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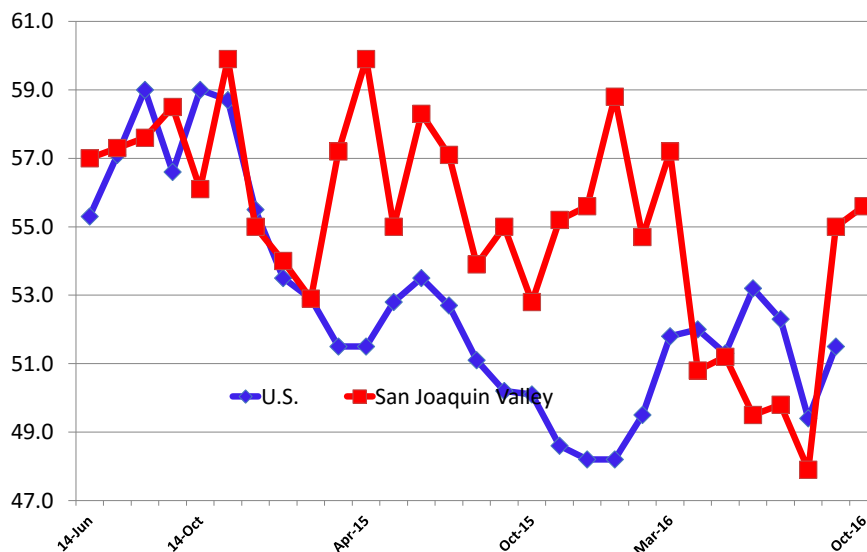
Goss video economic summary: <https://youtu.be/WkcUBdddsQ8>

### San Joaquin Valley Indicator Improves for October: Strong Job Growth

#### October survey results at a glance:

- Leading economic indicator rises again, signals improving growth ahead.
- Inflationary pressures rise, but remain modest.
- Approximately, 28.6 percent of firms report that exports sales are important to company's profitability.
- Approximately one-third of firms indicated that purchases from abroad are important to company's profitability.

PMIs for U.S. & San Joaquin Valley, June 2014 – October 2016



**For Immediate Release: November 1, 2016**

FRESNO, CA-For a second straight month, the San Joaquin Valley Business Conditions Index moved into a range pointing to solid 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](http://www.ism.ws)).

**Overall Index:** The October index improved to 55.6 from 55.0 in September. This is the highest reading recorded since March of this year. 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 three straight months with readings below growth neutral, the index has now moved above growth neutral for two straight months. The region experienced positive growth in the manufacturing sector. Food processing companies, as in previous months, detailed strong growth. Furthermore, growth was recorded in wholesale trade and distribution. On the other hand, construction firms and information technology companies in the region experienced little change from September’s economic activity levels,” said Ernie Goss, Ph.D., research faculty with the Craig School of Business at Fresno State University.

**Employment:** For a fourth straight month, the hiring gauge was at or above the growth neutral 50.0 threshold. The employment index slipped to 55.8 from September’s 56.8. “San Joaquin businesses boosted employment at a strong pace for the month. Over the past 12 months, the region has experienced job growth of 3.3 percent, which is almost triple the pace of the nation,” reported Goss.

**Wholesale Prices:** The prices-paid index, which tracks the cost of purchased raw materials and supplies, rose to 58.6 from 55.4 in September. “Just as in other regional surveys and the national survey, Fresno State’s surveys over the past several months show modest, but advancing inflationary pressures at the wholesale level,” said Goss.

**Business Confidence:** Looking ahead six months, economic optimism, as captured by the business confidence index, fell to 42.2 from September’s 44.5. “Weak U.S. and global growth are negatively affecting confidence among businesses in the San Joaquin Valley,” said Goss.

**Inventories:** Businesses increased inventories of raw materials and supplies for October. The October inventory climbed to 55.7 from 51.9 in September.

**Trade:** The new export orders index remained below growth neutral for October. The index increased to 45.9 from 36.9 in September. The import index stood at 46.5 which was up from 43.0 in

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September. “The U.S. dollar remains relatively strong making U.S. goods less competitively priced abroad. At the same time, shipping issues restrained imports for the month,” said Goss.

**Other components:** Other components of the October Business Conditions Index were: new orders at 55.8, up from 53.3 in September; production or sales at 57.6, up from September’s 56.8; and delivery lead time at 53.0, down from last month’s 56.0.

Table 1 details survey results for October 2015, last month, and October 2016. October’s survey results will be released on the first business day of next month, December 1.

Table 1: Overall and component indices for last 2 months and one year ago (above 50.0 indicates expansion)			
	San Joaquin Valley		
	October 2015	September 2016	October 2016
Leading economic indicator	52.8	55.0	55.6
New orders	48.3	53.3	55.8
Production or sales	55.8	56.8	57.6
Employment	55.7	56.8	55.8
Inventories	48.5	51.9	55.7
Delivery lead time	55.9	56.0	53.0
Wholesale prices	52.2	55.4	58.6
Imports	51.6	43.0	46.5
Export orders	32.6	36.9	45.9
Business confidence	52.8	44.5	42.2

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

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