



February - 2011 (FOR RELEASE: March 1, 2011 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 63.5 ↑

ISM-SEM Index: In February the PMI took another swing up, from 55.5 to 63.5, a four month high. The PMI has exceeded 50 for thirteen consecutive months.

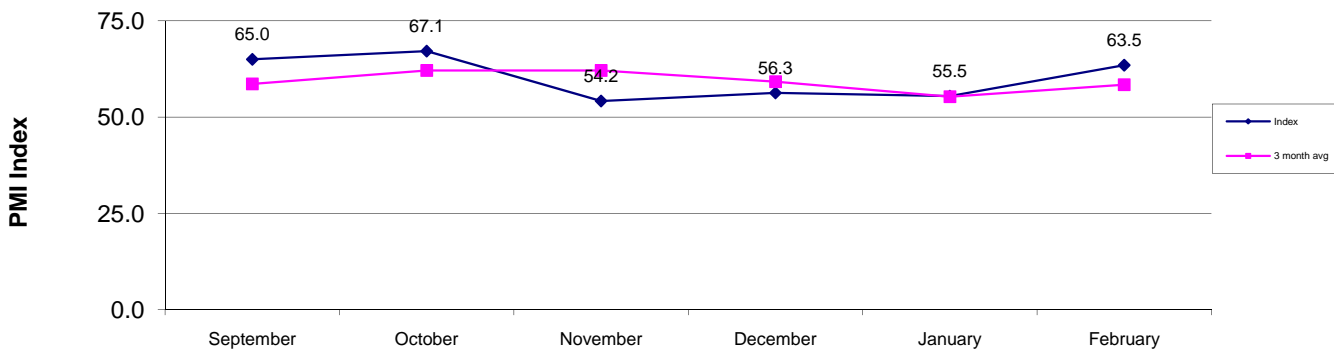
Employment: Employment reversed its January drop, with a February score of 60.6. The 3 Month average is at 58.5!

Commodity Prices: Commodity Prices remain disproportionately high at 77.3. An overwhelming number of Purchasing Agents see prices on the rise, signaling a potentially inflationary environment

Items up or down in price: *Up in price: Copper, Steel, Oil, Aluminum, latex, cotton, solvents, nickel, resin, castings, forging, polyester, nylon, brass. No commodities were identified as down in price.*

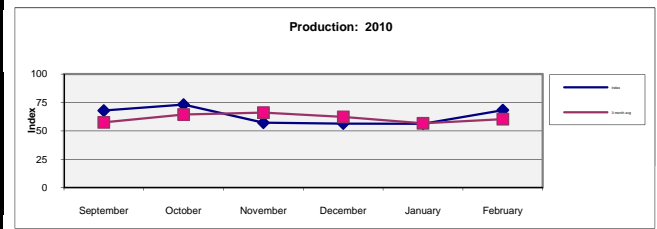
Economic Issues: *The February survey shows that the Southeastern Michigan Purchasing Managers Index (PMI) increased to 63.5 and signals an expanding Southeast Michigan economy for the 13th consecutive month. A PMI index value above 50 indicates an expanding economy. Specific index components that comprise the Purchasing Managers Index increased sharply in February. Production increased by over 10 points, from 56.3 in January to 68.2 in February -- indicating that more producers are expanding their output at an increasing rate. The Production Index has also shown expansion for thirteen consecutive months -- a strong positive signal for the Southeast Michigan economy. Survey results also show that more businesses are making new orders -- the New Orders Index increased from 56.3 in January to 65.2 in February. Raw Material Inventories were up sharply and finished goods inventories were up modestly in February compared to January. Employment continues to show expansion, with a February Index of 60.6 compared to the January Index of 54.7. Over 50% of the respondents reported that more commodities were up in price, with the Commodity Price Index being a markedly high value of 77.3. Purchasing managers reported that petroleum products, metals (particularly steel, copper, and aluminum) cotton, and resin were up in price. The respondents did not report any commodities that were lower in price. Overall, purchasing managers are optimistic about the near future: almost half of the respondents indicated that they believed that the economy would become more stable in the next six months, and less than ten percent believed that the economy would become less stable. Cautionary comments made by purchasing managers indicated that their suppliers are struggling to meet demand, and report delayed shipments. Respondents also indicated concern about price increases and lack of capacity.*

Southeast Michigan Index: 2010 - 11



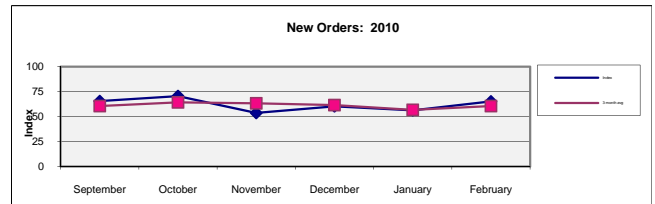
ISM-SEM Index		2010 - 2011					
		September	October	November	December	January	February
Index		65.0	67.1	54.2	56.3	55.5	63.5
Index	3 month average	58.6	62.1	62.1	59.2	55.3	58.4
Production		2010 - 2011					
		September	October	November	December	January	February
	Higher	47.6	51.3	25.0	30.8	34.4	42.4
	Same	40.5	43.6	64.3	51.3	43.8	51.5
	Lower	11.9	5.1	10.7	17.9	21.9	6.1
Index		67.9	73.1	57.1	56.4	56.3	68.2
Index	3 month average	57.5	64.4	66.0	62.2	56.6	60.3

Production increased to 68.2, exceeding 50 for thirteen consecutive months.



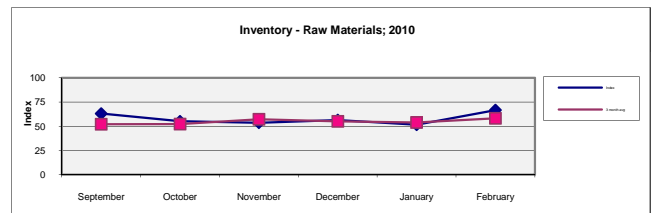
New Orders		2010 - 2011					
		September	October	November	December	January	February
	Higher	47.6	48.7	25.0	33.3	31.3	48.5
	Same	35.7	43.6	57.1	53.8	50.0	33.3
	Lower	16.7	7.7	17.9	12.8	18.8	18.2
Index		65.5	70.5	53.6	60.3	56.3	65.2
Index	3 month average	60.5	64.3	63.2	61.4	56.7	60.6

The New Orders Index increased sharply to 65.2.



Inventory - Raw Materials		2010 - 2011					
		September	October	November	December	January	February
	Higher	33.3	23.1	17.9	20.5	25.0	45.5
	Same	59.5	64.1	71.4	71.8	53.1	42.4
	Lower	7.1	12.8	10.7	7.7	21.9	12.1
Index		63.1	55.1	53.6	56.4	51.6	66.7
Index	3 month average	52.1	52.3	57.3	55.0	53.8	58.2

Raw materials inventories increased sharply to 66.7.



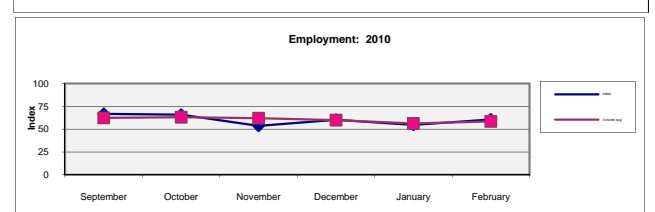
Inventory - Finished Goods		2010 - 2011					
		September	October	November	December	January	February
	Higher	23.8	20.5	7.1	12.8	25.0	24.2
	Same	64.3	61.5	82.1	69.2	53.1	60.6
	Lower	11.9	17.9	10.7	17.9	21.9	15.2
Index		56.0	51.3	48.2	47.4	51.6	54.5
Index	3 month average	43.7	46.4	51.8	49.0	49.1	51.2

Finished goods inventories increased slightly to 54.5.



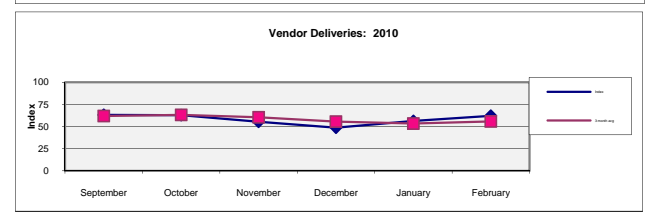
Employment		2010 - 2011					
		September	October	November	December	January	February
	Higher	42.9	36.8	17.9	33.3	25.0	27.3
	Same	47.6	57.9	71.4	53.8	59.4	66.7
	Lower	9.5	5.3	10.7	12.8	15.6	6.1
Index		66.7	65.8	53.6	60.3	54.7	60.6
Index	3 month average	62.4	63.1	62.0	59.9	56.2	58.5

Employment increased to 60.6, exceeding 50 for the thirteenth consecutive month.



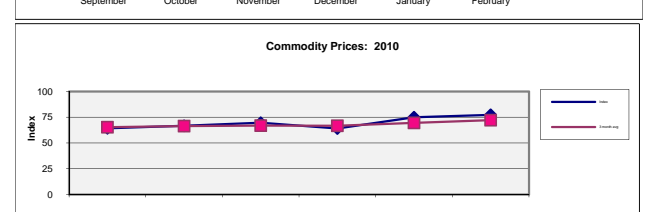
Vendor Deliveries		2010 - 2011					
		September	October	November	December	January	February
	Faster	2.4	2.6	10.7	15.4	3.1	0.0
	Same	69.0	69.2	67.9	71.8	81.3	75.8
	Slower	28.6	28.2	21.4	12.8	15.6	24.2
Index		63.1	62.8	55.4	48.7	56.3	62.1
Index	3 month average	61.9	63.2	60.4	55.6	53.4	55.7

the Vendor Delivery Index increased to 62.1.



Commodity Prices		2010 - 2011					
		September	October	November	December	January	February
	Higher	31.0	33.3	39.3	28.2	50.0	57.6
	Same	66.7	66.7	60.7	71.8	50.0	39.4
	Lower	2.4	0.0	0.0	0.0	0.0	3.0
Index		64.3	66.7	69.6	64.1	75.0	77.3
Index	3 month average	65.4	66.4	66.9	66.8	69.6	72.1

Commodity prices increased to a markedly high index value of 77.3.



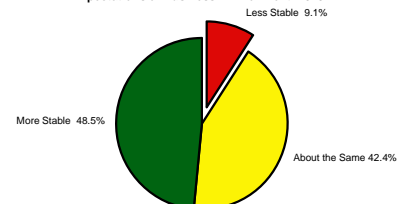
Expectations of Business Environment

6 months into the future:

Less Stable	9.1	percent
About the same	42.4	percent
More Stable	48.5	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"

Expectations of Business Environment: 2010



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