



December - 2010 (FOR RELEASE: January 5, 2011 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 56.3 ↑

ISM-SEM Index: In December, the PMI showed a modest increase, from 54.2 to 56.3, but remains well above 50. The six consecutive months shown all scored above 50.0, and the 3 Month average remains high at 59.2.

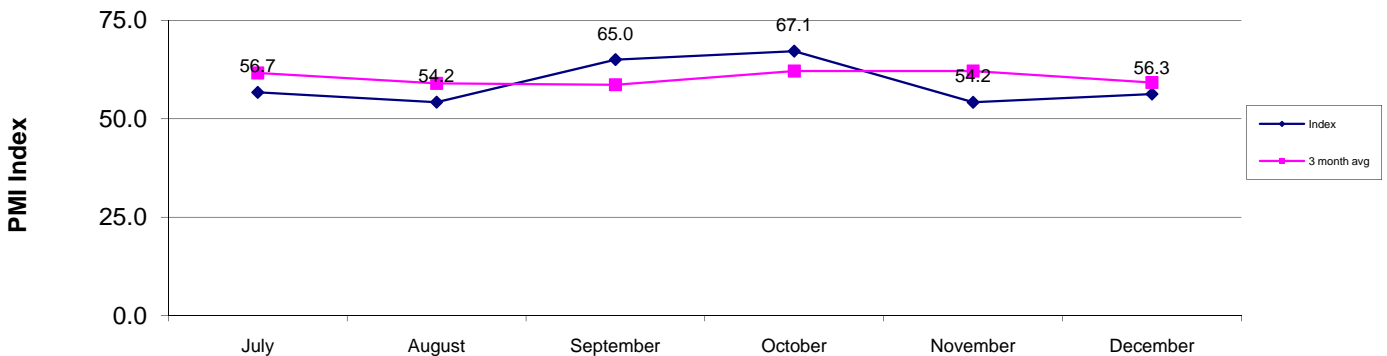
Employment: Employment also rose, with a December score of 60.3. The 3 Month average is at 59.9!

Commodity Prices: Commodity Prices took a slight decrease, down to 64.1, with a 3 Month average of 66.8

Items up or down in price: *December shows metals (aluminum, steel, copper), and petroleum products are up in price. No specific items were listed as down in price.*

Economic Issues: *The December survey shows that the Southeast Michigan Purchasing Managers Index (SEM-PMI) indicated an expanding Southeast Michigan economy for the 11th consecutive month -- where index values greater than 50 indicate an expanding economy. The index is 56.3, which is a slight increase over the November index score of 54.2. Corresponding global and regional indexes also showed improvement. The National Manufacturing Purchasing Managers Index value for December was 57, and indicated growth in the national economy for the 20th consecutive month. The Eurozone Manufacturing Purchasing Managers Index for December was an eight month high, at 57.1, and was the 15th consecutive month above 50. The Chicago PMI expanded to 61.8, which was the fifteenth consecutive month of expansion in that region. The improvement in the Southeast Michigan PMI is driven by a number of factors, each contribute to the index value. Production, which fell slightly to 56.4, still shows growth with a value over 50 for the 11th consecutive month. New orders expanded sharply to 60.3 from 53.6, while employment also rose sharply, to 60.3. 33.3% of the responding purchasing managers reported that their organizations increased hiring in December over November. Finished Goods Inventory showed a contraction (below 50) for the second consecutive month, with an index value is 47.4. The Vendor Deliveries Index value declined to 48.7 from a November Index score of 55.4. Over 38% of the responding Purchasing Managers reported that they believe that the economy will become more stable over the next six months, and over 50% believe that the economy will remain about the same. Numerous Purchasing Manager comments were optimistic: "Sales are forecast to remain strong in 2011", "In rapid growth mode", and "Economy is improving as well as discretionary spend". Some Purchasing Managers expressed caution: "Rising fuel and energy prices will have a dampening effect on the economy", and "It will be a tough year if you purchase products that contain steel due to recent inflation".*

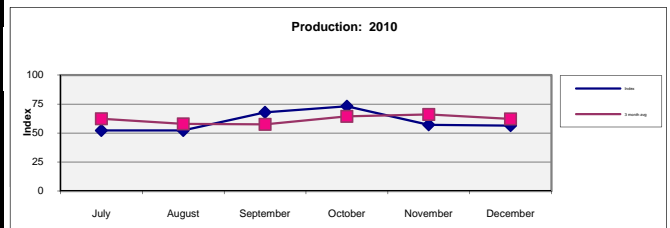
Southeast Michigan Index: 2010



ISM-SEM Index		2010					
		July	August	September	October	November	December
Index		56.7	54.2	65.0	67.1	54.2	56.3
Index	3 month average	61.6	59.0	58.6	62.1	62.1	59.2

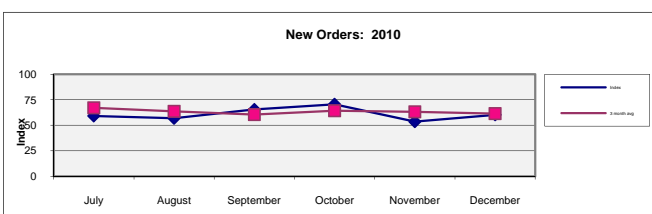
Production		2010					
		July	August	September	October	November	December
	Higher	31.8	31.8	47.6	51.3	25.0	30.8
	Same	40.9	40.9	40.5	43.6	64.3	51.3
	Lower	27.3	27.3	11.9	5.1	10.7	17.9
Index		52.3	52.3	67.9	73.1	57.1	56.4
Index	3 month average	62.3	57.9	57.5	64.4	66.0	62.2

Production contracted slightly to 56.4, but is still expanding.



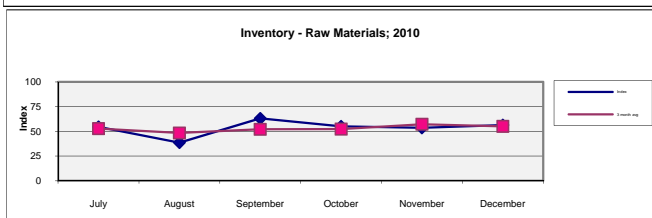
New Orders		2010					
		July	August	September	October	November	December
	Higher	36.4	40.9	47.6	48.7	25.0	33.3
	Same	45.5	31.8	35.7	43.6	57.1	53.8
	Lower	18.2	27.3	16.7	7.7	17.9	12.8
Index		59.1	56.8	65.5	70.5	53.6	60.3
Index	3 month average	67.1	63.6	60.5	64.3	63.2	61.4

New orders increased to 60.3. A marked increase from 53.6.



Inventory - Raw Materials		2010					
		July	August	September	October	November	December
	Higher	18.2	9.1	33.3	23.1	17.9	20.5
	Same	72.7	59.1	59.5	64.1	71.4	71.8
	Lower	9.1	31.8	7.1	12.8	10.7	7.7
Index		54.5	38.6	63.1	55.1	53.6	56.4
Index	3 month average	52.8	48.4	52.1	52.3	57.3	55.0

Raw materials inventories increased slightly to 56.4.



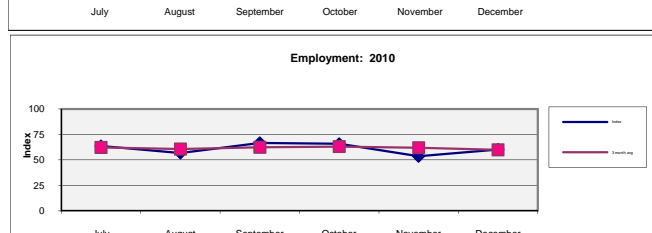
Inventory - Finished Goods		2010					
		July	August	September	October	November	December
	Higher	9.1	0.0	23.8	20.5	7.1	12.8
	Same	68.2	63.6	64.3	61.5	82.1	69.2
	Lower	22.7	36.4	11.9	17.9	10.7	17.9
Index		43.2	31.8	56.0	51.3	48.2	47.4
Index	3 month average	44.5	39.7	43.7	46.4	51.8	49.0

Finished goods inventories declined slightly to 47.4, indicating a contraction in finished goods inventories.



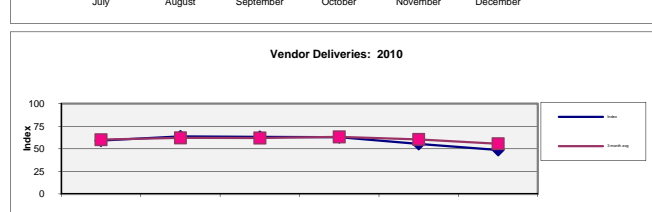
Employment		2010					
		July	August	September	October	November	December
	Higher	40.9	31.8	42.9	36.8	17.9	33.3
	Same	45.5	50.0	47.6	57.9	71.4	53.8
	Lower	13.6	18.2	9.5	5.3	10.7	12.8
Index		63.6	56.8	66.7	65.8	53.6	60.3
Index	3 month average	62.2	60.7	62.4	63.1	62.0	59.9

Employment expanded to 60.3, showing continued expansion in hiring.



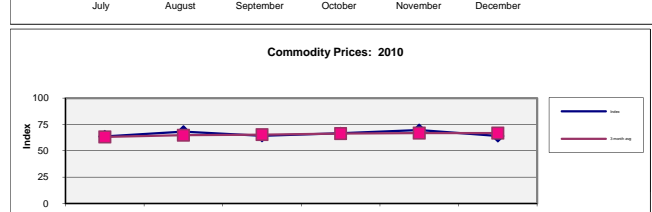
Vendor Deliveries		2010					
		July	August	September	October	November	December
	Faster	0.0	4.5	2.4	2.6	10.7	15.4
	Same	81.8	63.6	69.0	69.2	67.9	71.8
	Slower	18.2	31.8	28.6	28.2	21.4	12.8
Index		59.1	63.6	63.1	62.8	55.4	48.7
Index	3 month average	60.1	62.1	61.9	63.2	60.4	55.6

The Delivery Index declined to 48.7 for December.



Commodity Prices		2010					
		July	August	September	October	November	December
	Higher	31.8	36.4	31.0	33.3	39.3	28.2
	Same	63.6	63.6	66.7	66.7	60.7	71.8
	Lower	4.5	0.0	2.4	0.0	0.0	0.0
Index		63.6	68.2	64.3	66.7	69.6	64.1
Index	3 month average	63.2	64.8	65.4	66.4	66.9	66.8

Commodity prices declined slightly, but still signal higher prices.



Expectations of Business Environment

6 months into the future:

Less Stable	7.7	percent
About the same	53.8	percent
More Stable	38.5	percent

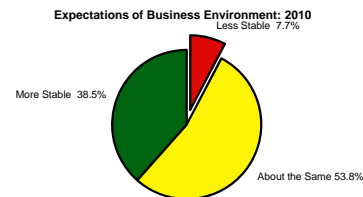
For more information about the Survey or to obtain copies of previous surveys, visit our website at www.ism-sem.org and click on "Economic Surveys"

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: **February 1, 2011.**



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