

Mobile Expectations Remain High in Third Quarter 2017

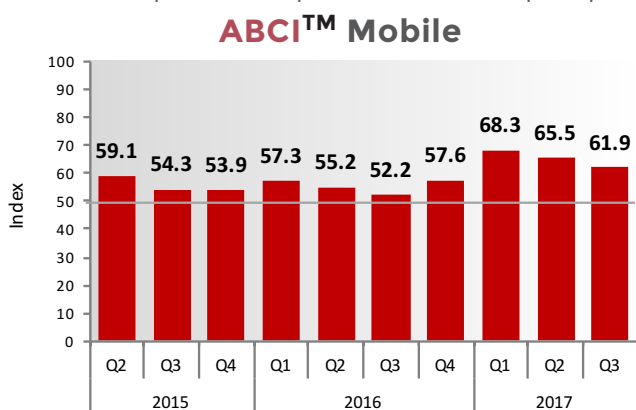
ABCI Mobile decreased slightly but remained confident in the third quarter 2017 survey, falling 3.6 points to 61.9. Mobile's outlook for the Alabama economy remained very confident, and industry indexes for sales, profits and capital expenditures remained high. Moving into Q3 2017, Mobile business executives have slightly higher confidence than the pooled expectations of businesses statewide.

Most Mobile businesses continue expecting sales growth with moderately high confidence. Despite a 5.7-point loss, the sales index remains very confident at 63.8. Exactly 55 percent of respondents forecast an increase in sales, while 30.0 percent expect to see steady sales and 15.0 percent anticipate a decline in the coming quarter.

Profit expectations were also strongly positive in Mobile with an index of 62.5, after a 2.8-point decrease from the second quarter. Business leaders were evenly divided between positive and neutral forecasts in Mobile, with 45.0 percent of responses expecting growth and 45.0 percent anticipating no change in profits in the upcoming quarter. The remaining 10.0 percent forecast profits decreasing in the third quarter of 2017.

Job gains are expected in Mobile with moderate confidence. The area index measured at 56.3, after dropping 3.5 points from the second quarter. Fifty-five percent of area businesses don't expect a change, but 35.0 percent expect an increase in their hiring in Q3 2017 and 10.0 percent anticipate a slowdown in hiring compared to the previous quarter.

Capital spending is expected to continue increasing with an index of 60.0 in the third quarter. This was the only industry index to increase from Q2 2017, with a 1.7-point gain indicating higher confidence in growth this quarter. A 55.0 percent majority forecast investment levels staying constant, while 40.0 percent anticipate growth and 5.0 percent anticipate a decrease in capital spending.



Third Quarter 2017 Outlook

	Mobile	Alabama
ABCI	61.9	61.6
National Economy	63.8	64.5
Alabama Economy	65.0	64.2
Industry Sales	63.8	62.6
Industry Profits	62.5	59.6
Industry Hiring	56.3	58.9
Capital Expenditures	60.0	59.8

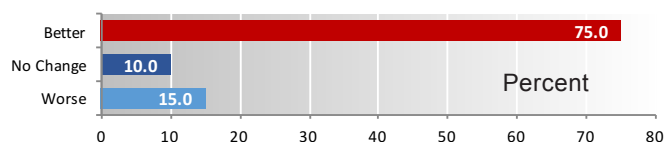
Index above 50 indicates positive outlook as compared to last quarter.
 Index below 50 indicates negative outlook as compared to last quarter.
 Gray increase from previous quarter. Red decrease from previous quarter. Blue no change.

Mobile Metro Area: Business Environment Expectations Q3 2017 compared to Q2 2017

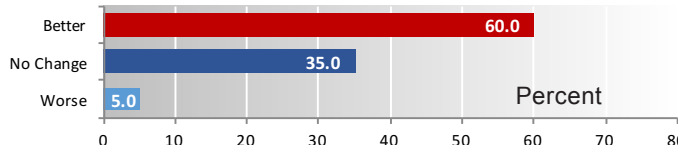
Executives in the Mobile metro area remain optimistic about the business environment this quarter despite decreased index values in most industry categories. The metro's index for the U.S. economy fell 7.1 points from the second quarter to a still very confident 63.8, with 75.0 percent of Mobile business leaders forecasting a better National Economic Outlook. Ten percent expect no change compared to the previous quarter, and 15 percent anticipate worse economic conditions in the coming quarter.

The Alabama Economic Outlook came in just above the national index at 65.0 after a 4.4-point decrease. Only 5.0 percent of Mobile business executives forecast a worse performance for the Alabama economy. Exactly 60.0 percent of panelists expect stronger growth in the statewide economy compared to Q2 2017, with the remaining 35.0 percent anticipating no change moving into the third quarter.

National Economic Outlook



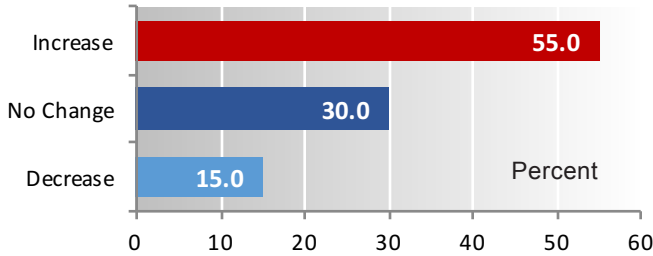
Alabama Economic Outlook



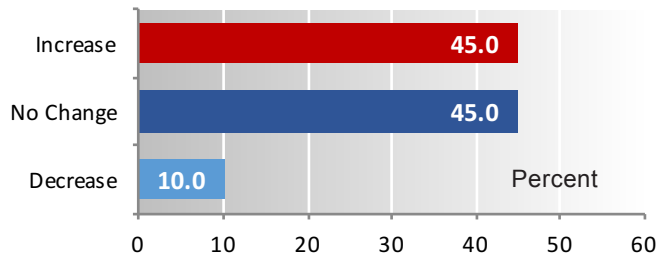
ALABAMA BUSINESS CONFIDENCE INDEX Mobile Metro Area

Mobile Metro Area: Industry Performance Expectations Q3 2017 compared to Q2 2017

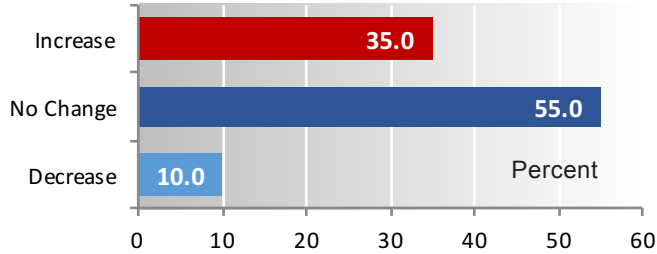
Sales



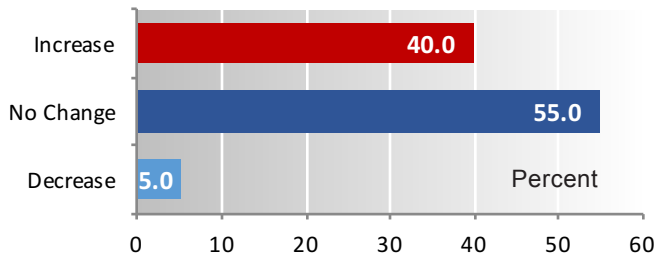
Profits



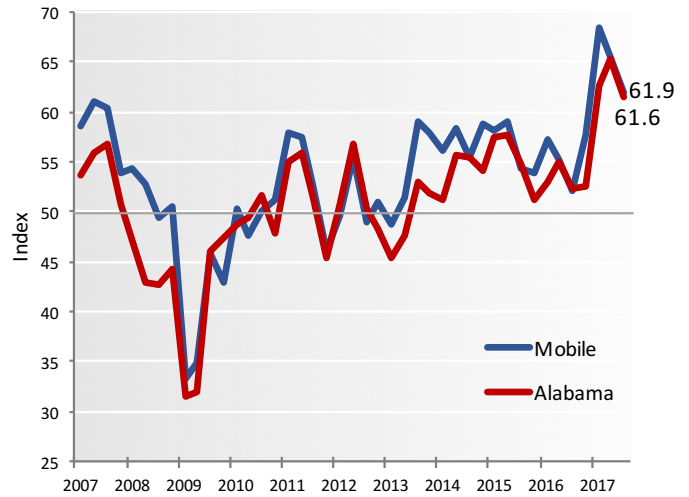
Hiring



Capital Expenditures



Historical ABCI Q1 2007 through Q3 2017

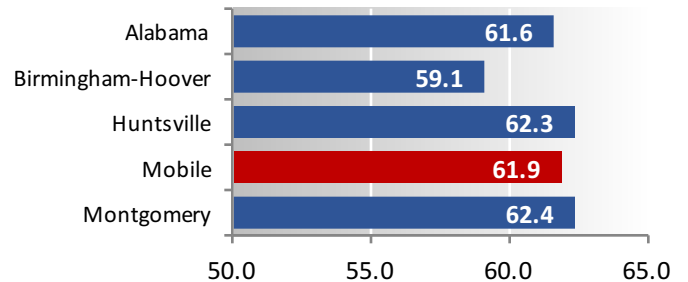


ABCI Mobile in Context

Mobile business confidence lost 3.6 points this quarter but remained very positive at 61.9. Mobile's ABCI was just slightly higher than the statewide ABCI of 61.6 and 9.7 points above the metro's ABCI from a year ago. This is the 18th consecutive quarter that Mobile's ABCI has been above 50 and the third consecutive quarter above 60, indicating expectations for growth from area business leaders.

Business sentiment in Alabama's four largest metro areas remained positive in the third quarter of 2017. Montgomery is forecasting growth with the most confidence with an area index of 62.4, with Huntsville following closely at 62.3. Mobile's business community also remains optimistic with an area ABCI of 61.9. Birmingham-Hoover's ABCI saw the biggest drop, with a 6.4-point decrease to put their index at 59.1, but all metro areas continue to expect growth in the coming quarter.

ABCI by Metro Area Q3 2017



The Center for Business and Economic Research would like to thank all Mobile metro area business executives who completed the third 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 fourth quarter 2017 survey September 1-15.

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