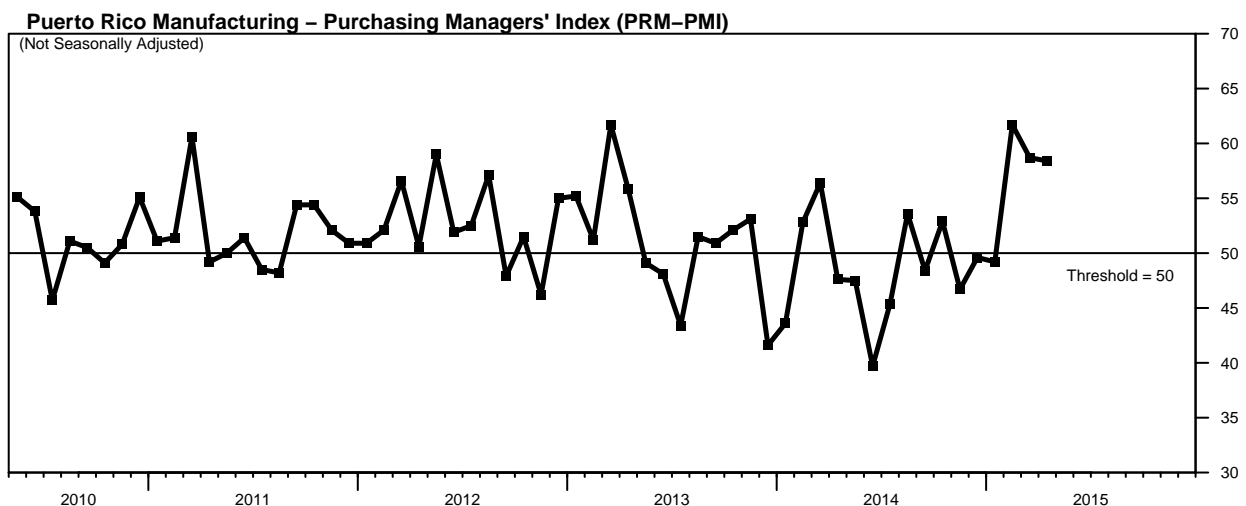


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): April 2015

	Better	Same	Worse	PMI		
Órdenes nuevas	32	60	8	62	Higher	New orders
Producción	28	64	8	60	Higher	Production
Empleo	16	72	12	52	Higher	Employment
Entregas de suplidores	24	68	8	58	Slower	Supplier deliveries
Inventarios de su empresa	28	64	8	60	Higher	Own inventories
Puerto Rico Manufacturing – Purchasing Managers Index (NSA)				58.4	Expansion	

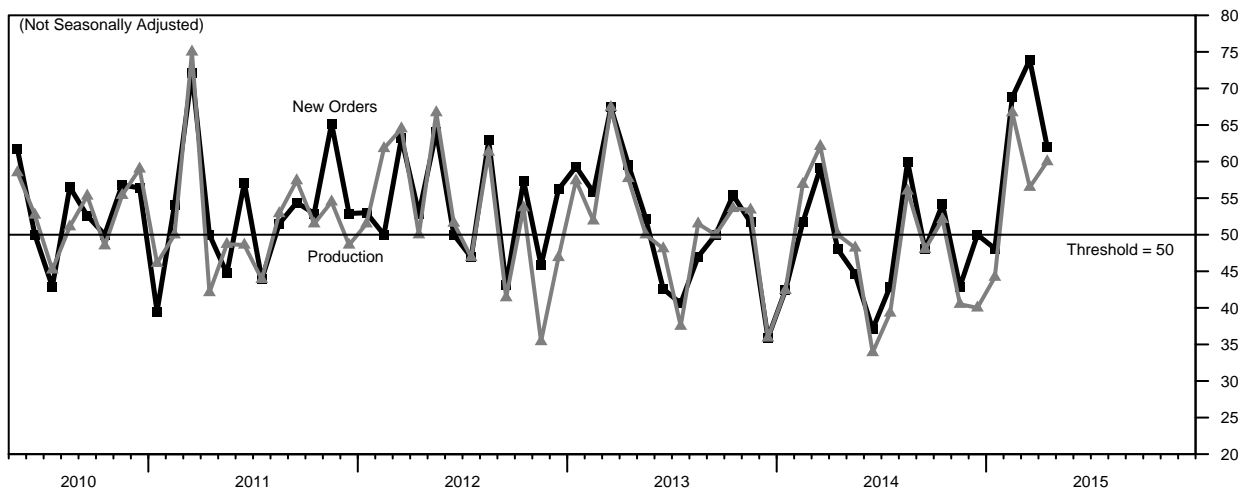
Note: Not Seasonally Adjusted (NSA)

New Orders

In April, the New Orders PMI (NSA) decreased to 62.0, but remained above the threshold level for the third consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, new orders at manufacturing establishments in April were higher than in March.

Production

The Production PMI (NSA) edged up to 60.0 in April, remaining above the threshold level for the third consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in April was higher than in March.

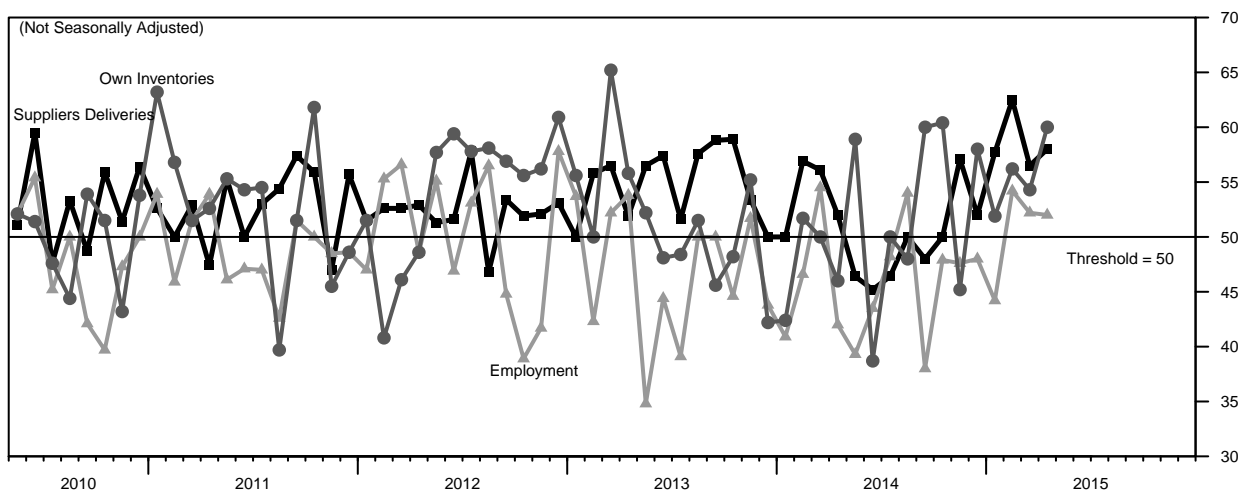


Employment

In March, the Employment PMI (NSA) ticked down to 52.0, but remained above the threshold level for the third consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in April was higher than in March.

Supplier Deliveries

The Supplier Deliveries PMI (NSA) moved up to 58.0 in April, remaining above the threshold level for the seventh consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in April was slower than in March, suggesting a higher demand for intermediate goods.



Own Inventories

In April, the Own Inventories PMI (NSA) climbed to 60.0, remaining above the threshold level for the fifth consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in April were higher than in March.

Methodological note

The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) is the result of a collaborative project between the Puerto Rico Manufacturers Association, Scotiabank, and the Puerto Rico Institute of Statistics. The PRM-PMI measures short-run business conditions in Puerto Rico's manufacturing sector, and provides a broad-based metric for the productive side of Puerto Rico's economy. It is currently in a testing phase to ensure a reliable methodology. The methodology is similar to PMI surveys conducted elsewhere. The survey questionnaire is available at <http://www.estadisticas.gobierno.pr/iepr/Publicaciones/Encuestas/ManufaturaPMI.aspx>. The participants include manufacturing establishments with 50 or more employees with membership in the Puerto Rico Manufacturers Association. Currently, results are presented on a Non-Seasonally Adjusted (NSA) basis. In the future, with sufficient data points, a seasonally adjusted version of the PRM-PMI will be prepared, which will smooth away the influence of seasonal fluctuations.

The PRM-PMI is calculated as the simple average of 5 sub-indexes, representing different business conditions in manufacturing establishments: New Orders PMI, Production PMI, Employment PMI, Supplier Deliveries PMI, Own Inventories PMI. The sub-indexes are computed using a diffusion index methodology. In specific, for any given month with respect to the previous month, participants are asked to answer whether the business condition of the establishment: (1) improved, (2) remained the same, or (3) deteriorated. Diffusion indexes are calculated as the percentage of responses that indicate the business condition improved plus half of the percentage of responses that indicate the business condition remained the same. The survey also includes questions on other business conditions. The diffusion indexes that correspond to these questions are currently under evaluation.

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Publication calendar

The monthly PRM-PMI report is published at 10:00 a.m. on the first business day of the month. In specific, the table below shows the expected publication dates of the PRM-PMI report during calendar year 2014:

Reference month	Publication date
Nov-14	January 2, 2015
Dec-15	February 2, 2015
Jan-15	March 2, 2015
Feb-15	April 1, 2015
Mar-15	May 1, 2015
Apr-15	June 1, 2015

Reference month	Publication date
May-15	July 1, 2015
Jun-15	August 3, 2015
Jul-15	September 1, 2015
Aug-15	October 1, 2015
Sep-15	November 2, 2015
Oct-15	December 1, 2015