



July - 2010 (FOR RELEASE: August 4, 2010 - 6am EST)

**The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 56.7 ↑**

**ISM-SEM Index:** July's reports continues to show resilience in the Michigan economy, though the score decreased from 66.1 down to 56.7. The last six consecutive months scored above 50.0. The 3 Month average is at 61.6.

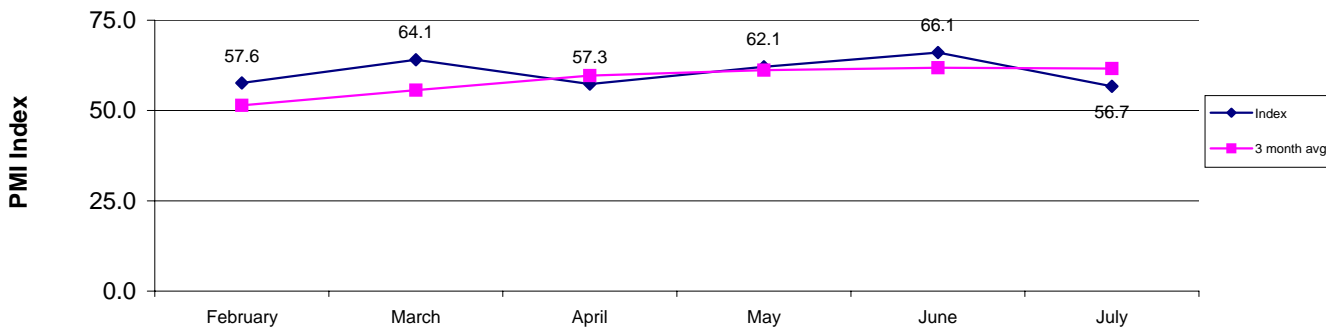
**Employment:** Employment continues to show a favorable score of 63.6. The 3 Month average is at 62.2!

**Commodity Prices:** Commodity Prices were under sustained pressure, at 63.6, with a 3 Month average of 63.2

**Items up or down in price:** *The July Southeast Michigan PMI shows that steel, aluminum, copper, diesel fuel, aerospace alloys, and some paper products were up in price. July's PMI also indicated a mixed bag for resins, with managers reporting Polypropylene Resin going down in price, and plastic resins and ABS resins up!*

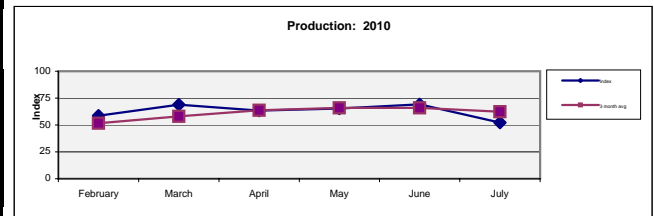
**Economic Issues:** *While the July PMI for Southeast Michigan showed a slowing of the growth rate of the Michigan economy slipping from 66.1 to 56.7, the National PMI showed a slowing of the growth rate of the US economy falling from 56.2 to 55.5 (supporting the slowing of the US economy in the second quarter to a growth rate of 2.4%), and China's PMI showed a slight slowing in their economic growth, the Chicago Purchasing Managers Index increased to 62.3 in July, from a reading of 59.1 and the Euro Zone PMI, recovered to 56.7 in July from 55.6 in June. In Southeast Michigan, while production activity and new orders slipped from the prior month, the employment index showed increased strength, for the third straight month, coming in at a score of 63.6, with the unemployment rate in Michigan dipping to 13.2% in June, from 13.6%. Nationally, the US unemployment rate dipped to 9.5% in June. Nevada again reported the highest unemployment rate among the states, 14.2 percent in June, displacing Michigan to second place. Purchasing Manager Indexes (PMI) are among the most closely-watched business surveys in the world - used by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. Comments from survey participants seem to support the slow steady expansion of the Michigan economy, with remarks such as "still to early in recovery to tell for certain", "unemployment still a problem but those with jobs are spending money", "lite industrial staffing has been increasing, this is typically the first area of staffing to recover", "automotive sales need to stabilize and home sales need to recover". Expectations of business environment six months into the future are increasingly optimistic, with 95.5% reporting stable or improving business conditions.*

**Southeast Michigan Index: 2010**



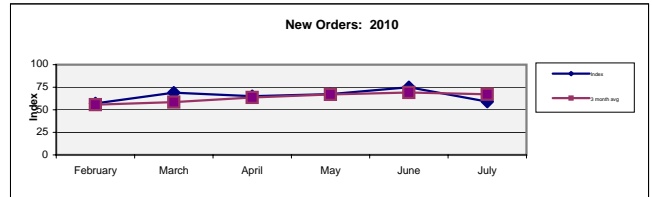
ISM-SEM Index		2010					
		February	March	April	May	June	July
Index		57.6	64.1	57.3	62.1	66.1	56.7
Index	3 month average	51.4	55.6	59.7	61.2	61.8	61.6
Production		2010					
		February	March	April	May	June	July
	Higher	34.3	55.2	40.0	50.0	53.8	31.8
	Same	48.6	27.6	46.7	30.8	30.8	40.9
	Lower	17.1	17.2	13.3	19.2	15.4	27.3
Index		58.6	69.0	63.3	65.4	69.2	52.3
Index	3 month average	51.7	58.0	63.6	65.9	66.0	62.3

Production continues expansion, though at slower rate.



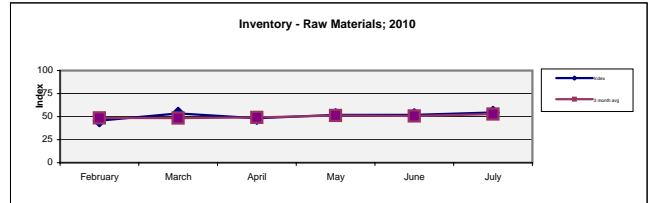
New Orders		2010					
		February	March	April	May	June	July
	Higher	31.4	48.3	46.7	50.0	61.5	36.4
	Same	51.4	41.4	36.7	34.6	26.9	45.5
	Lower	17.1	10.3	16.7	15.4	11.5	18.2
<b>Index</b>		57.1	69.0	65.0	67.3	75.0	59.1
<b>Index</b>	3 month average	55.7	58.4	63.7	67.1	69.1	67.1

New orders continue expansion, though at slower rate.



Inventory - Raw Materials		2010					
		February	March	April	May	June	July
	Higher	17.1	24.1	20.0	26.9	23.1	18.2
	Same	57.1	58.6	56.7	50.0	57.7	72.7
	Lower	25.7	17.2	23.3	23.1	19.2	9.1
<b>Index</b>		45.7	53.4	48.3	51.9	51.9	54.5
<b>Index</b>	3 month average	48.7	48.4	49.2	51.2	50.7	52.8

Raw materials inventories still modestly increasing.



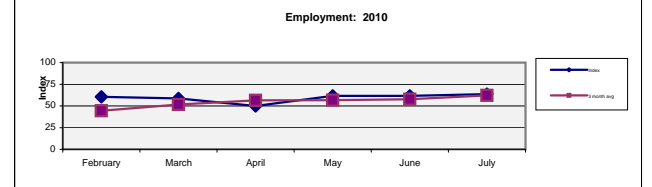
Inventory - Finished Goods		2010					
		February	March	April	May	June	July
	Higher	17.1	17.2	3.3	15.4	15.4	9.1
	Same	60.0	72.4	63.3	61.5	57.7	68.2
	Lower	22.9	10.3	33.3	23.1	26.9	22.7
<b>Index</b>		47.1	53.4	35.0	46.2	44.2	43.2
<b>Index</b>	3 month average	42.9	43.3	45.2	44.9	41.8	44.5

Finished goods inventories continue decline to 43.2.



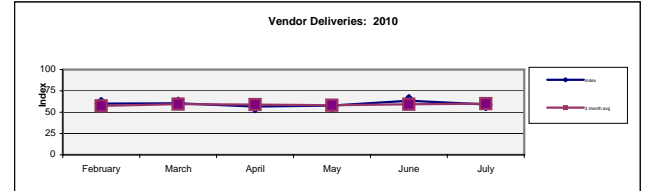
Employment		2010					
		February	March	April	May	June	July
	Higher	30.3	31.0	23.3	30.8	34.6	40.9
	Same	60.6	55.2	53.3	61.5	53.8	45.5
	Lower	9.1	13.8	23.3	7.7	11.5	13.6
<b>Index</b>		60.6	58.6	50.0	61.5	61.5	63.6
<b>Index</b>	3 month average	44.5	51.7	56.4	56.7	57.7	62.2

Employment shows continuing improvement to 63.6.



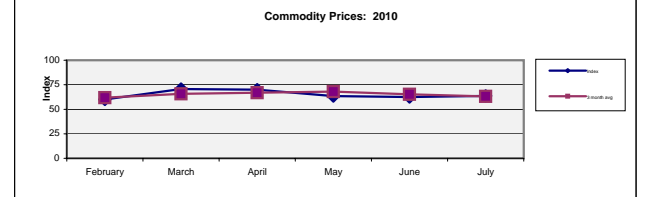
Vendor Deliveries		2010					
		February	March	April	May	June	July
	Faster	11.4	3.4	10.0	3.8	3.8	0.0
	Same	57.1	72.4	66.7	76.9	65.4	81.8
	Slower	31.4	24.1	23.3	19.2	30.8	18.2
<b>Index</b>		60.0	60.3	56.7	57.7	63.5	59.1
<b>Index</b>	3 month average	57.4	59.4	59.0	58.2	59.3	60.1

Deliveries pick up some speed.



Commodity Prices		2010					
		February	March	April	May	June	July
	Higher	28.6	48.3	43.3	34.6	35.7	31.8
	Same	62.9	44.8	53.3	57.7	53.6	63.6
	Lower	8.571428571	6.9	3.3	7.7	10.7	4.5
<b>Index</b>		60.0	70.7	70.0	63.5	62.5	63.6
<b>Index</b>	3 month average	61.8	65.8	66.9	68.1	65.3	63.2

Commodity prices increase at a slightly faster rate.

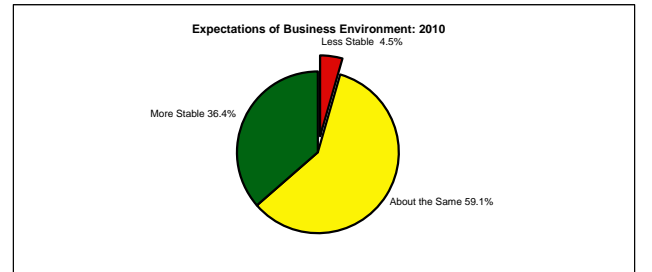


#### Expectations of Business Environment

6 months into the future:

Less Stable	4.5	percent
About the same	59.1	percent
More Stable	36.4	percent

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



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