



August - 2010 (FOR RELEASE: September 3, 2010 - 6am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 54.2 ↓

ISM-SEM Index: The August PMI index for Southeast Michigan is 54.2, which is down from the July index of 56.7. August is the seventh consecutive month that the index is above 50, which indicates an expanding economy. The three month average PMI is 59.0.

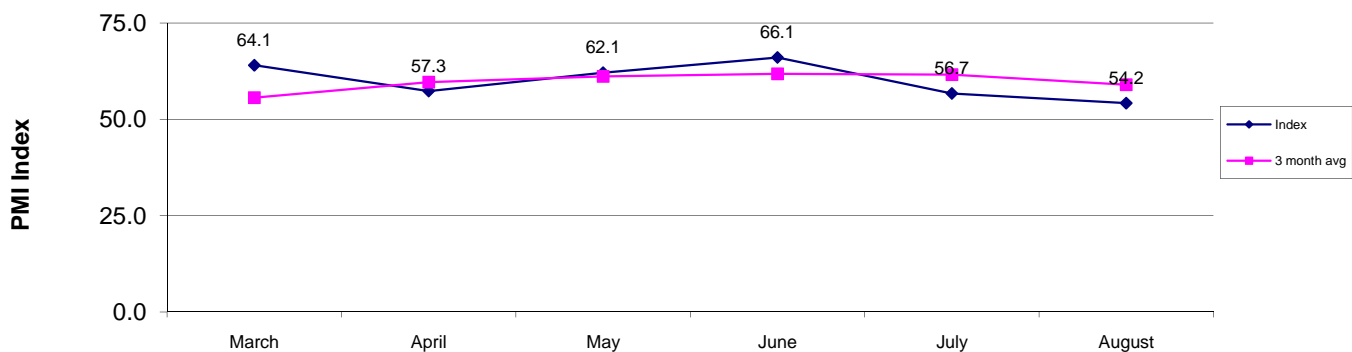
Employment: Employment continues to show a favorable score of 56.8. The 3 Month average is at 60.7.

Commodity Prices: Commodity Prices continue to increase, with an index value of 68.2. The 3 Month average is 64.8

Items up or down in price: August shows metals and resins are up in price. No commodities were indicated as down in price.

Economic Issues: The August survey shows that the Michigan economy continues to improve, although the rate of improvement has slowed and purchasing managers are reporting concern over the continuing economic recovery. The August Purchasing Managers Index value for Southeast Michigan is 54.2, which is down from the 56.7 index value for July. The August index value is the seventh consecutive month that the index has shown economic expansion (index value over 50), and the three month average is 59.0. The National Purchasing Managers Manufacturing Index increased slightly, to 56.3, from July, and the China Manufacturing Index improved as well, by 0.5, to 51.7. The Eurozone manufacturing PMI slipped by 0.6 to 56.1 -- still showing modest expansion. Like Southeast Michigan, the Chicago index declined, yet maintained an index value over 50. The August SE Michigan Index for Production remained at the same level as July, at 52.3, which signals continued modest growth. New orders, while still expanding, declined in value from 59.1 to 56.8. SE Michigan Purchasing managers are reporting increasing vendor delays, and commodity prices continue to rise. Concern is evident in Purchasing Managers comments. One respondent reports, "Many (suppliers) appear to remain cautious about increasing their capacity in fear of another downturn in business", while another notes, "No one seems confident of a true recovery". Still, 81.8% of respondents expect that the stability of the business environment will be either the same or improved over the next six months.

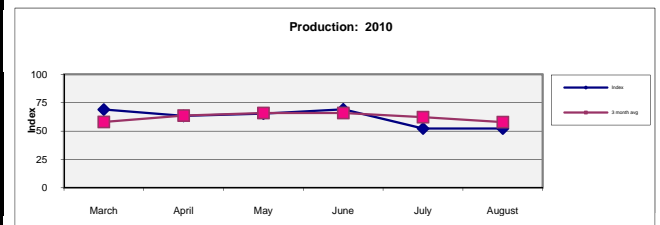
Southeast Michigan Index: 2010



ISM-SEM Index		2010					
		March	April	May	June	July	August
Index		64.1	57.3	62.1	66.1	56.7	54.2
Index	3 month average	55.6	59.7	61.2	61.8	61.6	59.0

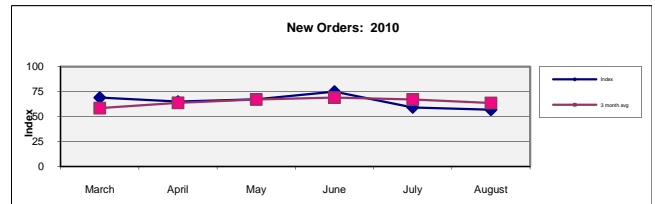
Production		2010					
		March	April	May	June	July	August
	Higher	55.2	40.0	50.0	53.8	31.8	31.8
	Same	27.6	46.7	30.8	30.8	40.9	40.9
	Lower	17.2	13.3	19.2	15.4	27.3	27.3
Index		69.0	63.3	65.4	69.2	52.3	52.3
Index	3 month average	58.0	63.6	65.9	66.0	62.3	57.9

Production maintained modest growth at 52.3.



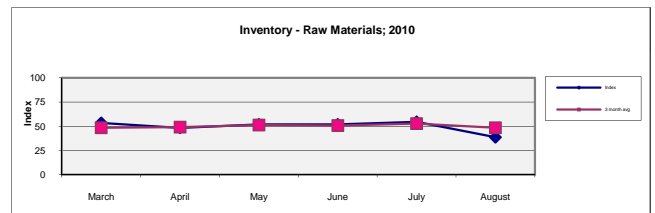
New Orders		2010					
		March	April	May	June	July	August
	Higher	48.3	46.7	50.0	61.5	36.4	40.9
	Same	41.4	36.7	34.6	26.9	45.5	31.8
	Lower	10.3	16.7	15.4	11.5	18.2	27.3
Index		69.0	65.0	67.3	75.0	59.1	56.8
Index	3 month average	58.4	63.7	67.1	69.1	67.1	63.6

New orders continue to increase, but the trend is declining.



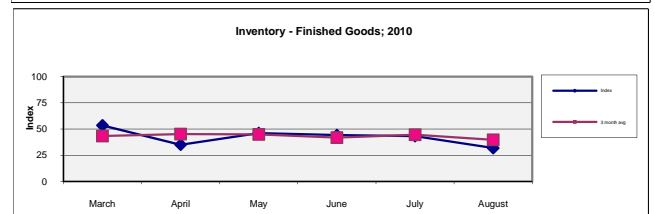
Inventory - Raw Materials		2010					
		March	April	May	June	July	August
	Higher	24.1	20.0	26.9	23.1	18.2	9.1
	Same	58.6	56.7	50.0	57.7	72.7	59.1
	Lower	17.2	23.3	23.1	19.2	9.1	31.8
Index		53.4	48.3	51.9	51.9	54.5	38.6
Index	3 month average	48.4	49.2	51.2	50.7	52.8	48.4

Raw materials inventories show shrinkage in August.



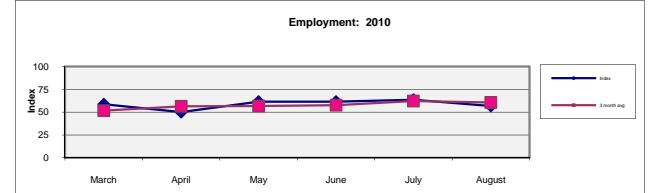
Inventory - Finished Goods		2010					
		March	April	May	June	July	August
	Higher	17.2	3.3	15.4	15.4	9.1	0.0
	Same	72.4	63.3	61.5	57.7	68.2	63.6
	Lower	10.3	33.3	23.1	26.9	22.7	36.4
Index		53.4	35.0	46.2	44.2	43.2	31.8
Index	3 month average	43.3	45.2	44.9	41.8	44.5	39.7

Finished goods inventories show steeper declines in August.



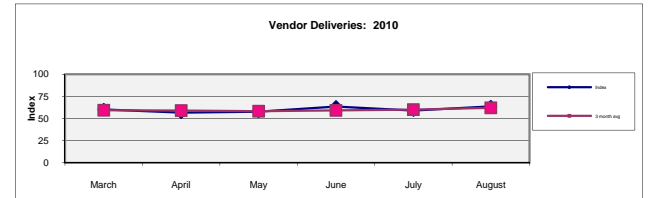
Employment		2010					
		March	April	May	June	July	August
	Higher	31.0	23.3	30.8	34.6	40.9	31.8
	Same	55.2	53.3	61.5	53.8	45.5	50.0
	Lower	13.8	23.3	7.7	11.5	13.6	18.2
Index		58.6	50.0	61.5	61.5	63.6	56.8
Index	3 month average	51.7	56.4	56.7	57.7	62.2	60.7

Employment continues to grow, but at a slower rate.



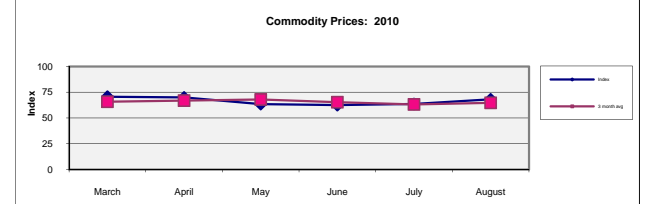
Vendor Deliveries		2010					
		March	April	May	June	July	August
	Faster	3.4	10.0	3.8	3.8	0.0	4.5
	Same	72.4	66.7	76.9	65.4	81.8	63.6
	Slower	24.1	23.3	19.2	30.8	18.2	31.8
Index		60.3	56.7	57.7	63.5	59.1	63.6
Index	3 month average	59.4	59.0	58.2	59.3	60.1	62.1

Vendor Deliveries were slower in August.



Commodity Prices		2010					
		March	April	May	June	July	August
	Higher	48.3	43.3	34.6	35.7	31.8	36.4
	Same	44.8	53.3	57.7	53.6	63.6	63.6
	Lower	6.896551724	3.3	7.7	10.7	4.5	0.0
Index		70.7	70.0	63.5	62.5	63.6	68.2
Index	3 month average	65.8	66.9	68.1	65.3	63.2	64.8

Commodity prices continue to increase at a steeper rate.

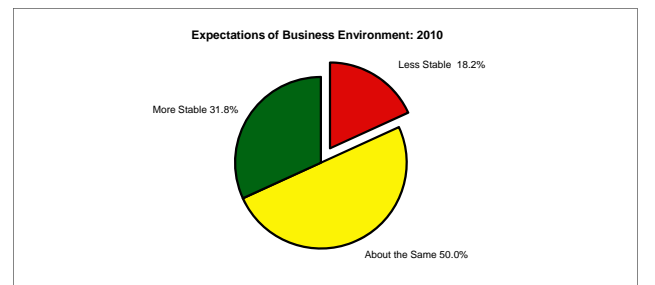


Expectations of Business Environment

6 months into the future:

Less Stable	18.2	percent
About the same	50.0	percent
More Stable	31.8	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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