

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:

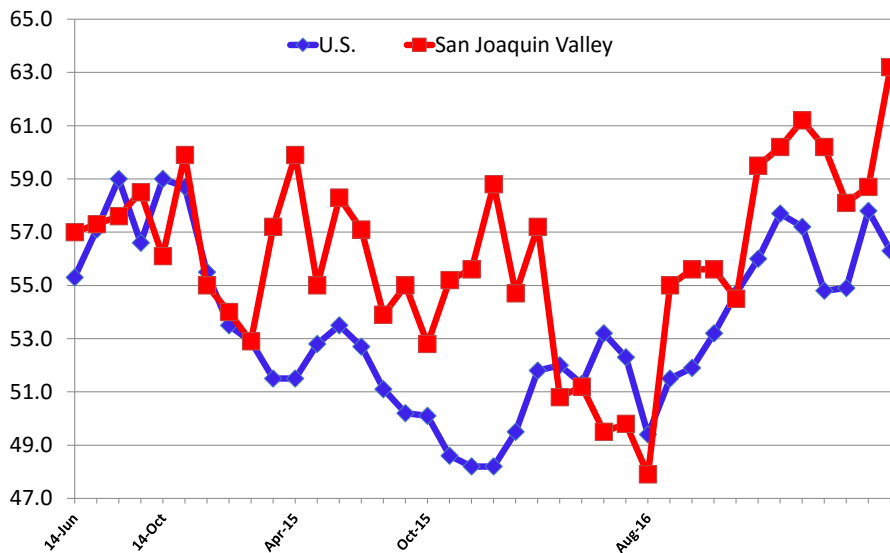
<https://www.youtube.com/watch?v=j2ChRYwpS2Q&feature=youtu.be>

**San Joaquin Valley Indicator Climbs to Record High for July:
Strong Hiring for the Month**

July survey results at a glance:

- Leading economic indicator expands to healthy and record level signaling stronger growth ahead.
- Employment index indicates strong hiring for the month.
- Wholesale inflationary pressures rise for the month.

PMIs for U.S. & San Joaquin Valley, June 2014 – July 2017



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FRESNO, CA-The San Joaquin Valley Business Conditions Index moved into a range pointing to strong growth in the next 3 to 6 months. 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. The index is produced using the same methodology as that of the national Institute for Supply Management (www.ism.ws).

Overall Index: The July index climbed to a record high 63.2 from May's healthy 58.7 from 58.1 in May. . 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.

"The region is currently experiencing solid manufacturing growth combined with upturns in regional construction. However as in past months, durable, or heavy manufacturing, continues to lag behind non-durable manufacturing, including food processing," said Ernie Goss, Ph.D., research faculty with the Craig School of Business at Fresno State University.

Employment: After moving below growth neutral for December 2016, the employment gauge climbed above the threshold every month since. The July index advanced to 63.2, a record high and up from June's 60.8. "Over the past 12 months, the San Joaquin region has experienced strong and improving job growth at 1.9 percent, which is well above the pace of the nation's 1.6 percent. The region's rapid expansion is boosting average hourly salaries and wages at a very strong pace. Our surveys over the last several months indicate that the San Joaquin job market will continue to expand at a pace above that of the nation through the fourth quarter of 2017," reported Goss.

Wholesale Prices: The prices-paid index, which tracks the cost of purchased raw materials and supplies, expanded to 71.2 from 67.3 in June and 65.4 in May, indicating modest but elevated inflationary pressures at the wholesale level. "I expect inflationary pressures at both the consumer and wholesale level to moderate in the months ahead. As a result, I expect the Federal Reserve to delay another rate hike until the fourth quarter of 2017 or first quarter of 2018," said Goss.

On average, companies in the area expect to raise prices by 1.5 percent over the next 12 months which is down from the 1.9 percent recorded in June.

Business Confidence: Looking ahead six months, economic optimism, as captured by the business confidence index, rose to a very healthy 70.0 from June's strong 69.1. "Businesses in the region and nation continue to expect improving business conditions, and profits. A failure of DC to enact corporate tax would reduce that confidence," said Goss.

Inventories: In another show of economic confidence, the inventory index remained in a healthy range for July. The July inventory declined to 54.5 from 59.0 in June.

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Trade: The new export orders index climbed to 53.8 from June's 47.7 while the import index dropped to 48.1 from June's 54.5.

Other components: Other components of the July Business Conditions Index were: new orders at 67.1, up from 57.0 in June; production or sales at 71.7, up from June's 66.1; and delivery lead time at 57.4, up from last month's 51.1.

Table 1 details survey results for July 2016, last month, and July 2017. August's survey results will be released on the first business day of September.

	San Joaquin Valley		
	July 2016	June 2017	July 2017
Leading economic indicator	49.8	58.7	63.2
New orders	48.8	57.0	67.1
Production or sales	48.1	66.1	71.7
Employment	50.0	60.8	65.8
Inventories	45.9	59.0	54.5
Delivery lead time	56.1	51.1	57.4
Wholesale prices	57.4	67.3	71.2
Imports	38.8	54.5	48.1
Export orders	31.5	47.7	53.8
Business confidence	54.0	69.1	70.0

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

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