



June - 2011 (FOR RELEASE: July 1, 2011 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 61.0 ↓

ISM-SEM Index: In June, the PMI indicates a minor slowdown from the prior 4 months, lowering from 67.2 to 61.0. For seventeen consecutive months, the index has scored above 50.0, and the 3 Month average remains a very respectable 65.3.

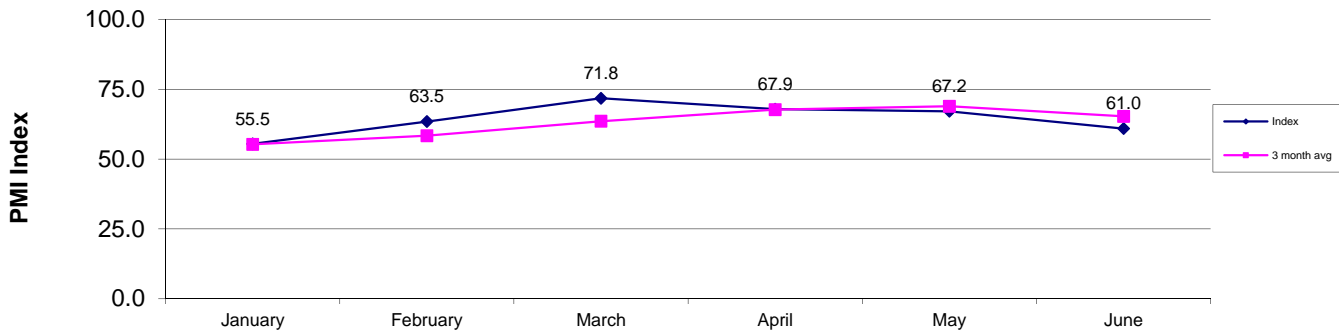
Employment: The Employment Index dropped almost 10 points, from 65.1 in May to a still healthy 56.5 in June. The 3 Month average remains above 60 at 62.1.

Commodity Prices: Commodity Prices also dropped significantly, from 83.0 to 69.0. The three month average of 79.5 still indicates inflation in the commercial markets, and may reflect the continued high cost of fuel and attempts to tack on fuel surcharges.

Items up or down in price: *Items up in price include Petroleum products, including oils, chemicals, greases, lubricants. Also copper. Purchasing managers also indicated that fuel may be beginning to decline in price.*

Economic Issues: *The June survey of Southeast Michigan Purchasing Managers indicates an expanding economy for the seventeenth consecutive month -- a strong positive indicator for the Southeast Michigan economy. Most of the indicators show that the economic growth is easing slightly. The index value is 61.0, which is down from the March index value of 67.2, but still signals a growing economy. Index values above 50 generally represent an expanding economy, while values below 50 suggest a weakening economy. Specific index values that comprise the Purchasing Managers Index remain strong. The Production Index value is a strong 63.7, which is down from the May Index value of 79.8. The Production Index has exceeded 50 for seventeen consecutive months. Similarly, the New Orders Index is down from May: from 61.1 to 55.6, but it is still above the benchmark value of 50.0. Both Raw Materials Inventory and Finished Goods Inventory finished below 50.0, at 49.1 and 48.0, respectively. Commodity prices continue to rise, but the June Index value of 69.0 is markedly less than the May Commodity Price Index score of 83.0. Specific items that Purchasing Managers noted as increasing in price were petroleum products, including chemicals, oils, greases and lubricants. However, there were also indications that fuel prices may be beginning to soften as well. Purchasing Managers indicated that employment at their firms is growing, but not as strong as in May. The Employment Index value was 56.5, down markedly from the Index value of 65.1 in May. Overall, purchasing managers are optimistic about the near future, with over 46% of respondents indicating that the economy will become more stable while more than 46% anticipate that it will remain about the same. Less than 7% of the responding purchasing managers felt that the economy would grow less stable over the next six months. The most commonly mentioned concern this month from purchasing managers was long lead times and delayed deliveries. The effect of the national debt is a concern: one respondent stated, "Until the debt questions are resolved at home and abroad, I do not think there will be stability". Yet there is optimism from the automotive sector. One respondent stated, "Automotive market seems to be picking up steam. This may be the help the economy needs to begin job generation."*

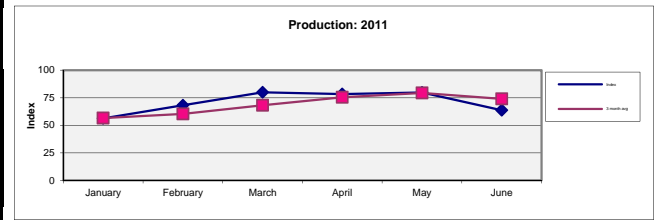
Southeast Michigan Index: 2011



ISM-SEM Index		2011					
		January	February	March	April	May	June
Index		55.5	63.5	71.8	67.9	67.2	61.0
Index	3 month average	55.3	58.4	63.6	67.7	69.0	65.3

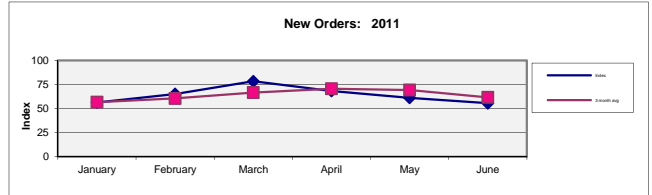
Production		2011					
		January	February	March	April	May	June
	Higher	34.4	42.4	63.3	66.7	66.7	51.0
	Same	43.8	51.5	33.3	23.3	26.2	25.5
	Lower	21.9	6.1	3.3	10.0	7.1	23.5
Index		56.3	68.2	80.0	78.3	79.8	63.7
Index	3 month average	56.6	60.3	68.1	75.5	79.4	73.9

Production shows expansion for the seventeenth consecutive month.



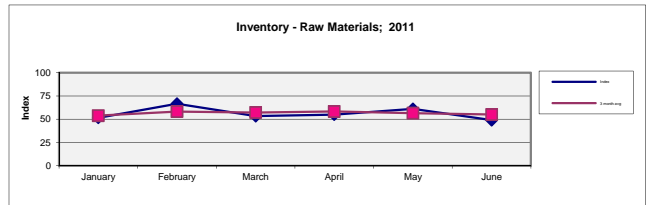
New Orders		2011					
		January	February	March	April	May	June
	Higher	31.3	48.5	60.0	53.3	48.9	44.4
	Same	50.0	33.3	36.7	30.0	24.4	22.2
	Lower	18.8	18.2	3.3	16.7	26.7	33.3
Index		56.3	65.2	78.3	68.3	61.1	55.6
Index	3 month average	56.7	60.6	66.6	70.6	69.3	61.7

New orders still expanding, but declined for third consecutive month.



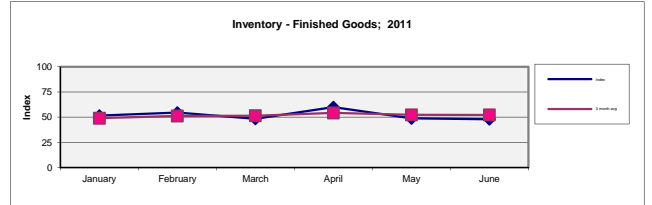
Inventory - Raw Materials		2011					
		January	February	March	April	May	June
	Higher	25.0	45.5	16.7	36.7	48.9	37.0
	Same	53.1	42.4	73.3	36.7	24.4	24.1
	Lower	21.9	12.1	10.0	26.7	26.7	38.9
Index		51.6	66.7	53.3	55.0	61.1	49.1
Index	3 month average	53.8	58.2	57.2	58.3	56.5	55.1

Raw materials inventories fell to just below 50.0, at 49.1.



Inventory - Finished Goods		2011					
		January	February	March	April	May	June
	Higher	25.0	24.2	20.0	40.0	32.6	32.0
	Same	53.1	60.6	56.7	40.0	32.6	32.0
	Lower	21.9	15.2	23.3	20.0	34.9	36.0
Index		51.6	54.5	48.3	60.0	48.8	48.0
Index	3 month average	49.1	51.2	51.5	54.3	52.4	52.3

Finished goods inventories continued to shrink slightly.



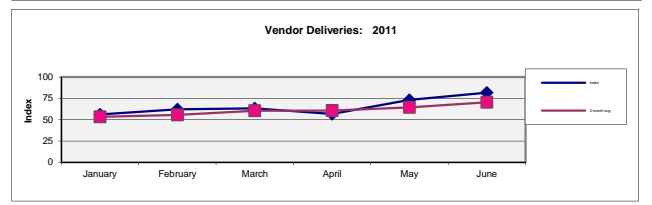
Employment		2011					
		January	February	March	April	May	June
	Higher	25.0	27.3	46.7	43.3	51.2	39.1
	Same	59.4	66.7	46.7	46.7	27.9	34.8
	Lower	15.6	6.1	6.7	10.0	20.9	26.1
Index		54.7	60.6	70.0	66.7	65.1	56.5
Index	3 month average	56.2	58.5	61.8	65.8	67.3	62.8

Employment continues to expand, but at a slightly slower rate.



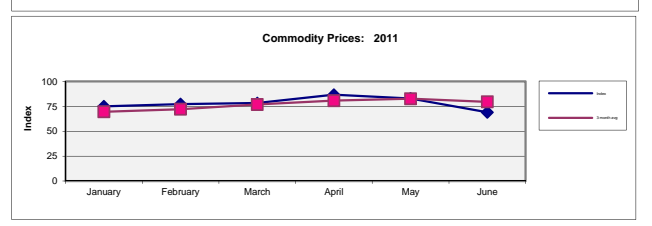
Vendor Deliveries		2011					
		January	February	March	April	May	June
	Faster	3.1	0.0	3.3	13.3	4.9	0.0
	Same	81.3	75.8	66.7	60.0	43.9	36.5
	Slower	15.6	24.2	30.0	26.7	51.2	63.5
Index		56.3	62.1	63.3	56.7	73.2	81.7
Index	3 month average	53.4	55.7	60.6	60.7	64.4	70.5

Deliveries rates continue to slow.



Commodity Prices		2011					
		January	February	March	April	May	June
	Higher	50.0	57.6	56.7	73.3	72.7	56.0
	Same	50.0	39.4	43.3	26.7	20.5	26.0
	Lower	0.0	3.0	0.0	0.0	6.8	18.0
Index		75.0	77.3	78.3	86.7	83.0	69.0
Index	3 month average	69.6	72.1	76.9	80.8	82.7	79.5

Commodity prices continue to increase but at a slower rate.

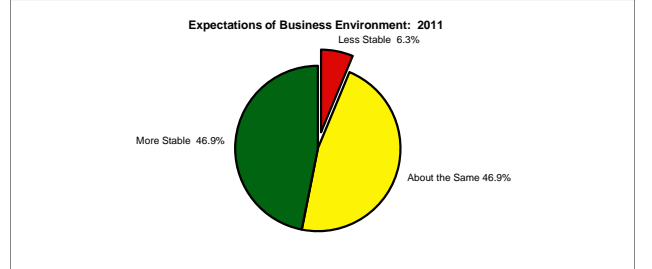


Expectations of Business Environment

6 months into the future:

Less Stable	6.3	percent
About the same	46.9	percent
More Stable	46.9	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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