

### Sustained High Expectations in Huntsville Moving into Fourth Quarter

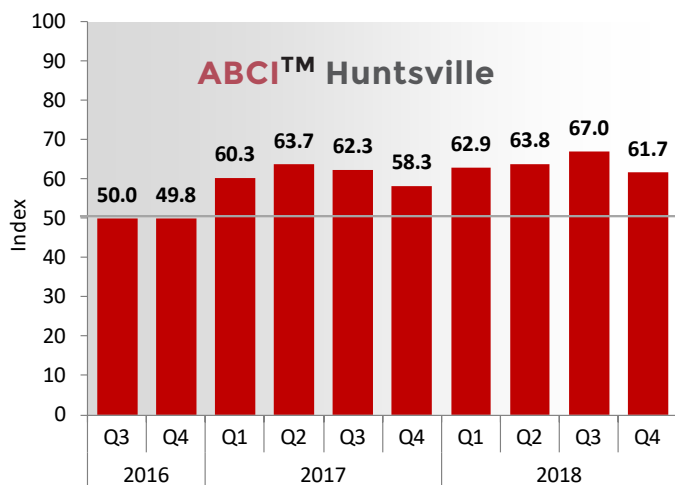
Despite a 5.3-point decrease, ABCI Huntsville remained confident at 61.7 in the fourth quarter 2018 survey. The metro's industry indexes all convey high confidence in growth, though all but one of the index levels are lower than the third quarter's extremely high indexes. This continuation of confidence builds on seven consecutive quarters of expectations for growth.

After a 7.3-point loss, the Huntsville sales index remains very confident at 61.9 moving into the fourth quarter of 2018. A 59.5-percent majority of respondents forecast an increase in sales. About 23.8 percent expect to see steady sales, and 16.7 percent anticipate a decline in the coming quarter.

Huntsville business leaders are still confident that profits will continue to rise in Q4 2018 with an index of 59.5 after an 8.4-point decrease from Q3's remarkably high index. A 47.6-percent segment of panelists expect a higher level of growth; 38.1 percent anticipate no major change compared with the previous quarter's profits; and 14.3 percent forecast a decrease in the fourth quarter profits.

With a hiring index of 61.3 after decreasing 0.9 points, Huntsville businesses are confidently forecasting an increase in hiring in Q4 2018. At 52.4 percent, just over half of the metro's business leaders anticipate higher growth, while 35.7 percent forecast hiring levels staying constant in the coming quarter, and just 11.9 percent anticipate a decrease compared to the previous quarter.

Capital expenditure registered at 63.1 for Q4 2018 after increasing 0.3 points. A 61.9-percent majority of area business leaders expect an increase in their capital spending in Q4 2018, 26.2 percent do not expect a change, and 11.9 percent anticipate a slowdown in capital expenditure compared to the previous quarter.



### Fourth Quarter 2018 Outlook

	Huntsville	Alabama
ABCI	61.7	62.5
National Economy	58.3	62.8
Alabama Economy	66.1	65.9
Industry Sales	61.9	61.7
Industry Profits	59.5	60.3
Industry Hiring	61.3	61.8
Capital Expenditures	63.1	62.5

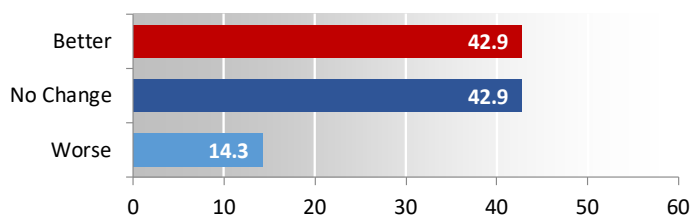
Index above 50 indicates positive outlook as compared to last quarter. Index below 50 indicates negative outlook as compared to last quarter. **Gray** increase from previous quarter. **Red** decrease from previous quarter. **Blue** no change.

### Huntsville Metro Area: Business Environment Expectations Q4 2018 compared to Q3 2018

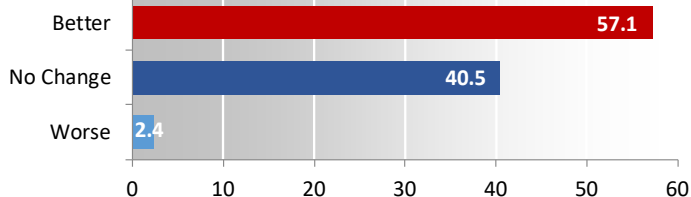
Huntsville's index for the U.S. economy decreased 7.7 points to a still confident 58.3 in Q4 2018. Only 14.3 percent of area panelists expect a worse economic outlook compared to the previous quarter. Of the remaining 85.7 percent, half expect better conditions in the U.S. economy compared to Q3 2018, and half expect a continuation of the previous quarter's conditions.

The Alabama economic outlook also decreased but remained very confident after dropping 7.6 points to reach 66.1. At 57.1 percent, the majority of area panelists forecast a better performance for the Alabama economy, while 40.5 percent expect a continuation of the third quarter's conditions, and 2.4 percent anticipate a worse statewide economic outlook.

### National Economic Outlook

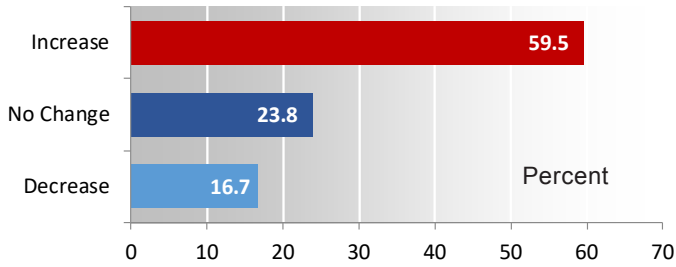


### Alabama Economic Outlook

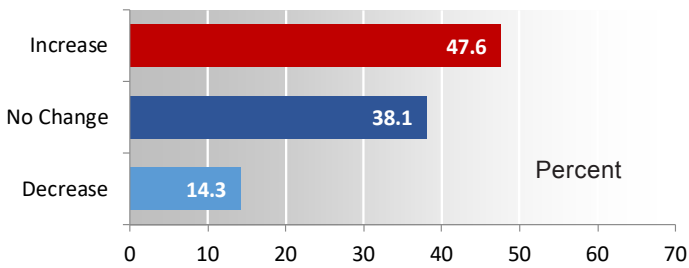


**Huntsville Metro Area:  
Industry Performance Expectations**  
Q4 2018 compared to Q3 2018

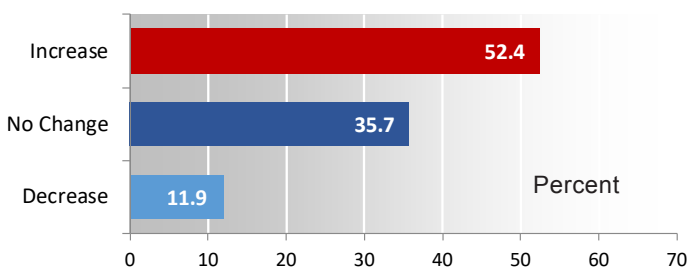
**Sales**



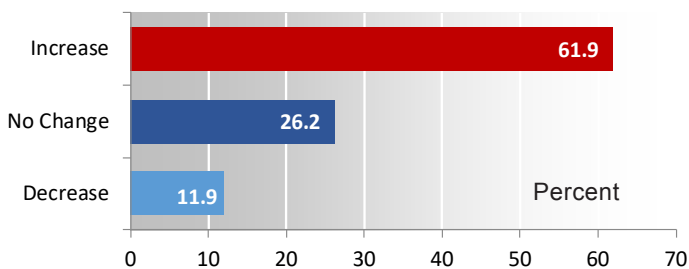
**Profits**



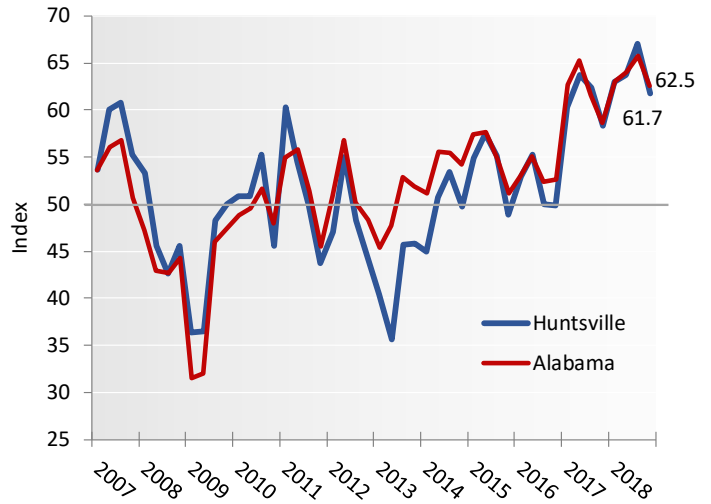
**Hiring**



**Capital Expenditures**



**Historical ABCI**  
Q1 2007 through Q4 2018

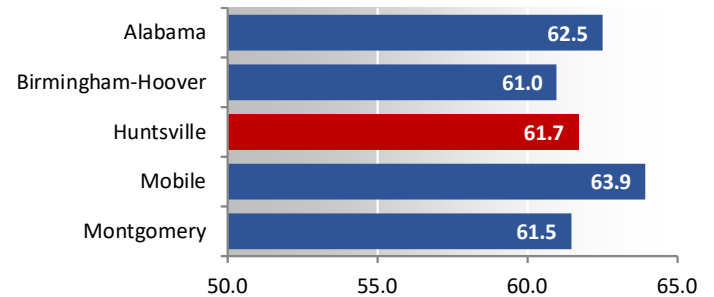


**ABCI Huntsville in Context**

Though Huntsville business confidence decreased 5.3 points this quarter, it still registered at a very confident 61.7. Executives in the metro area remain optimistic about the business environment this quarter with all indexes registering at or above 58.3. This is the 8th consecutive quarter that Huntsville's ABCI has been above 50, indicating high expectations for growth from area business leaders since the start of 2017.

Despite decreases in the indexes, business sentiment in Alabama's four largest metro areas continued to register as very positive in the fourth quarter of 2018 with all ABCIs registering at or above 61. Mobile is forecasting growth with the most confidence with an area index of 63.9. Huntsville and Montgomery followed with ABCIs of 61.7 and 61.5, respectively. With an ABCI of 61.0, Birmingham-Hoover business confidence is the lowest, but area businesses are still anticipating growth in the coming quarter with strong confidence.

**ABCI by Metro Area Q4 2018**



The Center for Business and Economic Research would like to thank all Huntsville metro area business executives who completed the fourth quarter 2018 ABCI survey. We look forward to a continuing partnership with the Huntsville Area Chamber of Commerce and encourage you to return for the first quarter 2019 survey December 1-15.

For more details on the Alabama Business Confidence Index™, visit [cber.cba.ua.edu/ABCI](http://cber.cba.ua.edu/ABCI).  
Analysis provided by Susannah Robichaux, Socioeconomic Analyst.