

For More Information Contact:
Ernie Goss Ph.D., 559-278-2352
University Business Center
Craig School of Business
California State University, Fresno

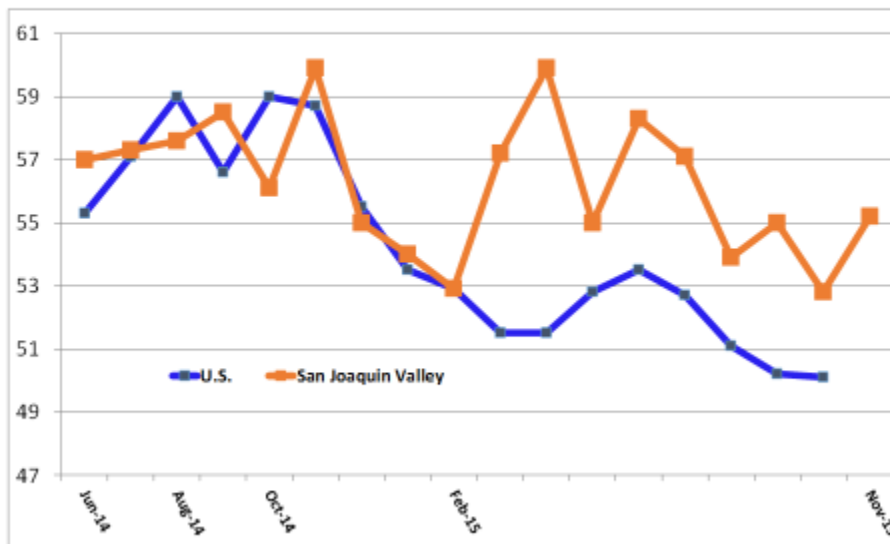
Goss video economic summary: <https://youtu.be/c4n1Xc4ollq>

San Joaquin Valley Economic Indicator Healthy for November: Solid Job Gains Expected Through Quarter I, 2016

November survey results at a glance:

- Leading economic indicator rises for the month pointing to positive growth for next 3 to 6 months.
- Survey indicates only modest inflationary pressures at wholesale level.
- Only 14.3 percent of businesses expect a negative impact from a December Federal Reserve rate hike.
- Job growth through the first quarter of 2016 is expected to be well above the national pace.

PMIs for U.S. & San Joaquin Valley, June 2014 – November 2015



For Immediate Release: December 1, 2015

FRESNO, CA-For the twenty-fourth consecutive month, the San Joaquin Valley Business Conditions Index rose above the 50.0 growth neutral threshold. The index, a leading economic indicator from a survey of individuals making company purchasing decisions for firms in the counties of Fresno, Kings, Madera, and Tulare, rose and continues to point to positive growth for the next 3 to 6 months. The index is produced using the same methodology as that of the national Institute for Supply Management (www.ism.ws).

Overall Index: The November index rose to 55.2 from 52.8 in October. November's reading is in a range indicating positive growth through the first quarter of 2016. An index greater than 50.0 indicates an expansionary economy over the course of the next three to six months. Survey results for the last two months and one year ago are listed in the accompanying table.

"According to our survey results over the last several months, economic growth will remain positive in the months ahead. As in November, growth slowed for manufacturers and construction firms in the area for the month. On the other hand, wholesale trade and business services firms are experiencing healthy growth," said Ernie Goss, Ph.D., research faculty with the Craig School of Business at California State University, Fresno.

Employment: After slumping below growth neutral in October of 2013, the regional hiring gauge has moved above the 50.0 threshold each month since. The employment index declined to 52.8 from 55.7 in October. "As in October, job expansion was flat for construction and manufacturing. Over the past 12 months, the regional economy has experienced a very strong 2.4 percent growth. Surveys over the last several months indicate that this growth will remain positive, but somewhat below this pace. Even as job growth slows, I expect the regional unemployment rate to move below eight percent by January 2016," reported Goss.

Wholesale Prices: The prices-paid index, which tracks the cost of purchased raw materials and supplies, rose to 53.2 from 52.2 in October. "Just as in other regional surveys and the national survey, the San Joaquin Valley inflationary gauge has remained in a range indicating modest inflationary pressures at the wholesale level," said Goss.

"Only 14.3 percent of survey participants expect a December Federal Reserve rate hike to negatively affect their businesses," reported Goss.

Business Confidence: Looking ahead six months, economic optimism, as captured by the business confidence index, slumped to 49.6 from October's 52.8. "Agriculture and energy commodity prices, and global economic weakness continue to weigh on expectations of future economic conditions," said Goss.

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Inventories: Businesses expanded inventories of raw materials and supplies for November. The November inventory index rose to 58.8 from 48.5 in October.

Trade: New export orders fell again, but at a slower pace. The index increased to 41.3 from October's 32.6, and the import index slumped to 42.5 from 51.6 in October. "The strong U.S. dollar, which makes U.S. goods less competitively priced abroad, and global economic weakness are negatively affecting regional exports," said Goss.

Other components: Other components of the November Business Conditions Index were: new orders at 50.9, up from October's 48.3; production or sales at 56.5 from October's 55.8; and delivery lead time at 57.1, up from last month's 55.9.

Table 1 details survey results for November 2014, last month, and November 2015. December survey results will be released on the first business day of next month, January 4.

Table 1: Overall and component indices for last 2 months and one year ago (above 50.0 indicates expansion)			
	San Joaquin Valley		
	November 2014	October 2015	November 2015
Leading economic indicator	59.9	52.8	55.2
New orders	59.7	48.3	50.9
Production or sales	69.2	55.8	56.5
Employment	51.3	55.7	52.8
Inventories	62.8	48.5	58.8
Delivery lead time	56.7	55.9	57.1
Wholesale prices	62.1	52.2	53.2
Imports	48.6	51.6	42.5
Export orders	48.8	32.6	41.3
Business confidence	55.1	52.8	49.6

Craig School of Business: <http://www.fresnostate.edu/craig/ubc/sjvs.html>

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