

Mobile Businesses Continue High Expectations

Mobile business executives continue to remain optimistic about their prospects for the second quarter of 2017. After a 2.8-point decrease, ABCI Mobile reached 65.5, a reading that is 3.3 points above the statewide ABCI. Though most of the component indexes decrease from the previous quarter, area business leaders still expect a strong performance in all categories of the survey in the coming quarter.

The sales index decreased 3.6 points to register at a very confident 69.4. Almost 78 percent of Mobile's business leaders anticipate an increase in industry sales in the second quarter of 2017, 22.2 percent forecast no change, and no panelists expect a decrease in sales compared to the previous quarter.

Mobile business confidence in profit growth also decreased but remains confident this quarter, dropping 2.7 points to reach 65.3. Almost 67 percent of Mobile businesses feel optimistic about profit growth in the coming quarter, and 27.8 percent believe there will be a continuation of the previous quarter's profits. The remaining 5.6 percent anticipate a decrease in profits.

Job creation in Mobile is expected to increase with moderate confidence in Q2 2017. The metro's hiring index increased 2.7 points to reach 59.7 for the coming quarter. While 50.0 percent do not anticipate a change in hiring compared with last quarter, just under 45 percent of Mobile business leaders expect hiring to increase, and 5.6 percent predict a decrease in their hiring plans.

Overall, Mobile business executives anticipate growth in capital investment with some confidence in the coming quarter, though the index decreased 6.7 points from the previous quarter to reach 58.3. Two thirds of survey respondents do not forecast a change from the previous quarter's levels of capital spending, but the remaining third anticipate to increase their capital expenditures.

Second Quarter 2017 Outlook

	Mobile	Alabama
ABCI	65.5	65.2
National Economy	70.8	69.7
Alabama Economy	69.4	67.6
Industry Sales	69.4	67.2
Industry Profits	65.3	64.2
Industry Hiring	59.7	60.7
Capital Expenditures	58.3	61.9

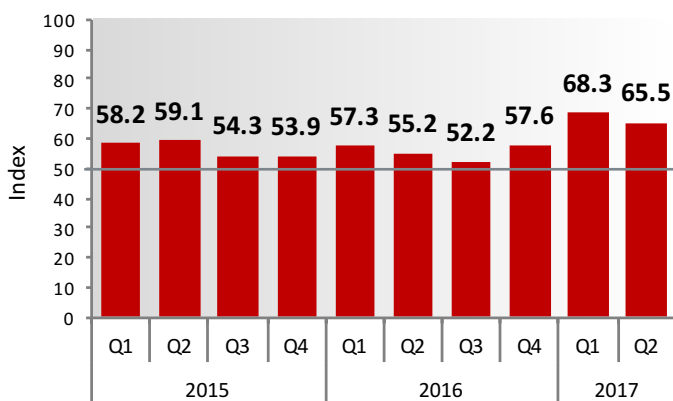
Index above 50 indicates positive outlook as compared to last quarter.
 Index below 50 indicates negative outlook as compared to last quarter.
 Gray increase from previous quarter.
 Red decrease from previous quarter.
 Blue no change.

Mobile Metro Area: Business Environment Expectations Q2 2017 compared to Q1 2017

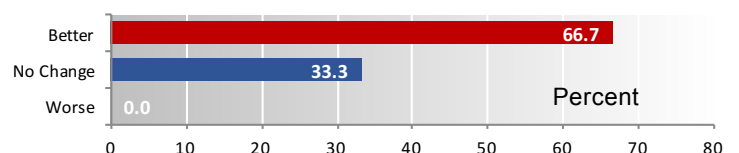
Executives in the Mobile metro area remain optimistic about the business environment this quarter even with the lower index values. The metro's index for the U.S. economy fell 4.2 points to a still very confident 70.8, and the Alabama economy index came in just under the national at 69.4 after a 2.6-point decrease.

No Mobile business executives forecast a worse performance for the Alabama or national economy. Two thirds of panelists expect stronger growth in the national economy in Q2 2017, with the remaining 33.3 percent anticipating no change. Similarly, 72.2 percent of Mobile businesses expect a stronger Alabama economy, while 27.8 percent expect a continuation of last quarter's performance.

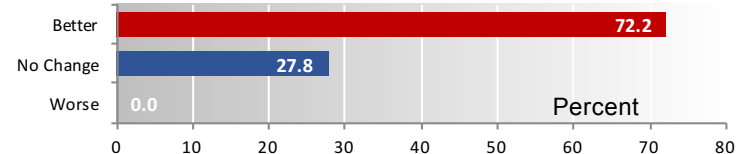
ABCI™ Mobile



National Economic Outlook



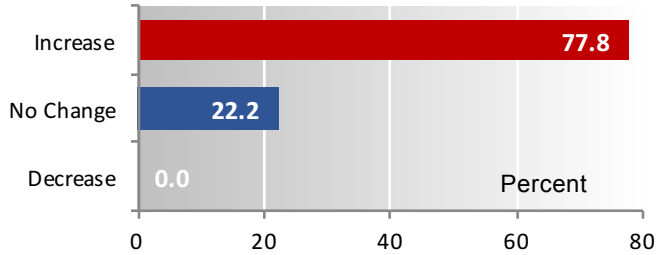
Alabama Economic Outlook



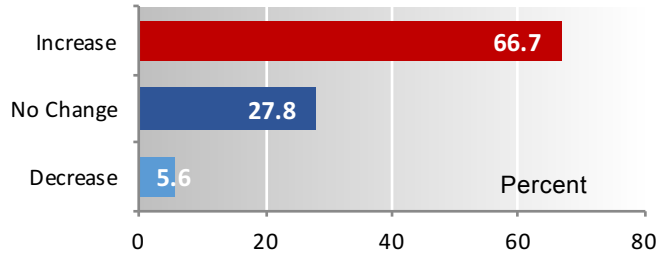
ALABAMA BUSINESS CONFIDENCE INDEX Mobile Metro Area

Mobile Metro Area: Industry Performance Expectations Q2 2017 compared to Q1 2017

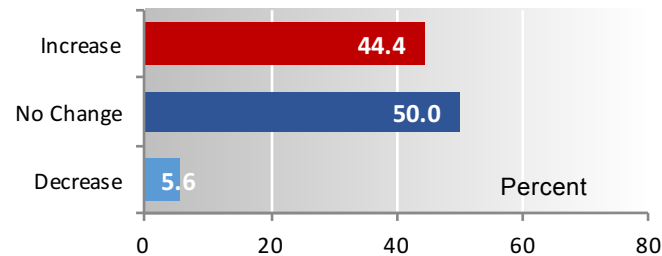
Sales



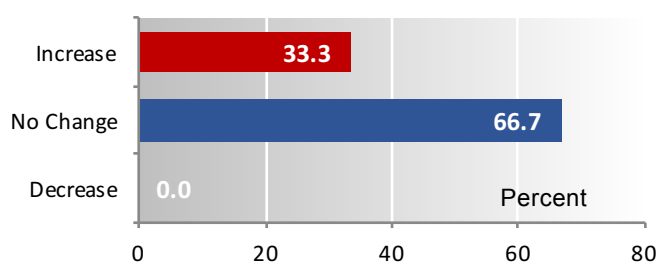
Profits



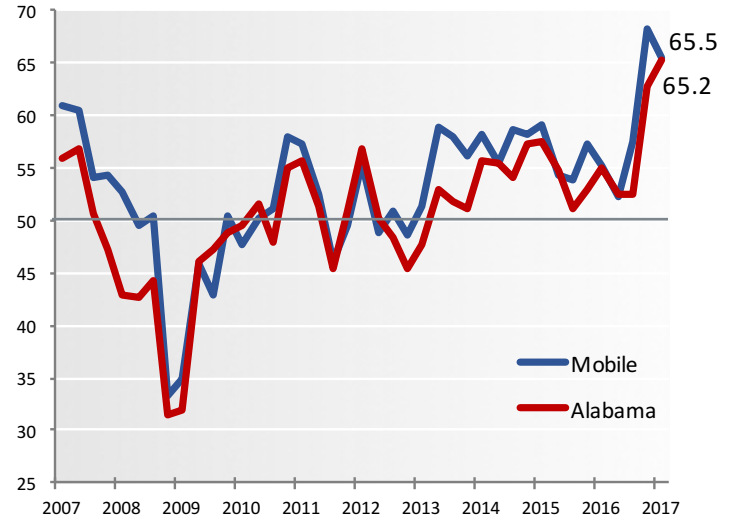
Hiring



Capital Expenditures



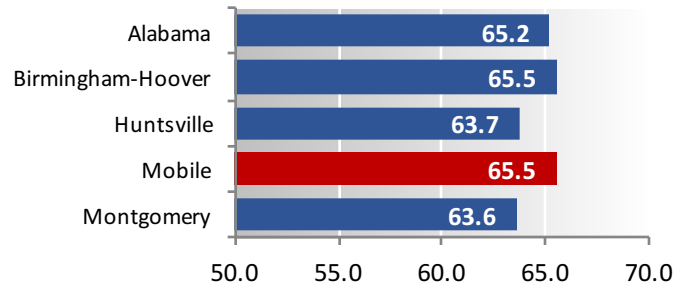
ABCI Mobile in Context



Mobile business confidence lost 2.8 points this quarter but remained very positive at 65.5. Mobile's ABCI was just slightly higher than the statewide ABCI of 65.2, indicating that state-wide business leaders are feeling confident about growth in the second quarter of 2017.

ABCI by Metro Area Q2 2017

Business sentiment in Alabama's four largest metro areas remains very optimistic, with all metros forecasting growth in the second quarter of 2017. ABCI Mobile and ABCI Birmingham-Hoover show the strongest confidence with overall index scores of 65.5. Even the lowest metro ABCI, which was recorded in Montgomery, reached 63.6 this quarter



The Center for Business and Economic Research would like to thank all Mobile metro area business executives who completed the second quarter 2017 ABCI survey. We look forward to a continuing partnership with the Mobile Area Chamber of Commerce and encourage you to return for the third quarter 2017 survey June 1-15.

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