



Purchases Report

July 2019

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Important notes:

As of November 2016, unless explicitly specified otherwise, RTA uses 3-month moving average for reporting on inventory (including historical data), hence, affecting calculated values of purchases and Inventory-to-Sales Ratio. In this way, any exaggerations that might be manifest in monthly purchases data, due to regular inventory counts by members, are not emphasized.

Highlighted areas in the graphs represent time of recessions.

Explanation about how to read box plots and histograms can be found in the Appendix section.

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Disclaimer: The data and report presented herein are based solely on RTA member monthly reports on production and inventory. Occasionally, members send corrections to previously submitted data. If and when these corrections are received they are incorporated at that time. Users of this report should note while all care is taken to accurately compile the data submitted by member companies, that no warranty is made as to the accuracy of any RTA member reports.

Highlights

While long term measures have still declining trend, there is some “light” regarding tie production. In July, production and purchases increased with production growth rate outperforming purchases growth rate. However, the ISR still marginally declined to 0.63. The short term outlook for ISR does not suggest further decline.

Long-Term Trends

In July, production decreased at a 3% annual rate.

Purchases fell at a 11.9% annual rate.

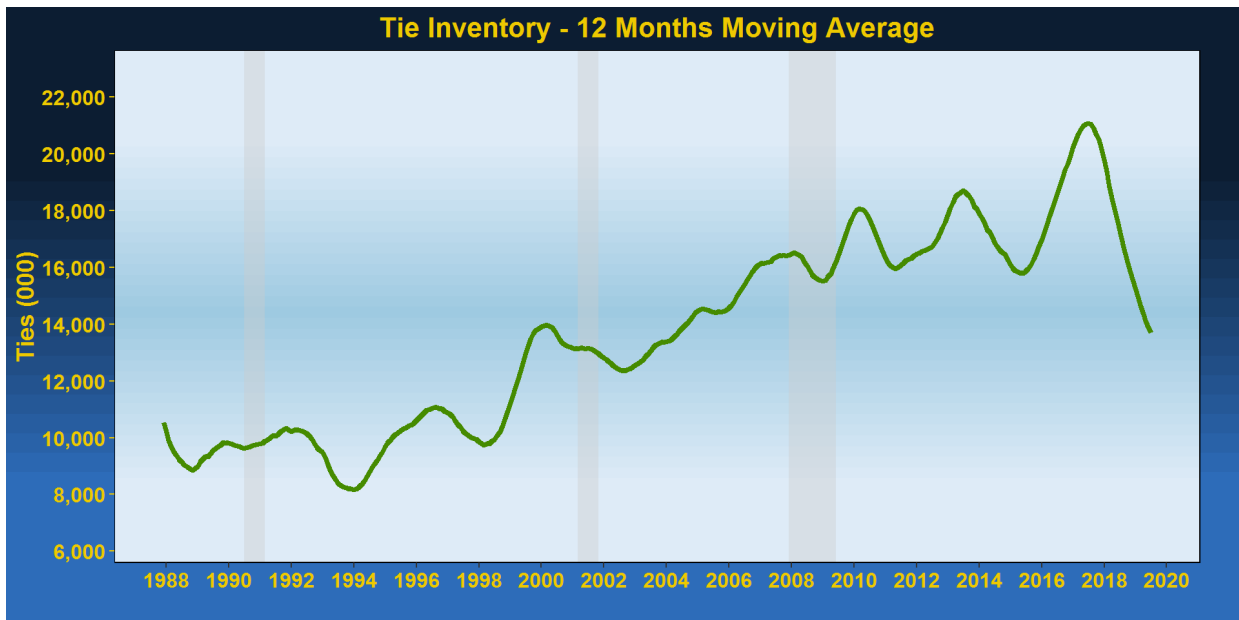
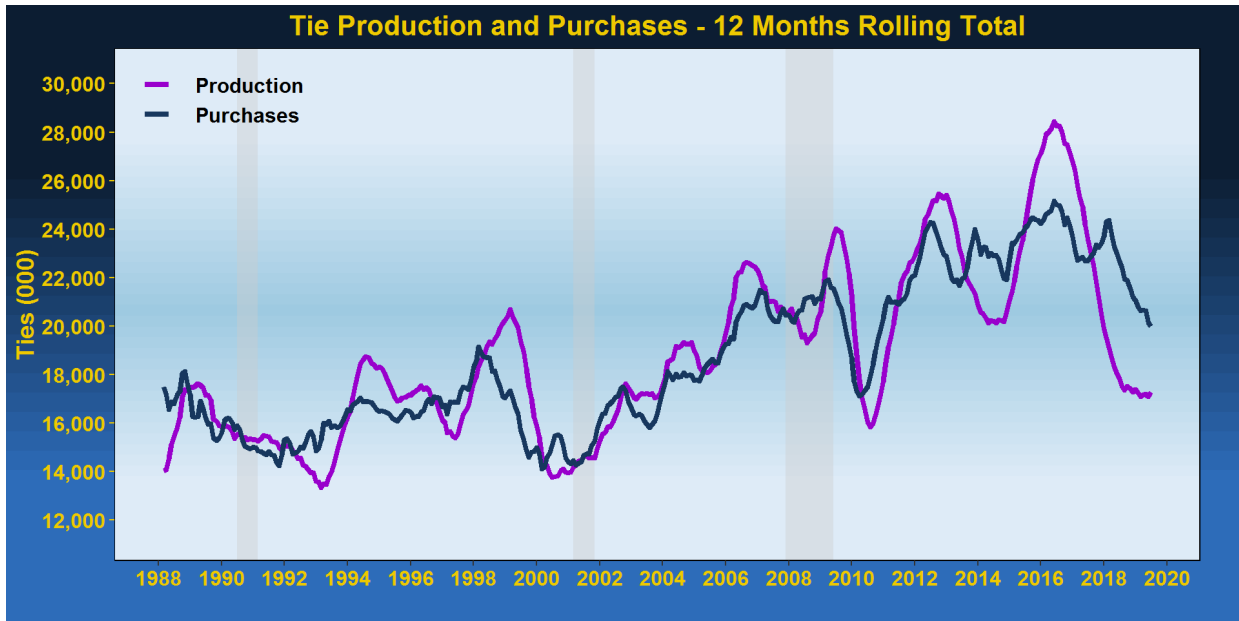
Inventory's 12 month moving average (12MMA) dropped by 20.6% from year ago levels.

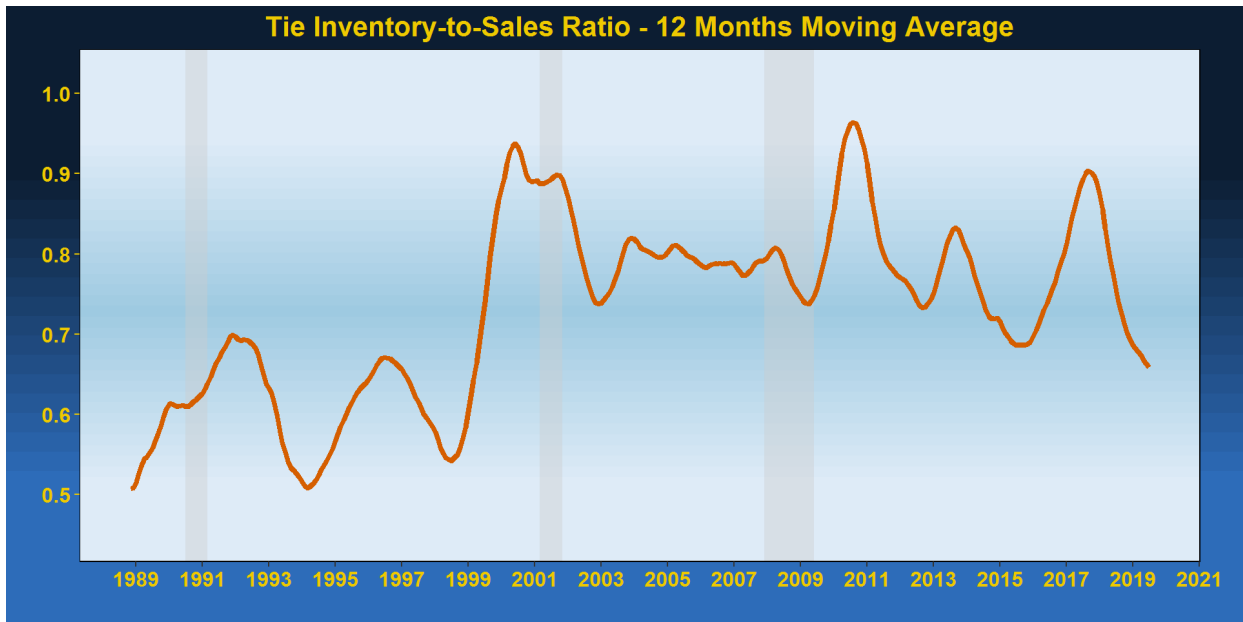
Inventory-to-Sales Ratio's 12MMA decreased from 0.75 to 0.66.

Table of Annual Observations

Production and Purchases are 12 months rolling totals, Inventory and ISR are 12MMA

Date	Production	Purchases	Inventory	ISR
July 2018	17,833	22,690	17,262	0.75
July 2019	17,291	19,998	13,701	0.66





Analysis of Quarterly Data

Production in Q2 grew by 11.9% from last quarter and increased by 0.5% from year ago.

For the same intervals, purchases increased by 12% and fell by 9.1% respectively.

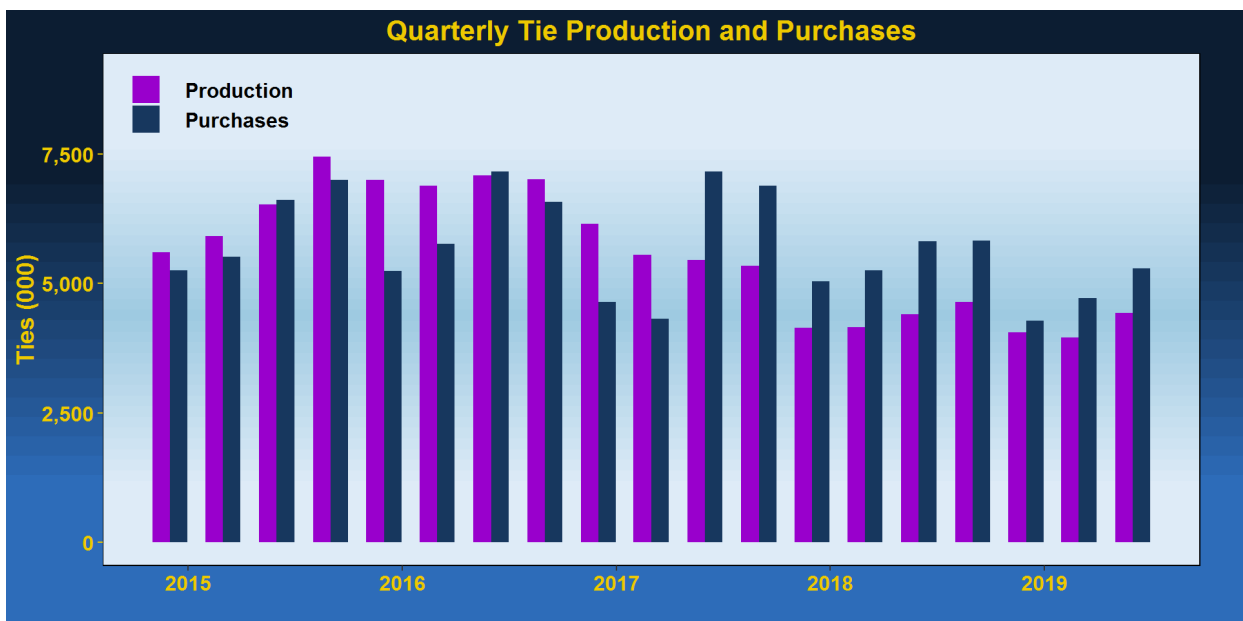
Inventory's 3MMA fell by 6.3% from last quarter and dwindled by 19% from year ago levels.

From Q1 2019 to Q2 2019, the 3MMA of Inventory-to-Sales Ratio fell from 0.67 to 0.64. Year ago, the ratio was 0.7.

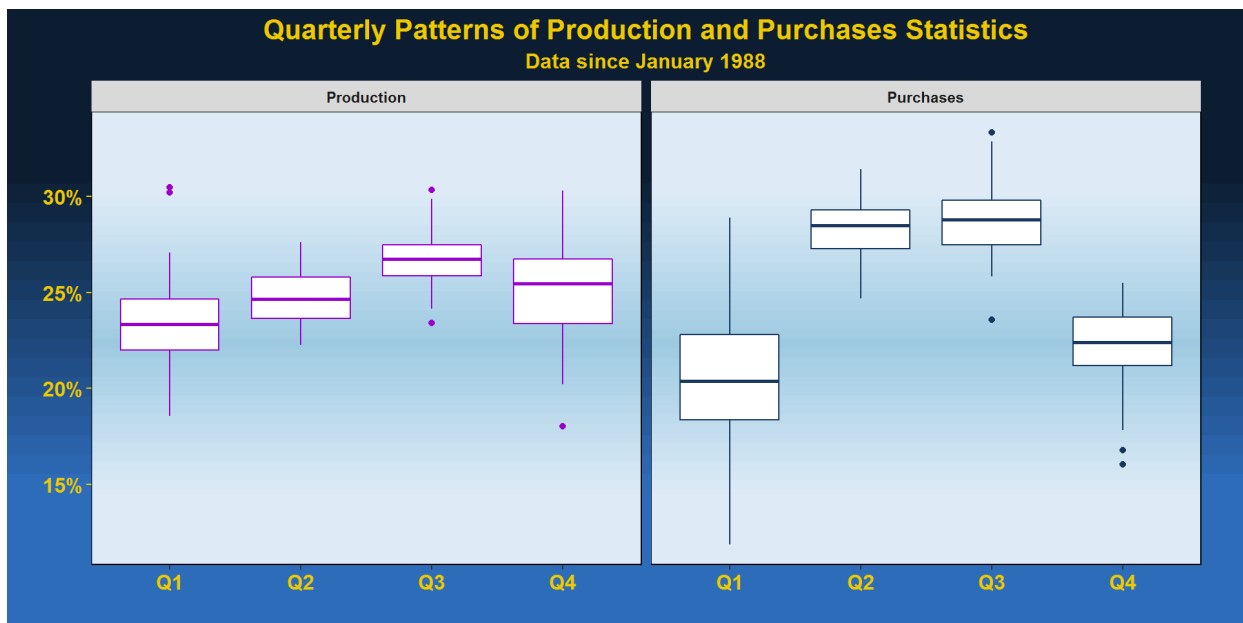
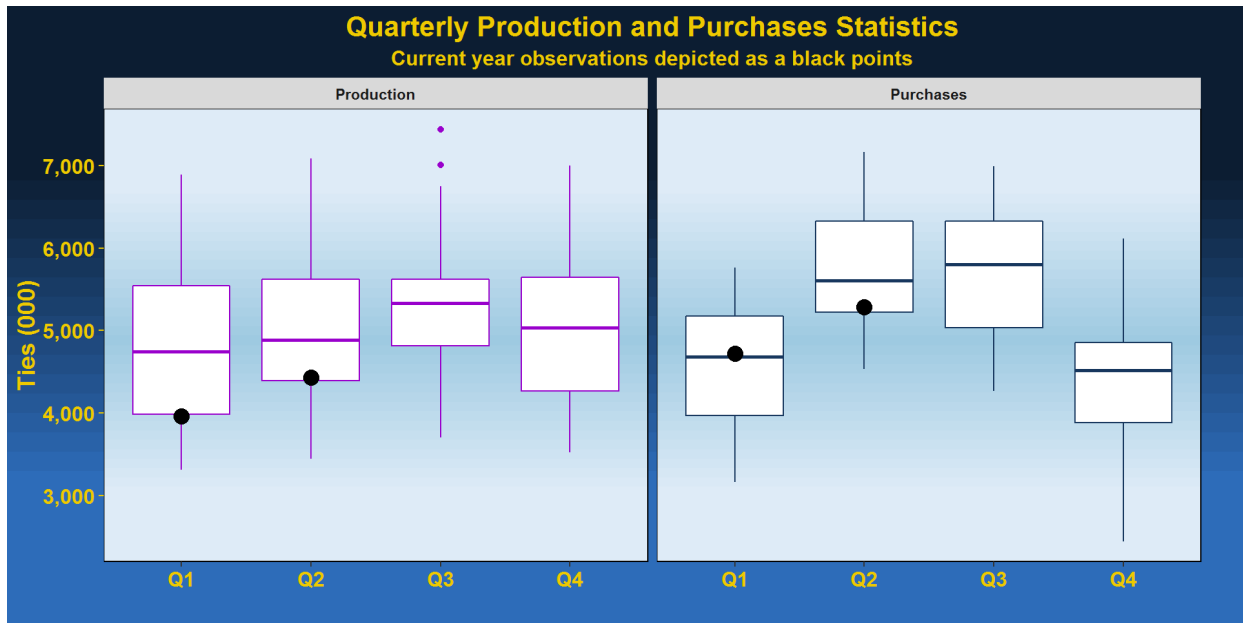
Table of Quarterly Observations

Production and Purchases Quarterly Sum, Inventory and ISR - 3MMA

Date	Production	Purchases	Inventory	ISR
June 2018	4,414	5,816	15,826	0.70
March 2019	3,962	4,723	13,668	0.67
June 2019	4,433	5,288	12,814	0.64



Quarterly pattern of production and purchases uses data from January 2000. The top graph shows data analysis within each quarter. It shows the median, upper quartile and lower quartile boundary (a more detailed explanation is available in the Appendix section). It also displays what the production and purchases were in each quarter of reporting year represented by black points in relation to quarterly statistical values. The second graph shows the contribution of each quarter to the total annual production and purchases.



Analysis of Monthly Data

Production advanced by 10.3% from last month and expanded by 12.9% from year ago.

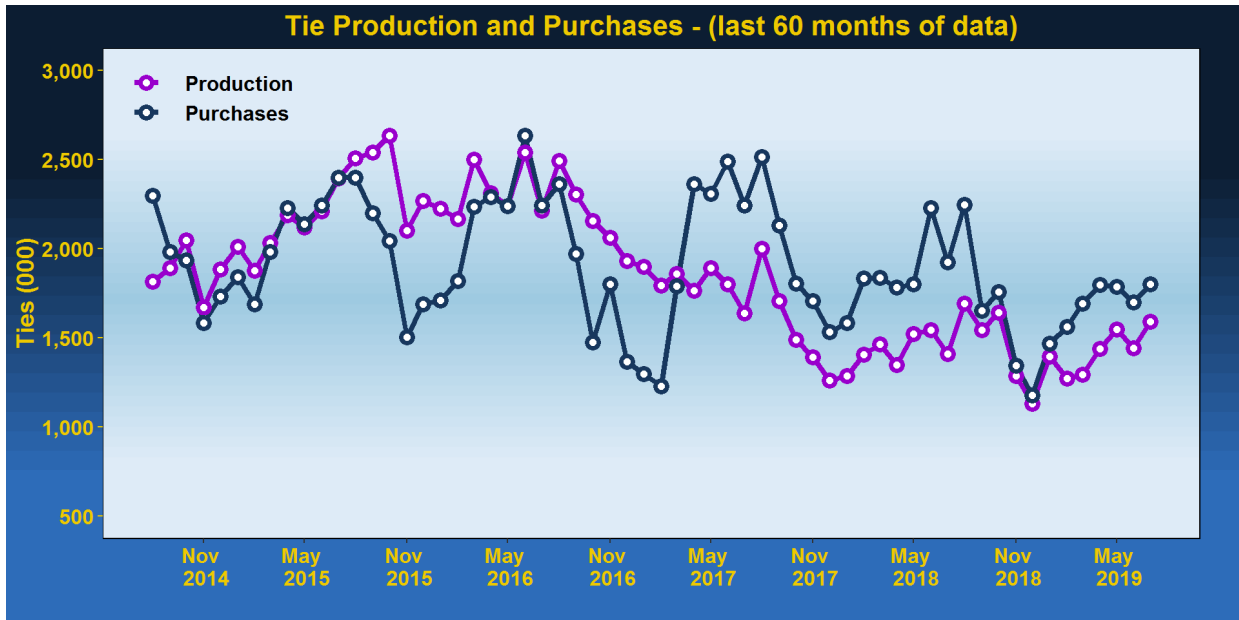
For the same time intervals, purchases increased by 5.8% and came down by 6.4% respectively.

Inventory decreased by 1.6% from last month and dwindled by 17.7% from year ago levels.

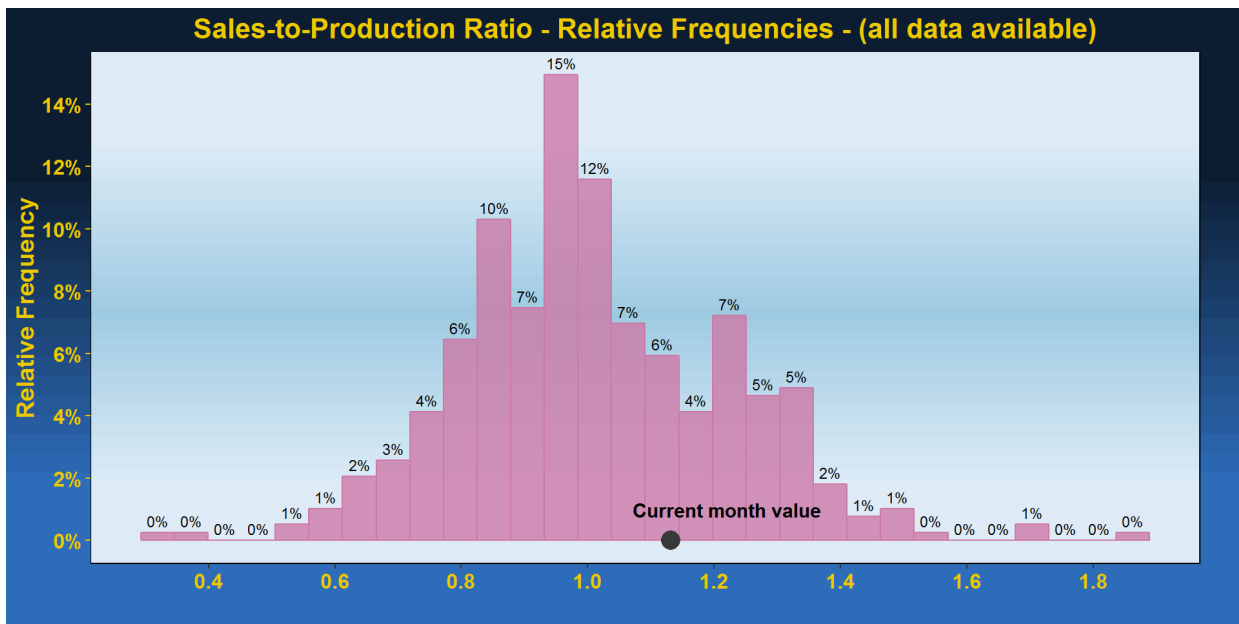
From one month ago, the Inventory-to-Sales Ratio decreased from 0.64 to 0.63 and from year ago, the ratio declined from 0.67.

Table of Monthly Observations

Date	Production	Purchases	Inventory	ISR
July 2018	1,409	1,924	15,312	0.67
June 2019	1,443	1,701	12,814	0.64
July 2019	1,592	1,800	12,605	0.63

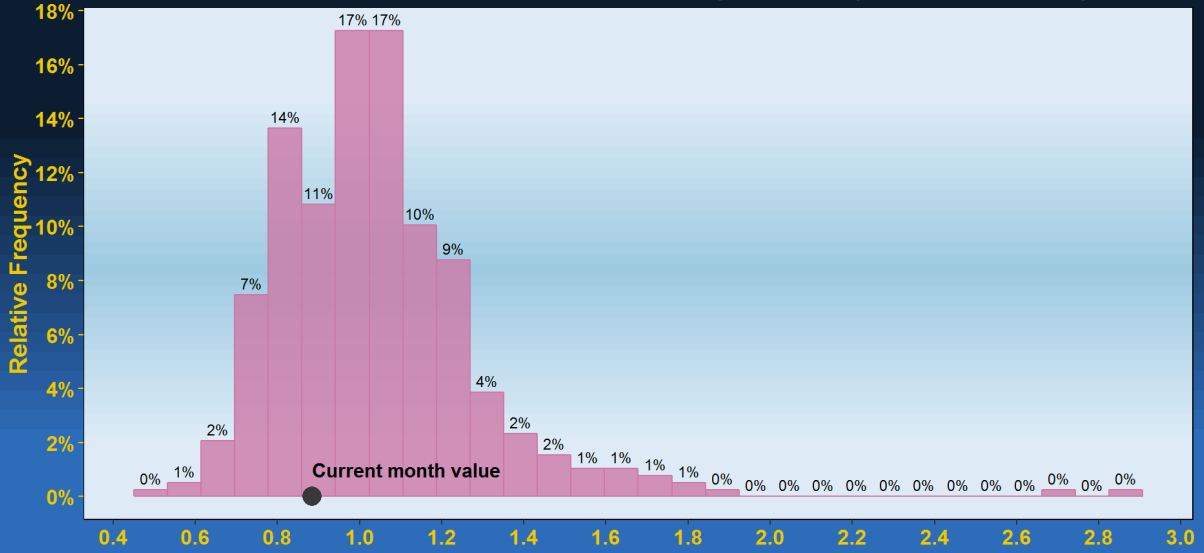


Sales-to-Production Ratio shows the replenishment/diminishment of inventory. Ratio above one signals diminishment and ratio below one replenishment of inventory stock.



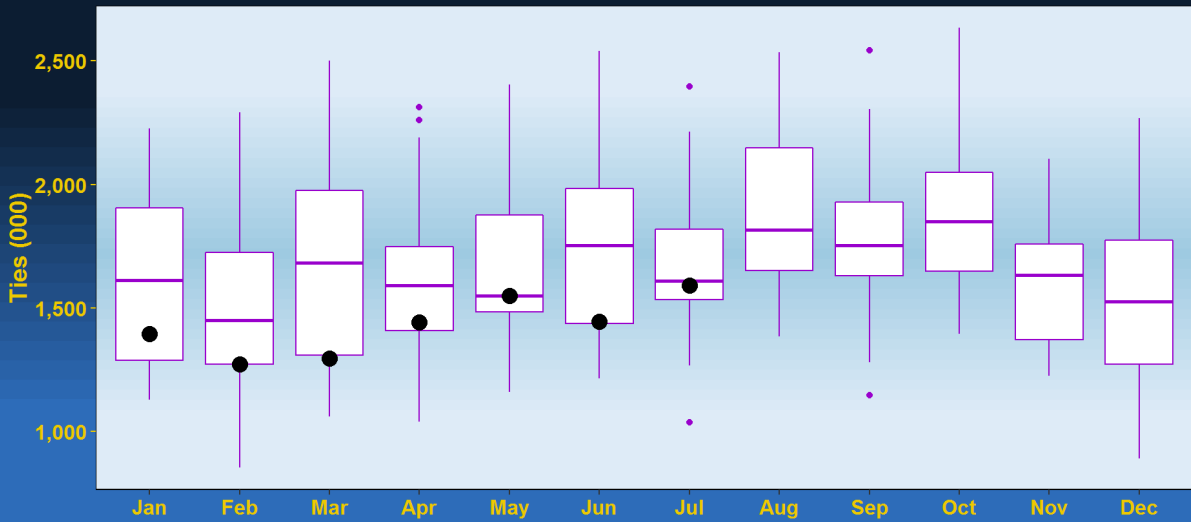
The following graph tells the same story as the graph above, just the ratio is reversed - Production-to-Sales Ratio.

Production-to-Sales Ratio - Relative Frequencies - (all data available)



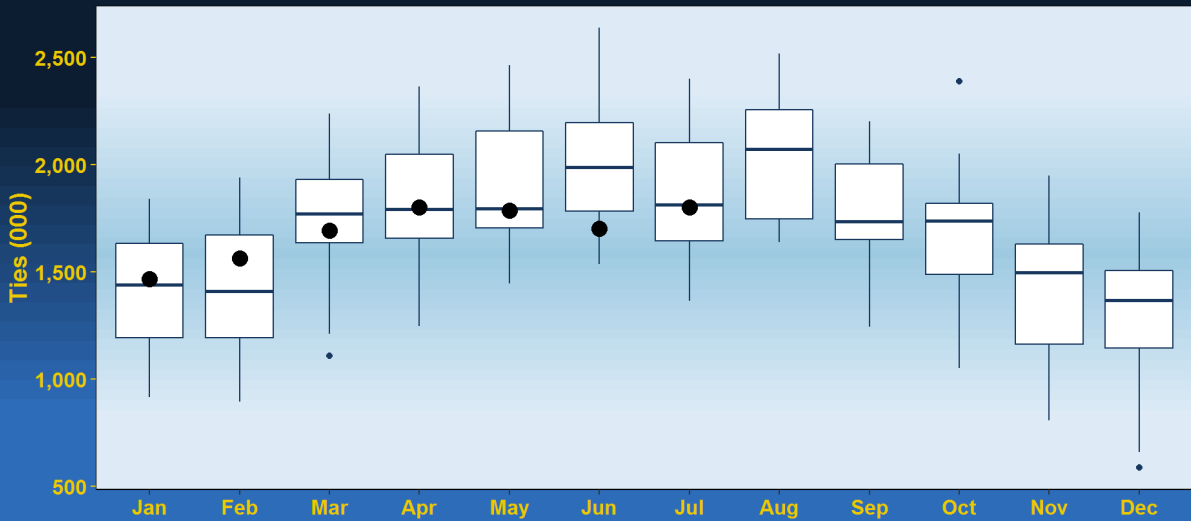
Monthly Production Statistics - (data since 2000)

Current year observations depicted as a black points



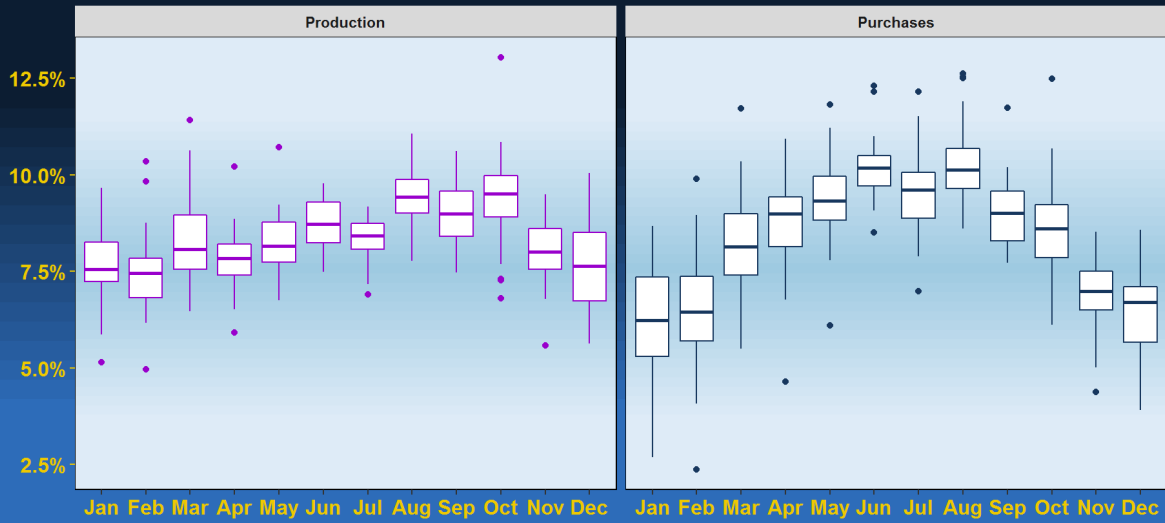
Monthly Purchases Statistics - (data since 2000)

Current year observations depicted as a black points

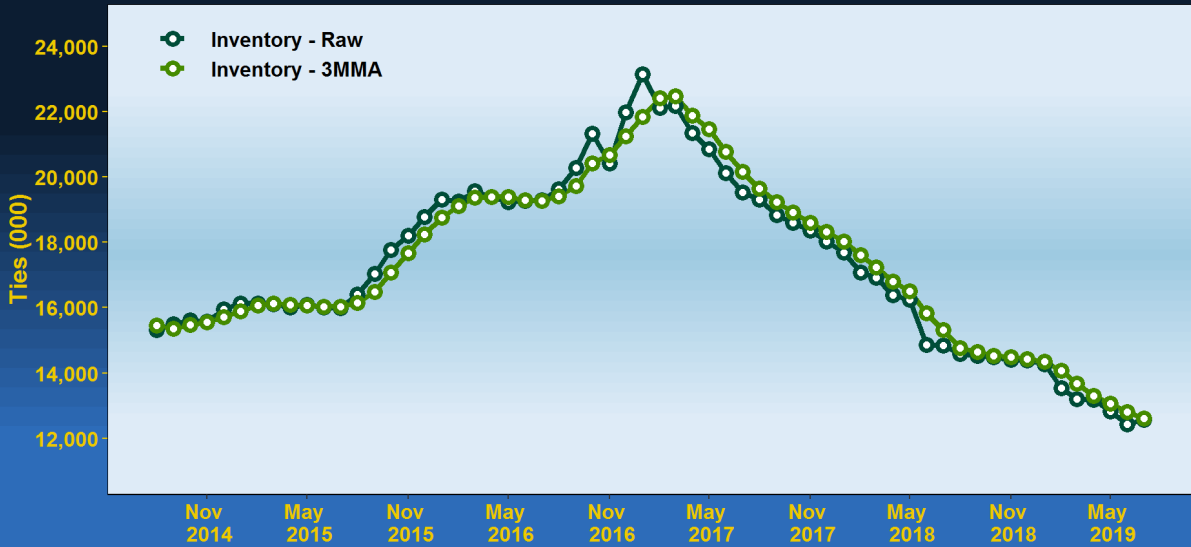


Monthly Pattern of Production and Purchases Statistics - Percent of Annual Total

Data since January 1988

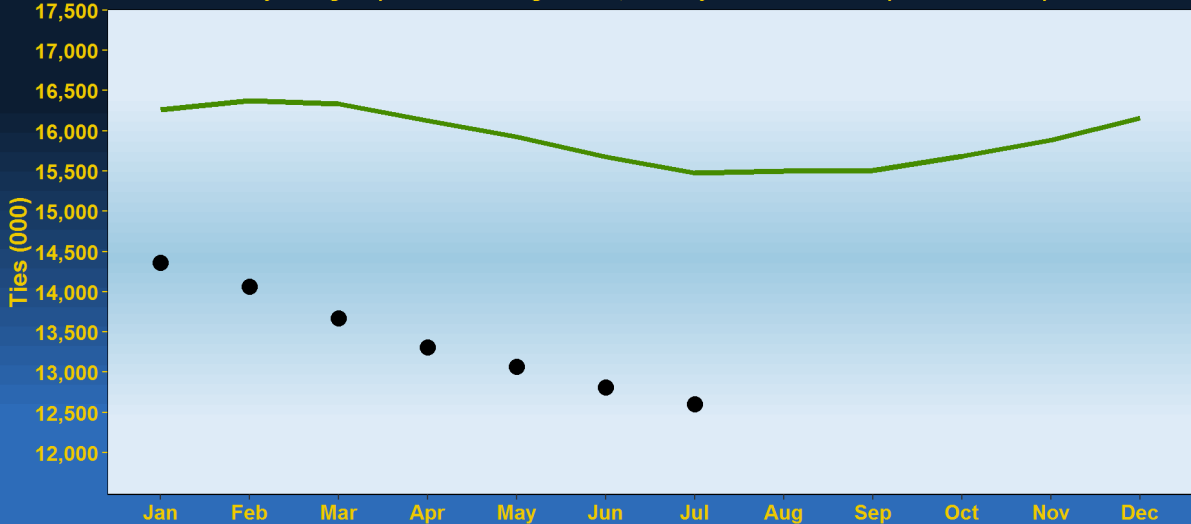


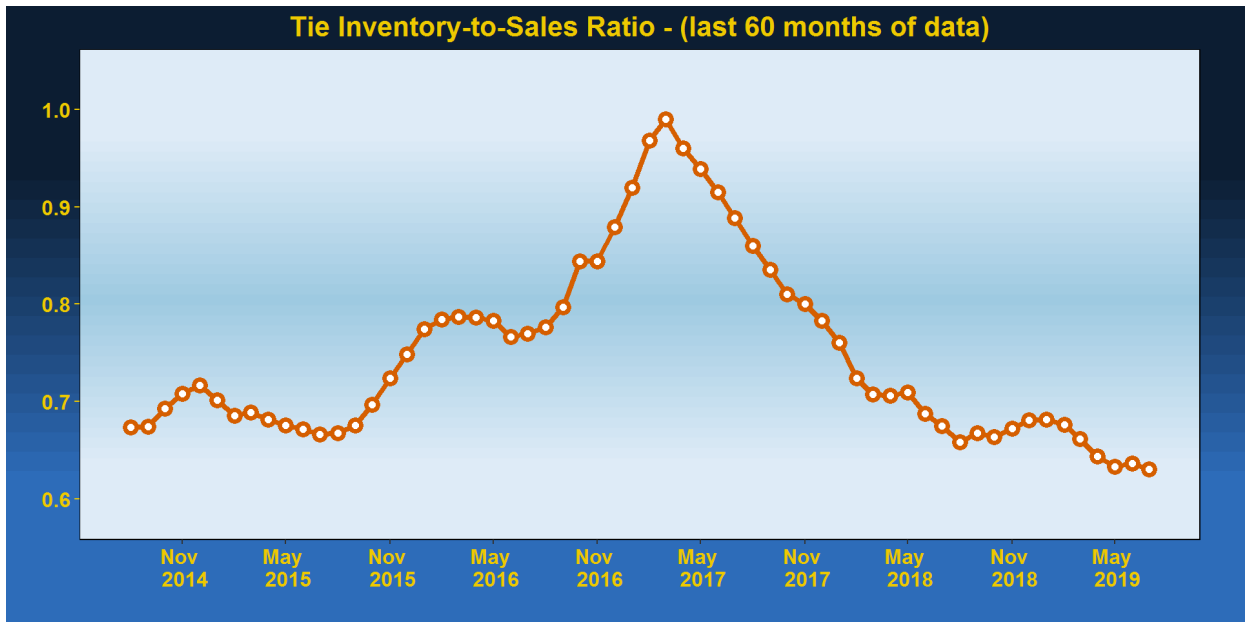
Tie Inventory - Raw Monthly and 3MMA Data - (last 60 months of data)



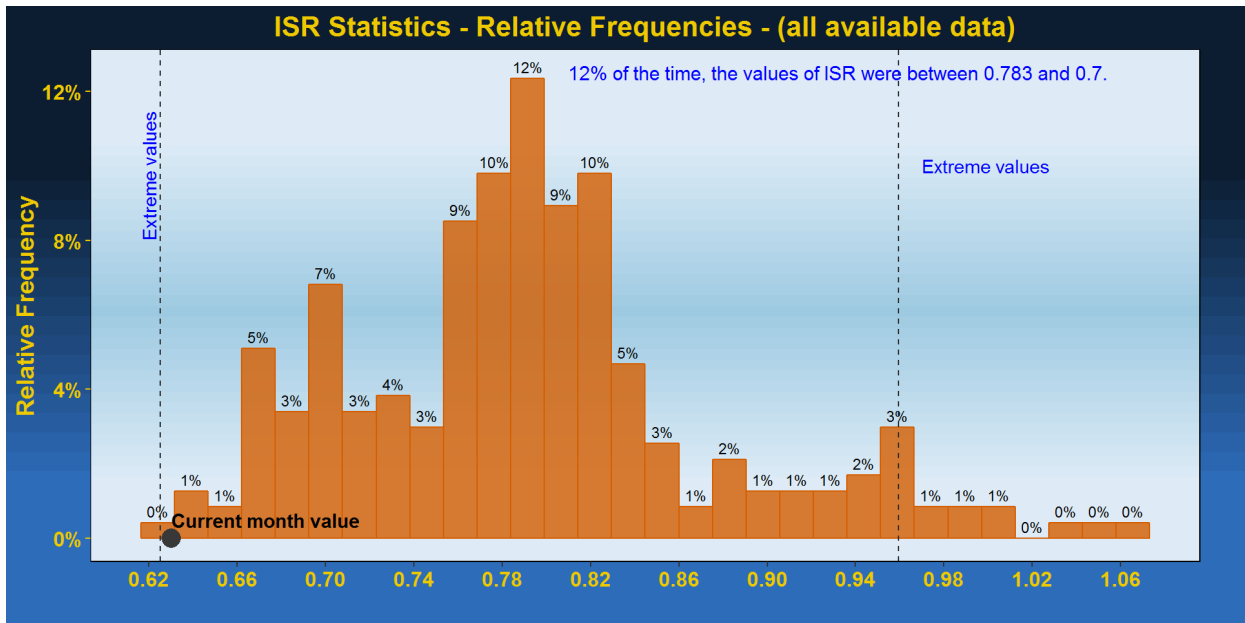
Monthly Patterns of Inventory - (data since 2000)

Monthly average depicted with solid green line, current year observations depicted as a black points



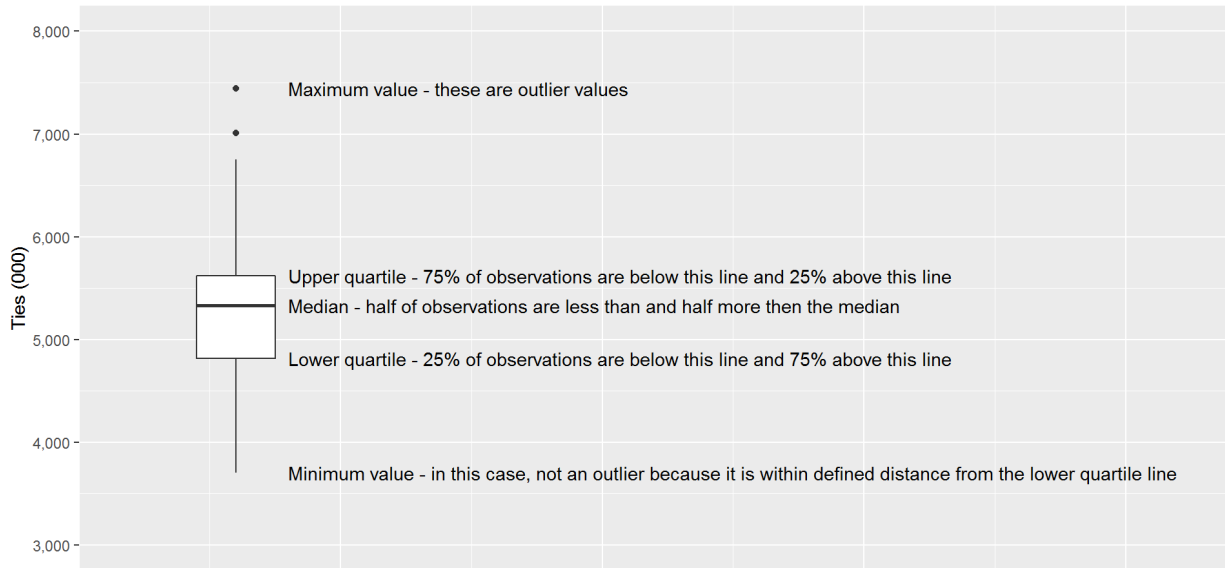


Inventory-to-Sales Ratio (ISR) histogram of relative frequencies shows the monthly ISR data distribution and the black point represents the value for the current reporting month.



Appendix

Box Plot Explained



Histogram of Relative Frequencies Explained

