

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 47.0

ISM-SEM Index: June reports reveal that the ISM-SEM composite index rose 6.4 points from May to 47.0.

Employment: Employment rose 3.2 points to 39.7.

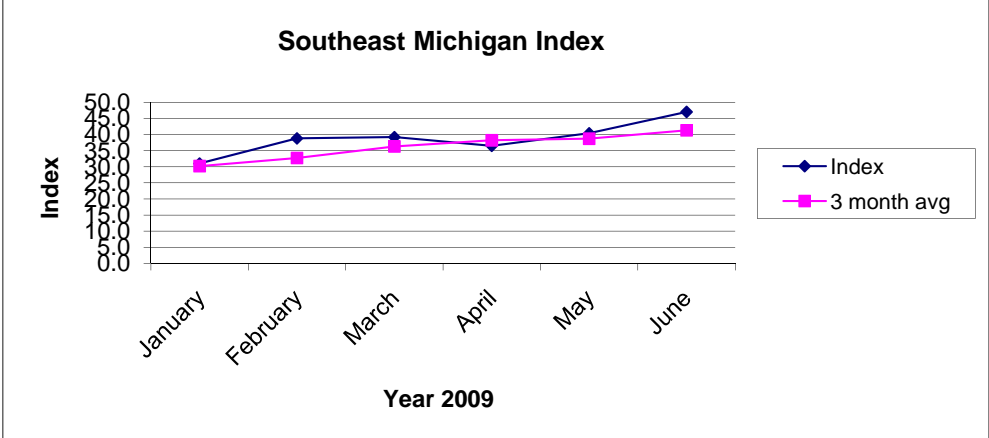
Prices: Prices rose 7.4 points to 53.7.

Items up or down in price: June reports showed continued upward movement in commodity prices which have now risen above 50, indicating an increase in overall prices. Items reported up in price include: steel, oil, some metals (such as steel, aluminum and copper), nylon, and freight, which can be attributed to the increased cost in fuel. Carbon Steel plate has been reported to be down in price for June.

Economic Issues: The June survey was conducted during a time of continued uncertainty in the automotive industry. While Chrysler is in the process of emerging from bankruptcy, GM has gone into bankruptcy, and many tier one suppliers are struggling. Even so, the June economic reports saw some glimmers of improvement, with the PMI rising up to 47, the highest reported number in the preceding six months.

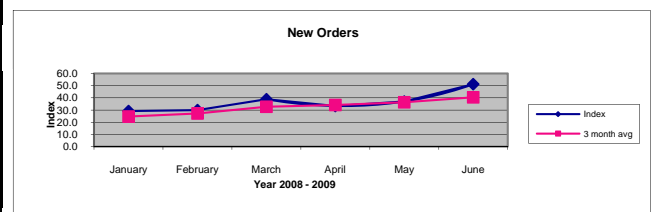
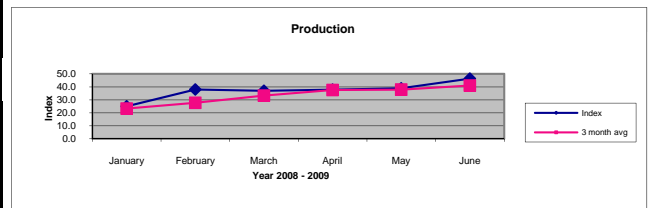
However, the time for celebration may be premature. Comments from our membership include:

- Because of the OEM shutdowns during April and May, cash flow for many suppliers will be negative for June, July and August. With the expected increase in OEM production during this period, many more companies will become financially troubled.
- Adequate financing of supply base (is needed) to respond to increased orders as automotive OEMs stabilize and begin increasing production
- The general business environment in the Automotive parts sector is dismal at the current time. This plant has been down since early April with all personnel on layoff.
- New technologies being developed will be in the prototype phases to be sent for supplier evaluations and roll out at next model year.
- The stabilization of the auto industry will determine the viability of my company.
- Payment terms are causing issues on both ends and a lot of companies are caught in the middle.
- The local auto market still remains a concern for the overall health of our business.



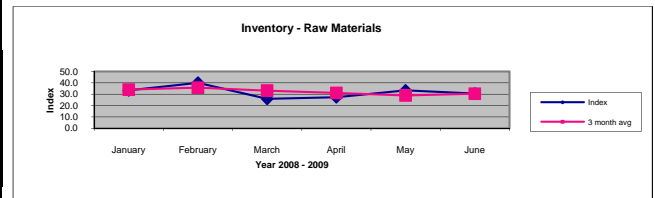
Next Release
1 August 2009

ISM-SEM Index		2009					
		January	February	March	April	May	June
Index		31.0	38.8	39.2	36.5	40.4	47.0
Index	3 month average	30.2	32.7	36.3	38.2	38.7	41.3
Production		2009					
		January	February	March	April	May	June
	Higher	12.5	20.0	18.5	18.2	22.2	29.3
	Same	25.0	36.0	37.0	39.4	33.3	34.1
	Lower	62.5	44.0	44.4	42.4	44.4	36.6
Index		25.0	38.0	37.0	37.9	38.9	46.3
Index	3 month average	23.3	27.7	33.3	37.6	37.9	41.0
Production up slightly in March, but remains at very low levels							
New Orders		2009					
		January	February	March	April	May	June
	Higher	16.7	12.0	18.5	15.2	25.9	39.0
	Same	25.0	36.0	40.7	36.4	22.2	24.4
	Lower	58.3	52.0	40.7	48.5	51.9	36.6
Index		29.2	30.0	38.9	33.3	37.0	51.2
Index	3 month average	24.7	27.2	32.7	34.1	36.4	40.5
New orders rise 8.9 points in March							



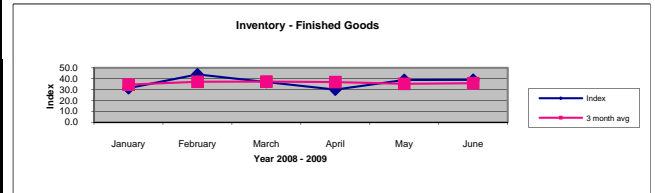
Inventory - Raw Materials		2009					
		January	February	March	April	May	June
	Higher	16.7	16.0	3.7	3.0	14.8	4.9
	Same	33.3	48.0	44.4	48.5	37.0	51.2
	Lower	50.0	36.0	51.9	48.5	48.1	43.9
Index		33.3	40.0	25.9	27.3	33.3	30.5
Index	3 month average	34.0	35.7	33.1	31.1	28.8	30.4

Raw materials drop 14.1 points, lowest in past 6 months



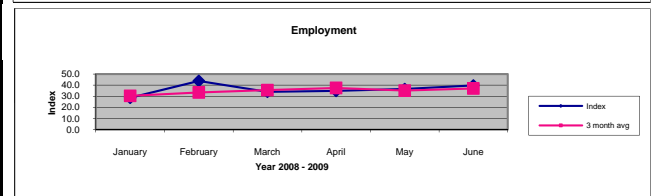
Inventory - Finished Goods		2009					
		January	February	March	April	May	June
	Higher	12.5	20.0	11.1	6.1	22.2	12.2
	Same	37.5	48.0	51.9	48.5	33.3	53.7
	Lower	50.0	32.0	37.0	45.5	44.4	34.1
Index		31.3	44.0	37.0	30.0	38.9	39.0
Index	3 month average	34.6	37.2	37.4	37.0	35.3	36.0

Finished goods inventories fell 7.0 points in March.



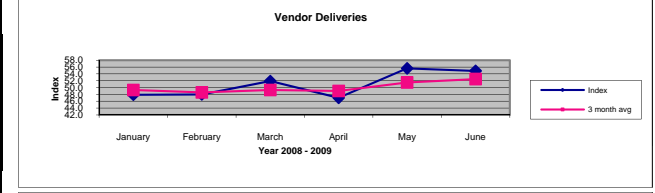
Employment		2009					
		January	February	March	April	May	June
	Higher	4.8	20.8	8.0	12.1	19.2	12.8
	Same	47.6	45.8	52.0	45.5	34.6	53.8
	Lower	47.6	33.3	40.0	42.4	46.2	33.3
Index		28.6	43.8	34.0	34.8	36.5	39.7
Index	3 month average	30.4	33.4	35.5	37.5	35.1	37.0

Employment falls back in March by 9.8 points



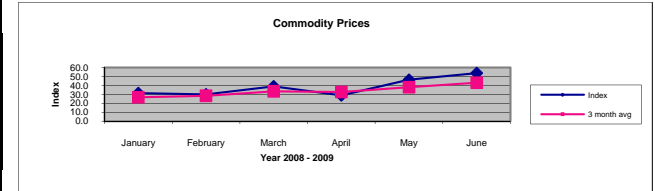
Vendor Deliveries		2009					
		January	February	March	April	May	June
	Faster	8.3	20.0	18.5	21.2	11.1	4.9
	Same	87.5	64.0	59.3	63.6	66.7	80.5
	Slower	4.2	16.0	22.2	15.2	22.2	14.6
Index		47.9	48.0	51.9	47.0	55.6	54.9
Index	3 month average	49.3	48.6	49.3	49.0	51.5	52.5

Vendor deliveries slow down in March, may be due to labor cuts



Commodity Prices		2009					
		January	February	March	April	May	June
	Higher	4.2	4.0	11.1	3.0	18.5	19.5
	Same	54.2	52.0	55.6	51.5	55.6	68.3
	Lower	41.7	44.0	33.3	45.5	25.9	12.2
Index		31.3	30.0	38.9	28.8	46.3	53.7
Index	3 month average	26.7	28.4	33.4	32.6	38.0	42.9

Commodity prices rise 8.9 points in March, but still low

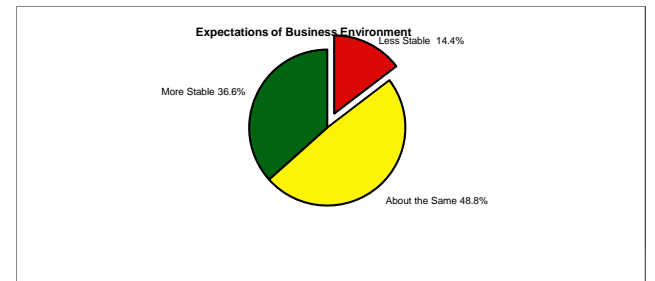


Expectations of Business Environment

6 months into the future:

Less Stable	14.6	percent
About the same	48.8	percent
More Stable	36.6	percent

For more information about the Survey or to obtain copies of previous surveys, visit our website at www.ism-sem.org and click on "Economic Surveys"



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Production by: Kenneth Doherty

For more information, contact
ISM - Southeast Michigan
www.ism-sem.org
 Email: businessmanager@ism-sem.org
 Tel: 313-881-0800