October - 2010 (FOR RELEASE: November 4, 2010 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 67.1 ↑

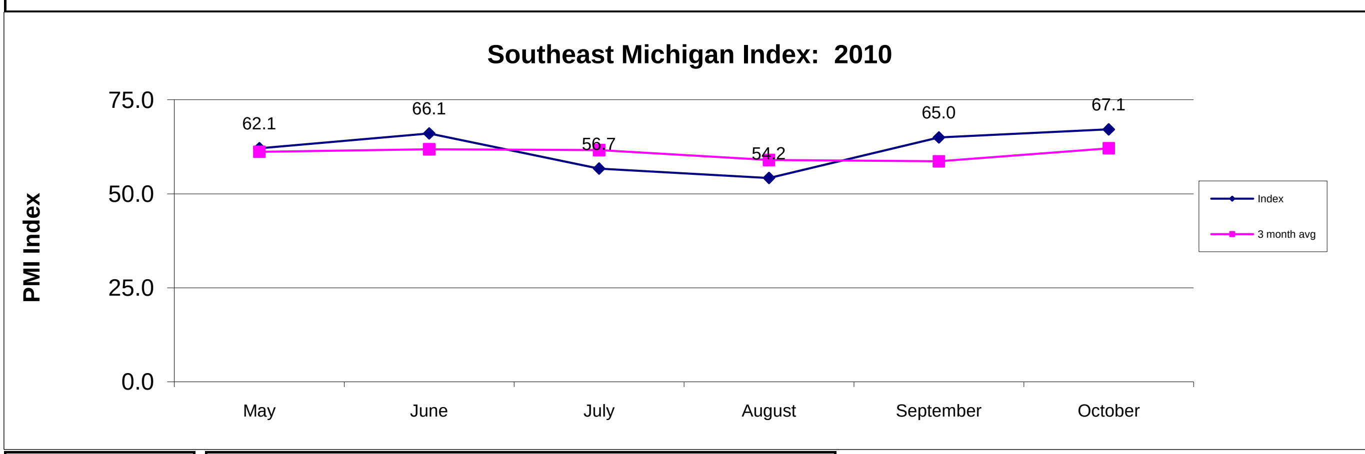
ISM-SEM Index: In October, the PMI continued to rise to a six month high of 67.1. The last six consecutive months scored above 50.0, and the three month average remains high at 62.1.

Employment: Employment continues to show solid improvement. The October index of 65.8 is down slightly from September, but the report is still quite strong.

Commodity Prices: Commodity prices continued to score high as well, at 66.7, with a three month average of 66.4

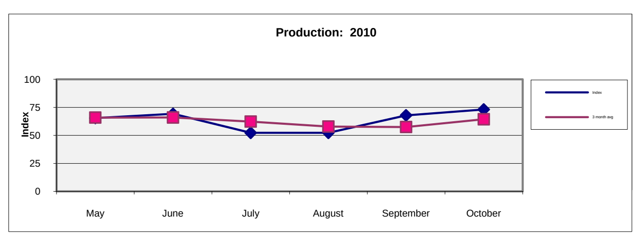
Items up or down in price: *Purchasing managers report petroleum products and metals are up in price. No items were mentioned as being down in price.*

Economic Issues: *The October survey shows an increase in the Purchasing Managers index to 67.1, which is an increase from the September index value of 65. This index score indicates that Southeast Michigan businesses continue to experience steady, strong growth. Generally, Index values above 50 represent an expanding economy. Key drivers of the index were increasing production, increasing new orders, and expanding employment. 51% of the purchasing managers reported that production expanded during the month of October, and 44% reported that production was level. Almost 49% reported that new orders increased during the month, while 44% reported that the level of new orders in October were the same as September. Southeast Michigan purchasing managers report that commodity prices continue to increase. 33% of purchasing managers reported increased commodity prices from September, while none of the respondents reported reduction in prices. Although raw material and finished goods inventories showed index values greater than 50 in October, they were still down from September. Nationally, there has been concern about increasing inventories and their implications for the economic recovery. 87% of the responding purchasing managers indicated that the economy would remain stable or become more stable in the next six months. In contrast to the Southeast Michigan Purchasing Managers Index, the Chicago PMI was down slightly, to 59.5, and the Eurozone Purchasing Index was down slightly as well, to 53.4, The National Institute of Supply Managers Manufacturing PMI increased to 56.9 and the China PMI increased as well, to 54.7. Purchasing managers varied in their comments on the survey, from the positive tone of "We continue to increase labor and machine capacity in an effort to work off the huge increase of customer orders" to "Still struggling. Going after business that we would not normally go after."*



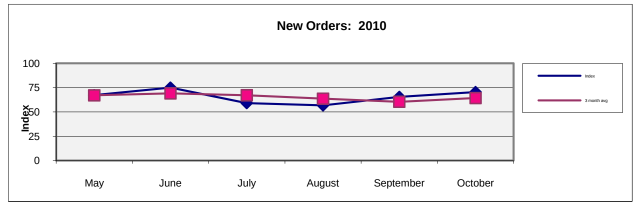
ISM-SEM Index		2010					
		May	June	July	August	September	**October**
Index		62.1	66.1	56.7	54.2	65.0	67.1
Index	3 month average	61.2	61.8	61.6	59.0	58.6	62.1

Production		2010					
		May	June	July	August	September	**October**
	Higher	50.0	53.8	31.8	31.8	47.6	51.3
	Same	30.8	30.8	40.9	40.9	40.5	43.6
	Lower	19.2	15.4	27.3	27.3	11.9	5.1
Index		65.4	69.2	52.3	52.3	67.9	73.1
Index	3 month average	65.9	66.0	62.3	57.9	57.5	64.4
		Production increased solidly for the second consecutive month.					



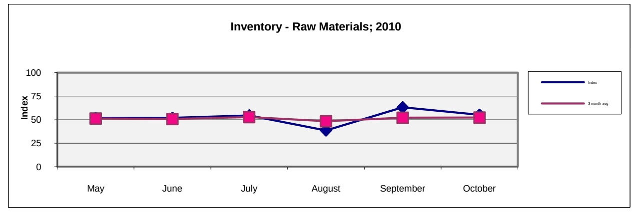
New Orders		2010					
		May	June	July	August	September	October
	Higher	50.0	61.5	36.4	40.9	47.6	48.7
	Same	34.6	26.9	45.5	31.8	35.7	43.6
	Lower	15.4	11.5	18.2	27.3	16.7	7.7
Index		67.3	75.0	59.1	56.8	65.5	70.5
Index	3 month average	67.1	69.1	67.1	63.6	60.5	64.3

New orders increased solidly for the second consecutive month.



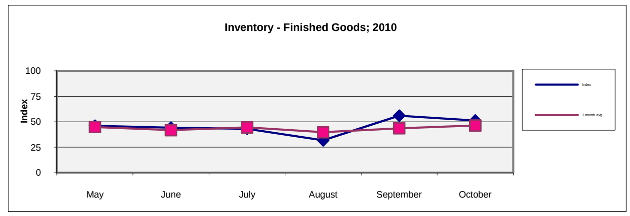
Inventory - Raw Materials		2010					
		May	June	July	August	September	October
	Higher	26.9	23.1	18.2	9.1	33.3	23.1
	Same	50.0	57.7	72.7	59.1	59.5	64.1
	Lower	23.1	19.2	9.1	31.8	7.1	12.8
Index		51.9	51.9	54.5	38.6	63.1	55.1
Index	3 month average	51.2	50.7	52.8	48.4	52.1	52.3

Raw materials inventories index declined, but overall still increasing.



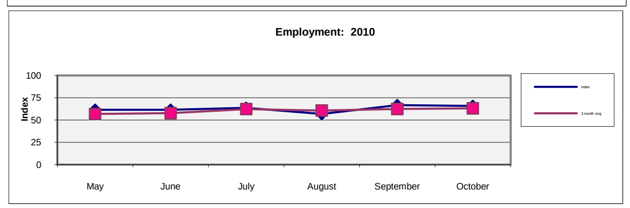
Inventory - Finished Goods		2010					
		May	June	July	August	September	October
	Higher	15.4	15.4	9.1	0.0	23.8	20.5
	Same	61.5	57.7	68.2	63.6	64.3	61.5
	Lower	23.1	26.9	22.7	36.4	11.9	17.9
Index		46.2	44.2	43.2	31.8	56.0	51.3
Index	3 month average	44.9	41.8	44.5	39.7	43.7	46.4

Finished goods inventories declined, but is still slightly growing.



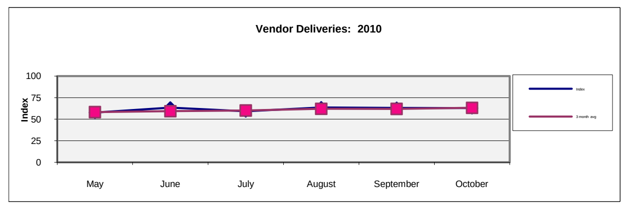
Employment		2010					
		May	June	July	August	September	October
	Higher	30.8	34.6	40.9	31.8	42.9	36.8
	Same	61.5	53.8	45.5	50.0	47.6	57.9
	Lower	7.7	11.5	13.6	18.2	9.5	5.3
Index		61.5	61.5	63.6	56.8	66.7	65.8
Index	3 month average	56.7	57.7	62.2	60.7	62.4	63.1

Employment Index reduced slightly, but is still expanding at a healthy rate.



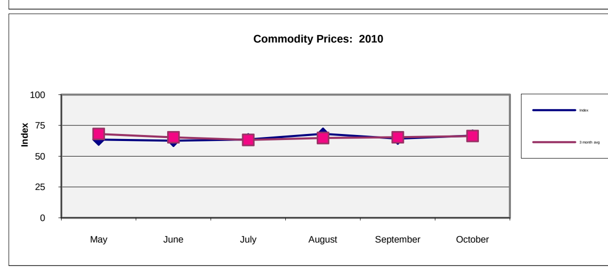
Vendor Deliveries		2010					
		May	June	July	August	September	October
	Faster	3.8	3.8	0.0	4.5	2.4	2.6
	Same	76.9	65.4	81.8	63.6	69.0	69.2
	Slower	19.2	30.8	18.2	31.8	28.6	28.2
Index		57.7	63.5	59.1	63.6	63.1	62.8
Index	3 month average	58.2	59.3	60.1	62.1	61.9	63.2

The Vendor Deliveries index continues to indicate that suppliers are keeping busy.



Commodity Prices		2010					
		May	June	July	August	September	October
	Higher	34.6	35.7	31.8	36.4	31.0	33.3
	Same	57.7	53.6	63.6	63.6	66.7	66.7
	Lower	7.7	10.7	4.5	0.0	2.4	0.0
Index		63.5	62.5	63.6	68.2	64.3	66.7
Index	3 month average	68.1	65.3	63.2	64.8	65.4	66.4

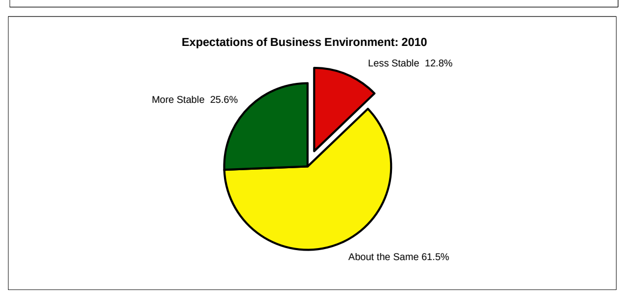
Commodity prices continue to increase. No respondents indicated that commodity prices were lower



Expectations of Business Environment

6 months into the future:

Less Stable	12.8	percent
About the same	61.5	percent
More Stable	25.6	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"

NOTICE:

No warranty, expressed or implied, is attached to these figures or their use. While the figures are compiled with professional care, no representations about appropriateness, accuracy, or suitability for specific applications are made.

Survey Results Production by: Kenneth Doherty & Steve Welsh of ISM.

Next Release: **December 6, 2010.**

For more information, contact
ISM - Southeast Michigan
Email: businessmanager@ism-sem.org
Tel: 313-881-0800
OR
Wayne State University
Timothy Butler
timothy.butler@wayne.edu
Tel: 313-577-9810
OR
Nitin Paranjpe
ai8668@wayne.edu
Tel: 248-292-0208