



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

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 71.8 ↑

ISM-SEM Index: In March the PMI soared to a new six month high, from 63.5 to 71.8, a post recession peak. The six consecutive months shown all scored above 50.0, and the 3 Month average increased from 58.4 to 63.6. The PMI has exceeded 50 for fourteen consecutive months, signaling a strong economic recovery.

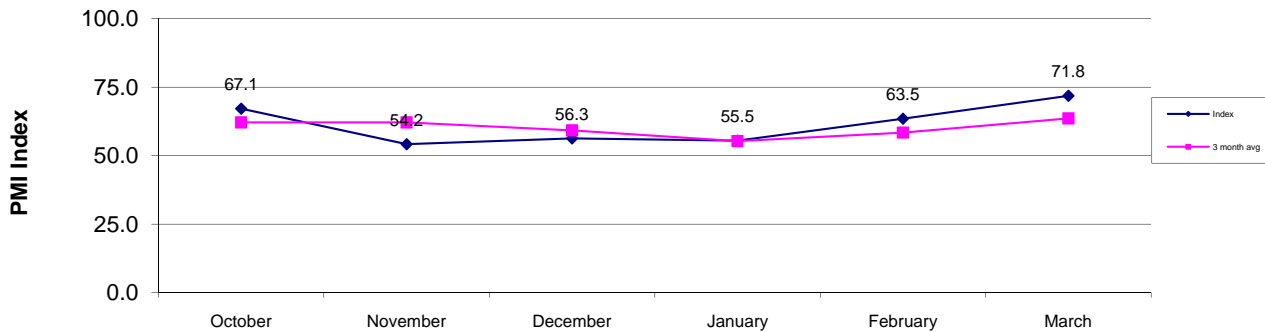
Employment: Employment also strengthened markedly, with a March score of 70.0. The 3 Month average is at 61.8!

Commodity Prices: With the growing economy, comes higher prices! Commodity Prices remain high at 78.3. The three month average of 76.9 would seem to signal a potentially inflationary environment as relating to raw materials on a global basis.

Items up or down in price: *March shows price increases in steel, resins, aluminum, brass, copper, oil based products, plastics, cotton, zinc, polyester, cotton linens, rubber and latex gloves. No commodities were identified as being "down" in price!*

Economic Issues: *The March survey shows the Southeastern Michigan Purchasing Managers index up sharply to 71.8, signaling a strong and growing economy for the last 14 months! Production, new order activity, and employment were up by over 10 points all pointing to a continuation of growth in the economy. Raw material inventories and finished good inventories were both down sharply from the prior month while employment continues to show strong expansion, with a March index of 70 indicating that the expansion is finally generating a sustained recovery in jobs. This bodes well for the Michigan unemployment rate which while stubbornly high, is moving in the right direction, to lower levels. Michigan's unemployment rate in February of 2010 was 13.5%. It is now 10.4%, a lowering of 3.1% from a year ago! With the strong expansion, comes higher prices. Survey respondents indicate pricing pressure in petroleum based products, metals (stainless steel, brass, copper, aluminum), plastics, and resins. Respondents did not report any commodities that were lower in price. Raw material commodity price inflation does not seem to be translating into price inflation at the retail level yet, but the potential certainly is worrisome. Overall, purchasing managers expectation of the business environment indicate that 86.7% indicate stability or greater stability, with only 13.3% indicating less stability. This optimism is seen by over half of the respondents indicating stability in the economy over the next six months. Concerns relating to less stability of the economy focused on "not yet knocking down a lot of new business", "to Middle East and Orient air transportation services", "unrest in Middle East and disaster in Japan", and "our market segment is experiencing a shift to etools thus affecting the overall printed paper, magazines, and book market"! Other pointed remarks were "business is good", "we are cautiously optimistic that business will be good for the next three to four years", "must admit things are looking a little better than just a few short months ago".*

Southeast Michigan Index: 2010 - 2011

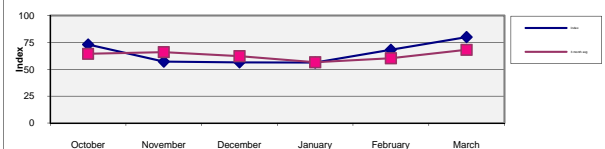


ISM-SEM Index		2010 - 2011					
		October	November	December	January	February	March
Index		67.1	54.2	56.3	55.5	63.5	71.8
Index	3 month average	62.1	62.1	59.2	55.3	58.4	63.6

Production		2010 - 2011					
		October	November	December	January	February	March
	Higher	51.3	25.0	30.8	34.4	42.4	63.3
	Same	43.6	64.3	51.3	43.8	51.5	33.3
	Lower	5.1	10.7	17.9	21.9	6.1	3.3
Index		73.1	57.1	56.4	56.3	68.2	80.0
Index	3 month average	64.4	66.0	62.2	56.6	60.3	68.1

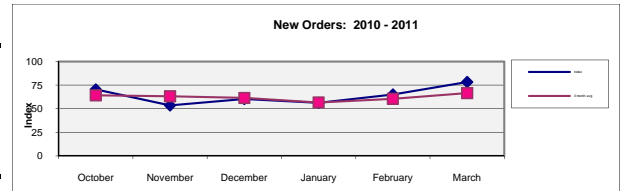
Production increased to 80, exceeding 50 for last 14 consecutive months.

Production: 2010 - 2011



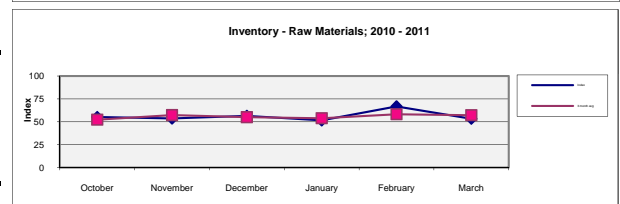
New Orders		2010 - 2011					
		October	November	December	January	February	March
	Higher	48.7	25.0	33.3	31.3	48.5	60.0
	Same	43.6	57.1	53.8	50.0	33.3	36.7
	Lower	7.7	17.9	12.8	18.8	18.2	3.3
Index		70.5	53.6	60.3	56.3	65.2	78.3
Index	3 month average	64.3	63.2	61.4	56.7	60.6	66.6

New orders grew sharply to 78.3.



Inventory - Raw Materials		2010 - 2011					
		October	November	December	January	February	March
	Higher	23.1	17.9	20.5	25.0	45.5	16.7
	Same	64.1	71.4	71.8	53.1	42.4	73.3
	Lower	12.8	10.7	7.7	21.9	12.1	10.0
Index		55.1	53.6	56.4	51.6	66.7	53.3
Index	3 month average	52.3	57.3	55.0	53.8	58.2	57.2

Raw materials inventories decreased sharply to 53.3.



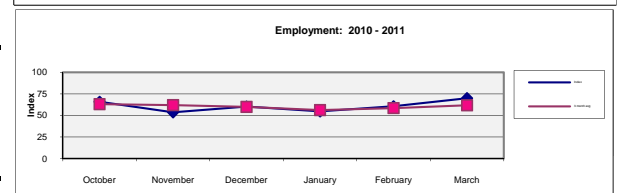
Inventory - Finished Goods		2010 - 2011					
		October	November	December	January	February	March
	Higher	20.5	7.1	12.8	25.0	24.2	20.0
	Same	61.5	82.1	69.2	53.1	60.6	56.7
	Lower	17.9	10.7	17.9	21.9	15.2	23.3
Index		51.3	48.2	47.4	51.6	54.5	48.3
Index	3 month average	46.4	51.8	49.0	49.1	51.2	51.5

Finished goods inventories decreased sharply to 48.3.



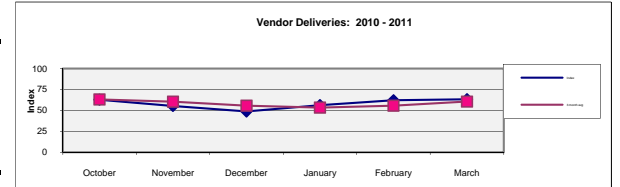
Employment		2010 - 2011					
		October	November	December	January	February	March
	Higher	36.8	17.9	33.3	25.0	27.3	46.7
	Same	57.9	71.4	53.8	59.4	66.7	46.7
	Lower	5.3	10.7	12.8	15.6	6.1	6.7
Index		65.8	53.6	60.3	54.7	60.6	70.0
Index	3 month average	63.1	62.0	59.9	56.2	58.5	61.8

Employment increased to 70, exceeding 50 for last 14 consecutive months.



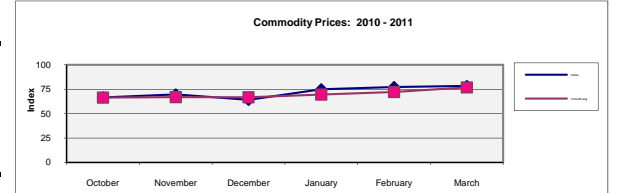
Vendor Deliveries		2010 - 2011					
		October	November	December	January	February	March
	Faster	2.6	10.7	15.4	3.1	0.0	3.3
	Same	69.2	67.9	71.8	81.3	75.8	66.7
	Slower	28.2	21.4	12.8	15.6	24.2	30.0
Index		62.8	55.4	48.7	56.3	62.1	63.3
Index	3 month average	63.2	60.4	55.6	53.4	55.7	60.6

The Vendor Delivery index increased slightly to 63.3.



Commodity Prices		2010 - 2011					
		October	November	December	January	February	March
	Higher	33.3	39.3	28.2	50.0	57.6	56.7
	Same	66.7	60.7	71.8	50.0	39.4	43.3
	Lower	0.0	0.0	0.0	0.0	3.0	0.0
Index		66.7	69.6	64.1	75.0	77.3	78.3
Index	3 month average	66.4	66.9	66.8	69.6	72.1	76.9

Commodity prices continue upward march to 78.3.

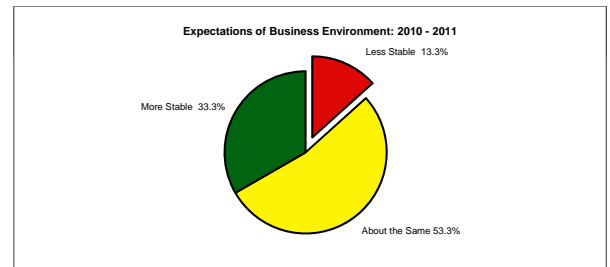


Expectations of Business Environment

6 months into the future:

Less Stable	13.3	percent
About the same	53.3	percent
More Stable	33.3	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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