



September - 2010 (FOR RELEASE: October 5, 2010 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 65.0 ↑

ISM-SEM Index: In September, the PMI rebounded smartly, back up to 65.0, from a low of 54.2 in August, and just short of the six month high of 66.1. The last eight consecutive months have each scored above 50.0, and the 3 Month average remains high at 58.6.

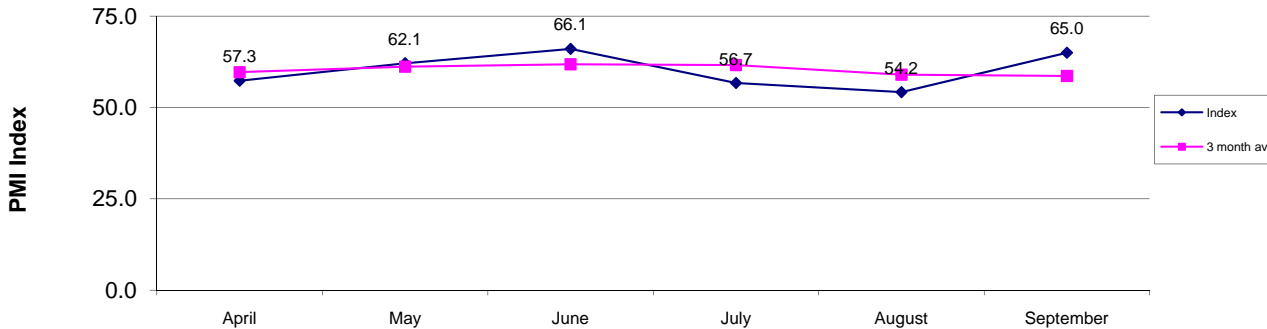
Employment: Employment growth strengthened as well, with a September score of 66.7. The 3 Month average is at 62.4!

Commodity Prices: Commodity price growth moderated slightly from the prior month, at 64.3, with a 3 Month average of 65.4

Items up or down in price: *September shows commodity prices increasing for copper, aluminum, steel, oil based chemicals, vinyl, and aerospace alloys. Airline tickets were also up in price, showing a recovery in the travel segment. Paper, packaging materials, and temporary services saw declines in prices.*

Economic Issues: *The September survey shows continued strength in the Southeast Michigan economy with the strengthening of the overall PMI. Production, new orders, and employment activity rebounded smartly from August, showing strong economic activity in Southeast Michigan. In support, expectations of the business environment six months down the road saw almost 85.7% of survey respondents indicating greater or the same stability in the future. Chicago's PMI also rebounded sharply in September, easing fears of a double dip recession, at least in the Midwest. The Eurozone PMI dropped slightly, though coming in over 50, also easing fears of a double dip recession. The national PMI indicated that the manufacturing sector expanded for a 14th straight month in September, but at a slower pace than August. The Southeast Michigan PMI shows expansion for eight consecutive months and still growing! Comments from survey participants indicate that the sustained growth in the Southeast Michigan economy caught them by surprise with "capacity seems to be an issue as our suppliers are trying to keep up with the sudden increases in demand. Lead times have been creeping up again by 50% (from 20 days to 30 days)", "We really need to get more visibility on lead time changes as they occur, not after the fact which seems to be where we are right now", "The success of the auto industry in regards to their increased confidence in investing in capital equipment and re-tooling existing plants is very critical to the continued growth in the manufacturing sectors. We are beginning to see positive signs". Three major areas of concern are highlighted by the focus on unemployment levels coming down, health care reform being phased in, and the issue of taxation. Comments are very suggestive, with "Stability cannot be assured until unemployment breaks, and that will not happen until the tax extensions are decided", "Consumer employment security, disposable income levels, as well as ticket pricing are critical to the industry", "Taxes and healthcare costs will negatively affect bottom line performance", "National Health Reform will have a great impact-TBD".*

Southeast Michigan Index: 2010

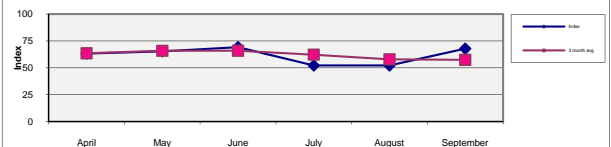


ISM-SEM Index		2010					
		April	May	June	July	August	September
Index		57.3	62.1	66.1	56.7	54.2	65.0
Index	3 month average	59.7	61.2	61.8	61.6	59.0	58.6

Production		2010					
		April	May	June	July	August	September
	Higher	40.0	50.0	53.8	31.8	31.8	47.6
	Same	46.7	30.8	30.8	40.9	40.9	40.5
	Lower	13.3	19.2	15.4	27.3	27.3	11.9
Index		63.3	65.4	69.2	52.3	52.3	67.9
Index	3 month average	63.6	65.9	66.0	62.3	57.9	57.5

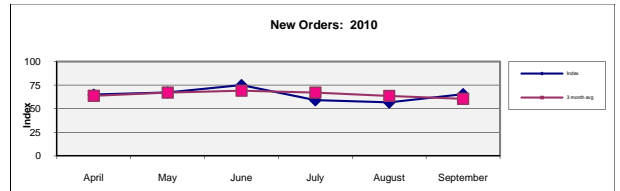
Production picks up steam, expanding at a faster rate.

Production: 2010



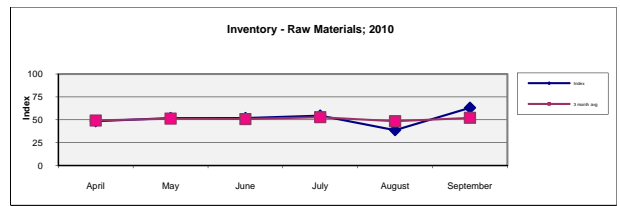
New Orders		2010					
		April	May	June	July	August	September
	Higher	46.7	50.0	61.5	36.4	40.9	47.6
	Same	36.7	34.6	26.9	45.5	31.8	35.7
	Lower	16.7	15.4	11.5	18.2	27.3	16.7
Index		65.0	67.3	75.0	59.1	56.8	65.5
Index	3 month average	63.7	67.1	69.1	67.1	63.6	60.5

New orders pick up steam as well, expanding at a faster rate.



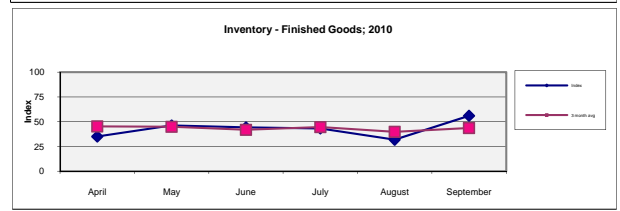
Inventory - Raw Materials		2010					
		April	May	June	July	August	September
	Higher	20.0	26.9	23.1	18.2	9.1	33.3
	Same	56.7	50.0	57.7	72.7	59.1	59.5
	Lower	23.3	23.1	19.2	9.1	31.8	7.1
Index		48.3	51.9	51.9	54.5	38.6	63.1
Index	3 month average	49.2	51.2	50.7	52.8	48.4	52.1

Raw materials inventories climbed sharply from August.



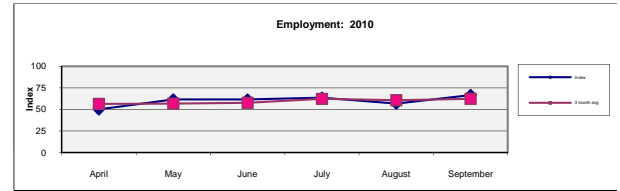
Inventory - Finished Goods		2010					
		April	May	June	July	August	September
	Higher	3.3	15.4	15.4	9.1	0.0	23.8
	Same	63.3	61.5	57.7	68.2	63.6	64.3
	Lower	33.3	23.1	26.9	22.7	36.4	11.9
Index		35.0	46.2	44.2	43.2	31.8	56.0
Index	3 month average	45.2	44.9	41.8	44.5	39.7	43.7

Finished goods inventories picked up moderately.



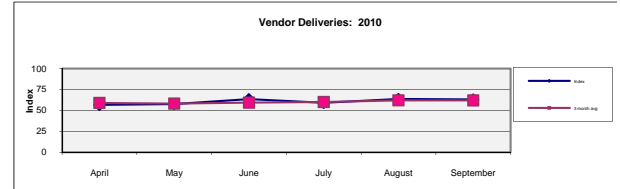
Employment		2010					
		April	May	June	July	August	September
	Higher	23.3	30.8	34.6	40.9	31.8	42.9
	Same	53.3	61.5	53.8	45.5	50.0	47.6
	Lower	23.3	7.7	11.5	13.6	18.2	9.5
Index		50.0	61.5	61.5	63.6	56.8	66.7
Index	3 month average	56.4	56.7	57.7	62.2	60.7	62.4

Employment growth came in at the highest level this year.



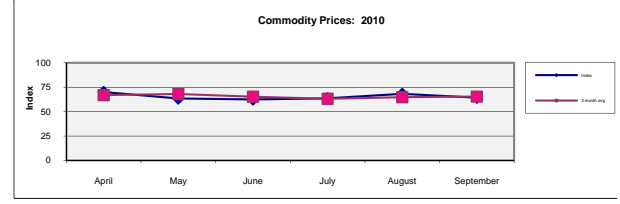
Vendor Deliveries		2010					
		April	May	June	July	August	September
	Faster	10.0	3.8	3.8	0.0	4.5	2.4
	Same	66.7	76.9	65.4	81.8	63.6	69.0
	Slower	23.3	19.2	30.8	18.2	31.8	28.6
Index		56.7	57.7	63.5	59.1	63.6	63.1
Index	3 month average	59.0	58.2	59.3	60.1	62.1	61.9

Deliveries picked up very slightly.



Commodity Prices		2010					
		April	May	June	July	August	September
	Higher	43.3	34.6	35.7	31.8	36.4	31.0
	Same	53.3	57.7	53.6	63.6	63.6	66.7
	Lower	3.333333333	7.7	10.7	4.5	0.0	2.4
Index		70.0	63.5	62.5	63.6	68.2	64.3
Index	3 month average	66.9	68.1	65.3	63.2	64.8	65.4

Commodity prices moderated somewhat.

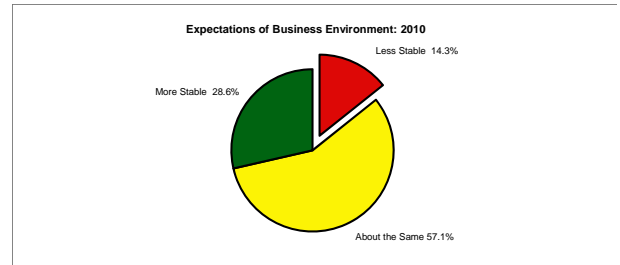


Expectations of Business Environment

6 months into the future:

Less Stable	14.3	percent
About the same	57.1	percent
More Stable	28.6	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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