

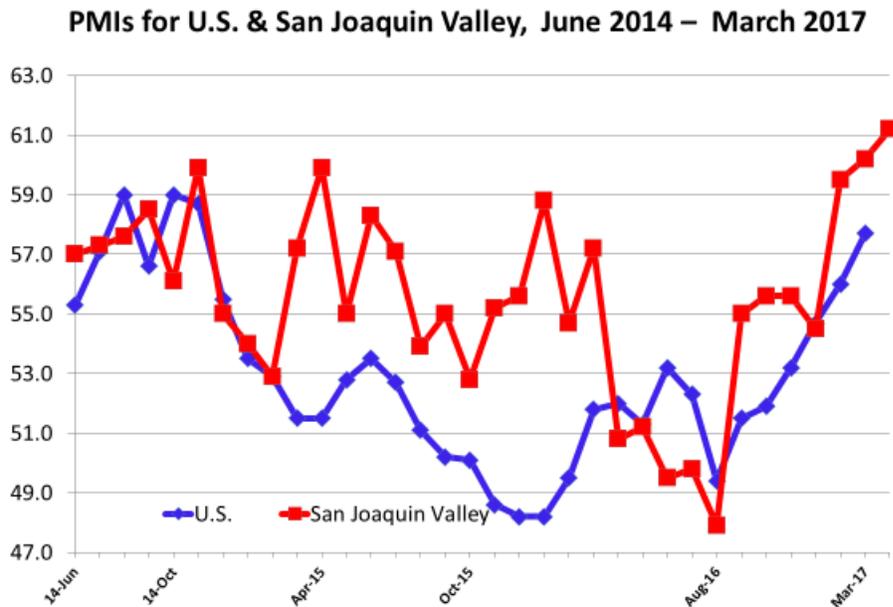
For More Information Contact:
Ernie Goss Ph.D., 559-278-2352
University Business Center
Craig School of Business
California State University, Fresno

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

San Joaquin Valley Indicator Expands to Another Record High: Inflation Index Advances Again

March survey results at a glance:

- Leading economic indicator climbs to another record high.
- Inflationary pressures at wholesale level continue to bounce higher.
- Employment index indicates strong hiring for the month.
- Approximately 58.3 percent of firms expect net new hiring over the next 6 months. This is up from 24.6 percent reported by firms in June of last year.



For Immediate Release: April 3, 2017

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 March index rose to a record high 61.2 from February's reading of 60.2, also a record high. 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.

"After moving into a range indicating solid economic growth for the next 3 to 6 months, the overall index for March jumped to its highest level since initiation of the survey and up from February's reading which was also a record high. 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, the employment gauge climbed above the threshold every month since. The March index advanced to a very strong 62.5 from 54.2 in February. "Over the past 12 months, the San Joaquin region has experienced strong and improving job growth at 2.9 percent, which is well above the pace of the nation's 1.5 percent. 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 third quarter of 2017," reported Goss.

Approximately 58.3 percent of firms expect net new hiring over the next 6 months. This is up from 24.6 percent reported by firms in June of last year.

Wholesale Prices: The prices-paid index, which tracks the cost of purchased raw materials and supplies, climbed to 68.1 from 63.5 in February indicating rising, but not excessive, inflationary pressures at the wholesale level. "I expect inflationary pressures at both the consumer and wholesale level to move higher in the months ahead with additional Federal Reserve rates in the next three months," said Goss.

Business Confidence: Looking ahead six months, economic optimism, as captured by the business confidence index, dipped to a still strong 74.2 from 75.3 in February. "Businesses in the region and nation continue to expect improving business conditions, profits and a corporate tax cut. A failure of DC to enact corporate tax cuts would shrink that confidence," said Goss.

San Joaquin Business Conditions Index – p. 3 of 3

Inventories: In another show of economic confidence, the inventory index remained in a healthy range for March. The March inventory fell to a strong 61.2 from 68.7 in February.

Trade: Both the new export orders index and import index remained above growth neutral for March. The export reading fell to 50.3 from February's 56.1 and the March import reading slipped slightly to 56.6 from 56.9 in February.

Other components: Other components of the March Business Conditions Index were: new orders at 62.0, down from 67.2 in February; production or sales at 64.8, up from February's 63.5; and delivery lead time at 61.6, up from last month's 47.7.

Table 1 details survey results for March 2016, last month, and March 2017. April's survey results will be released on the first business day of May, or May 1.

	San Joaquin Valley		
	March 2016	February 2017	March 2017
Table 1: Overall and component indices for last 2 months and one year ago (above 50.0 indicates expansion)			
Leading economic indicator	57.2	60.2	61.2
New orders	51.8	67.2	62.0
Production or sales	56.9	63.5	64.8
Employment	57.8	54.2	62.5
Inventories	69.6	68.7	61.2
Delivery lead time	49.6	47.7	61.6
Wholesale prices	48.9	63.5	68.1
Imports	56.2	56.9	56.6
Export orders	44.2	56.1	50.3
Business confidence	47.9	75.3	74.2

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

Follow Goss: Twitter at <http://twitter.com/erniegoss> or www.gossandassociates.com

Blog: <http://economictrends.blogspot.com>