



November - 2009 (FOR RELEASE: December 1, 2009 - 6am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 49.5 ↓

ISM-SEM Index: The November reports reveal that the ISM-SEM composite dropped back down from October's 51.3 to 49.5; this is also lower than the index for July of 49.8, indicating a stalling of the forward progress of the Michigan economy.

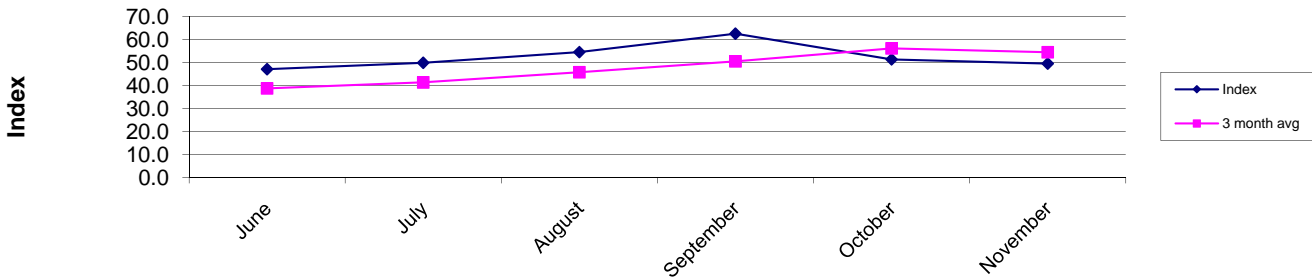
Employment: Likewise, employment dropped for the second month in a row indicating weak labor market conditions.

Prices: The pace of increase in commodity prices moderated by 7.9 points to 61.5

Items up or down in price: November shows paints, acrylics, aluminum, steel, and electrical components up in price, with resin being down in price.

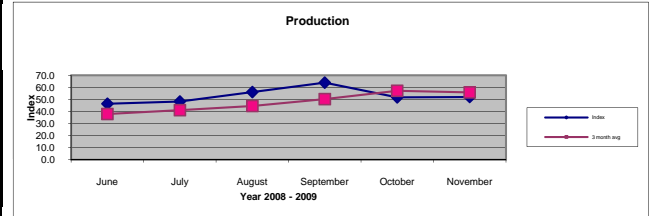
Economic Issues: The November survey shows a stable though slowing Michigan economy. Production and new order activity show continued growth, with inventory levels of raw materials and finished goods declining indicating a strengthening of demand. Federal Reserve Data showed U.S. industrial production rose by a smaller-than-expected 0.1 percent in October, as auto manufacturers scaled back following the end of the "cash for clunkers" incentive. However, employment growth stalled in Michigan, the unemployment rate in Michigan holding steady around 15.1%, still the highest in the nation. By contrast, the national unemployment rate was at 10.2%. As pointed out by Federal Reserve Chairman, Ben Bernanke, "some important headwinds--in particular, constrained bank lending and a weak job market--likely will prevent the expansion from being as robust as we would hope". Vendor deliveries as reported by SE Michigan Purchasing Managers, are reported to be faster and commodity prices continue to rise, though at a slower rate. Part of the raw material price increases is blamed on the falling value of the US dollar on overseas markets, though this has yet to percolate through the consumer price index due to weak demand on the part of the consumer. Comments by members indicate the precarious nature of the economic revival with thoughts that are revealing: "economy should stabilize in 3rd quarter 2010"; "the economy seems to be creeping back to stability"; "economy is troubling to say the least"; "economy should stabilize but the automotive industry will remain troubled"; "seeing extreme slowdown in orders, next six months will be critical". Over 50% of responses indicate that the business environment was likely to stay the same.

Southeast Michigan Index - 2009



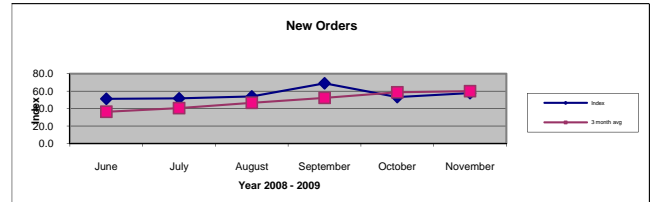
ISM-SEM Index		2009					
		June	July	August	September	October	November
Index		47.0	49.8	54.5	62.5	51.3	49.5
Index	3 month average	38.7	41.3	45.8	50.4	56.1	54.4
Production		2009					
		June	July	August	September	October	November
	Higher	29.3	25.0	44.0	44.8	35.5	38.5
	Same	34.1	46.4	24.0	37.9	32.3	26.9
	Lower	36.6	28.6	32.0	17.2	32.3	34.6
Index		46.3	48.2	56.0	63.8	51.6	51.9
Index	3 month average	37.9	41.0	44.5	50.2	57.1	55.8

Production remains above 50.0, but acceleration appears to have cooled



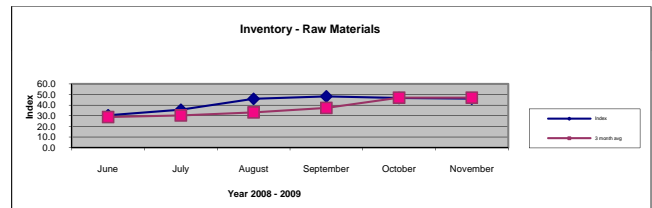
New Orders		2009					
		June	July	August	September	October	November
	Higher	39.0	28.6	32.0	55.2	41.9	46.2
	Same	24.4	46.4	44.0	27.6	22.6	23.1
	Lower	36.6	25.0	24.0	17.2	35.5	30.8
Index		51.2	51.8	54.0	69.0	53.2	57.7
Index	3 month average	36.4	40.5	46.7	52.3	58.7	60.0

New orders above 50 for the last six months



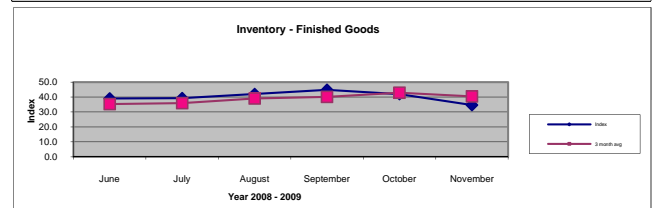
Inventory - Raw Materials		2009					
		June	July	August	September	October	November
	Higher	4.9	10.7	24.0	17.2	16.1	26.9
	Same	51.2	50.0	44.0	62.1	61.3	38.5
	Lower	43.9	39.3	32.0	20.7	22.6	34.6
Index		30.5	35.7	46.0	48.3	46.8	46.2
Index	3 month average	28.8	30.4	33.2	37.4	47.0	47.1

Raw materials inventories remain in check, below 50.0



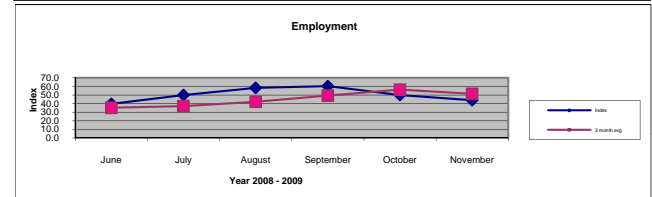
Inventory - Finished Goods		2009					
		June	July	August	September	October	November
	Higher	12.2	14.3	20.0	13.8	6.5	3.8
	Same	53.7	50.0	44.0	62.1	71.0	61.5
	Lower	34.1	35.7	36.0	24.1	22.6	34.6
Index		39.0	39.3	42.0	44.8	41.9	34.6
Index	3 month average	35.3	36.0	39.1	40.1	42.9	40.5

Finished goods inventories declining at a faster rate



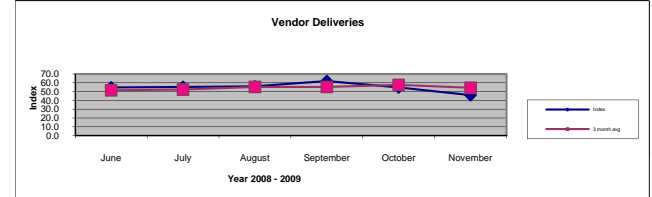
Employment		2009					
		June	July	August	September	October	November
	Higher	12.8	21.4	29.2	27.6	20.0	20.0
	Same	53.8	57.1	58.3	65.5	60.0	48.0
	Lower	33.3	21.4	12.5	6.9	20.0	32.0
Index		39.7	50.0	58.3	60.3	50.0	44.0
Index	3 month average	35.1	37.0	42.1	49.4	56.2	51.4

Employment dropped to 44 but is still slightly favorable over the 2nd Q



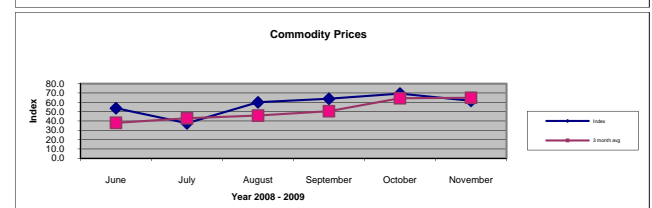
Vendor Deliveries		2009					
		June	July	August	September	October	November
	Faster	4.9	7.1	4.0	0.0	6.5	11.5
	Same	80.5	75.0	80.0	75.9	77.4	84.6
	Slower	14.6	17.9	16.0	24.1	16.1	3.8
Index		54.9	55.4	56.0	62.1	54.8	46.2
Index	3 month average	51.5	52.5	55.3	55.4	57.6	54.4

Deliveries dropped below 50, for the first time in six months



Commodity Prices		2009					
		June	July	August	September	October	November
	Higher	19.5	7.1	32.0	34.5	41.9	26.9
	Same	68.3	60.7	56.0	58.6	54.8	69.2
	Lower	12.195122	32.1	12.0	6.9	3.2	3.8
Index		53.7	37.5	60.0	63.8	69.4	61.5
Index	3 month average	38.0	42.9	45.8	50.4	64.4	64.9

Commodity prices down from October high of 69.4

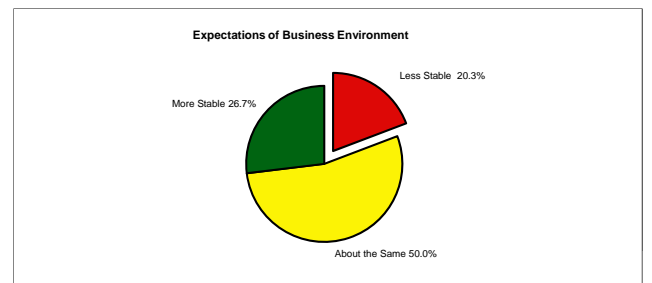


Expectations of Business Environment

6 months into the future:

Less Stable	19.2	percent
About the same	53.8	percent
More Stable	26.9	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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Survey Results Production by: Kenneth Doherty

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