



September - 2011 (FOR RELEASE: October 3, 2011 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 53.1 ↓

ISM-SEM Index: In September, the PMI experienced an ever so slight decrease, from 53.8 to 53.1. The fact that 3 months in a row are below 55 indicate a somewhat slowing economy. The 3 Month average is just above 50 at 52.9.

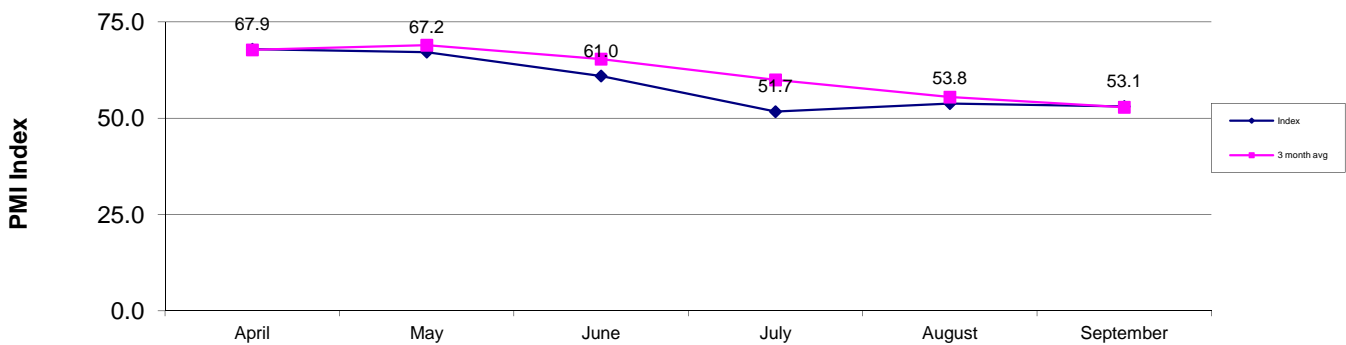
Employment: Employment has a small though encouraging trend upward, from 56.9 in August to 59.7 in September. The 3 Month average is a respectable 52.0.

Commodity Prices: Commodity Prices continued to slow down from a score of 62.1 down to 58.1. The three month average of 68.1 continues to demonstrate inflation in the commercial markets. This is the first time the reported 3 month average has been below 70.0 since March 2011!

Items up or down in price: September shows aerospace alloys, fine specialty chemicals, pharmaceutical glycols, plate steel, scrap steel, electrical items in particular, fluorescent lamps due to the use of rare earths used in manufacture, and some oil based products. Copper, aluminum, and gasoline showed a downward change.

Economic Issues: The September survey shows an expanding economy for the 20th month in Southeast Michigan! This growth comes in spite of the increasing uncertainty and volatility in the U.S. economy as well as the international economy, primarily Europe. The Index has now fallen for the last six months in trend suggesting a slowdown in the Southeast Michigan economy. While production activity is still expanding, coming in at an index value of 53.2, there are signs of a slowdown herein as well, with new orders also falling below 50. On the bright side, employment activity perked up smartly to 59.7; it must be recognized that employment is a lagging indicator, and the slowdown in production and new orders may eventually affect employment growth rates. Both raw materials inventory and finished goods inventory were at a slightly lower value than in August of 48.4. Commodity prices continue to rise, but at a slower rate, a welcome relief. The greater uncertainty in the economy is seen by noting that 33.33% of respondent purchasing managers now expect a less stable economy. This proportion was only 6.7% in July, a marked deterioration in conditions going forward! Comments from purchasing managers reflect this belief, such as, "Commercial and industrial starts are shaky", "The potential recession in Western Europe could impact the growth in the automotive sector in the US.", "I don't think we have stability yet. Too many people still without jobs.", "Anyone's guess right now. Everyone is waiting on the sidelines to see what the other will do and therefore things are stagnated.", "With more military cut backs on the way I just cannot see the auto industry being able to sustain the status quo", "We are just into doing military work and now this could be in jeopardy with the continued downward spiral of the economy", "If one considers the economy flat from this point we should not experience many ticks up or down as we await a spark in the economy.", and finally, "As long as the current administration is in charge of the economic policy business in the U. S. will suffer."

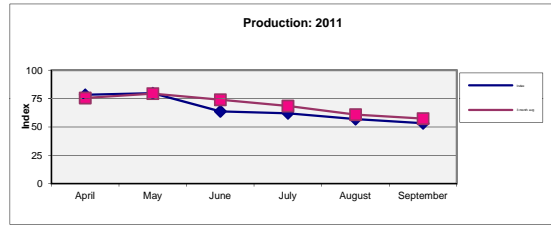
Southeast Michigan Index: 2011



ISM-SEM Index		2011					
		April	May	June	July	August	September
Index		67.9	67.2	61.0	51.7	53.8	53.1
Index	3 month average	67.7	69.0	65.3	59.9	55.5	52.9

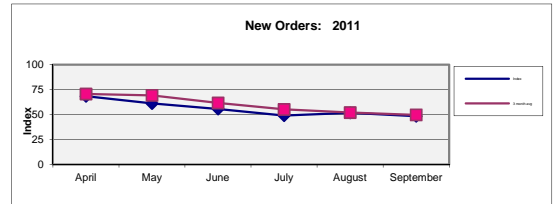
Production		2011					
		April	May	June	July	August	September
	Higher	66.7	66.7	51.0	56.5	37.9	25.8
	Same	23.3	26.2	25.5	10.9	37.9	54.8
	Lower	10.0	7.1	23.5	32.6	24.1	19.4
Index		78.3	79.8	63.7	62.0	56.9	53.2
Index	3 month average	75.5	79.4	73.9	68.5	60.9	57.4

Production down from August; above 50 for 20 consecutive months!



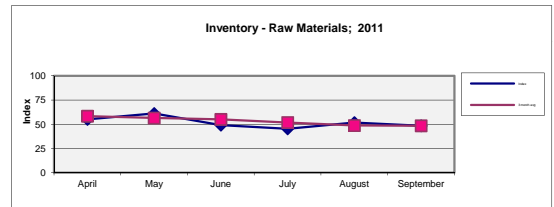
New Orders		2011					
		April	May	June	July	August	September
Higher		53.3	48.9	44.4	42.6	27.6	25.8
Same		30.0	24.4	22.2	12.8	48.3	45.2
Lower		16.7	26.7	33.3	44.7	24.1	29.0
Index		68.3	61.1	55.6	48.9	51.7	48.4
Index	3 month average	70.6	69.3	61.7	55.2	52.1	49.7

New orders fall back to less than their July levels.



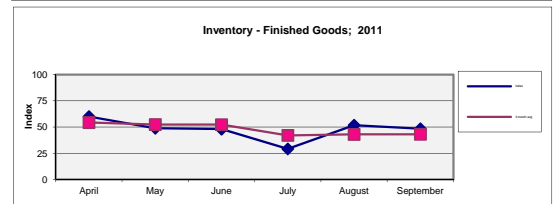
Inventory - Raw Materials		2011					
		April	May	June	July	August	September
Higher		36.7	48.9	37.0	33.3	27.6	16.1
Same		36.7	24.4	24.1	23.8	48.3	64.5
Lower		26.7	26.7	38.9	42.9	24.1	19.4
Index		55.0	61.1	49.1	45.2	51.7	48.4
Index	3 month average	58.3	56.5	55.1	51.8	48.7	48.4

Raw materials inventories are down to 48.4.



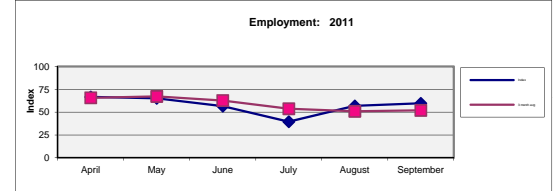
Inventory - Finished Goods		2011					
		April	May	June	July	August	September
Higher		40.0	32.6	32.0	20.8	24.1	19.4
Same		40.0	32.6	32.0	16.7	55.2	58.1
Lower		20.0	34.9	36.0	62.5	20.7	22.6
Index		60.0	48.8	48.0	29.2	51.7	48.4
Index	3 month average	54.3	52.4	52.3	42.0	43.0	43.1

Finished goods inventories are down to 48.4.



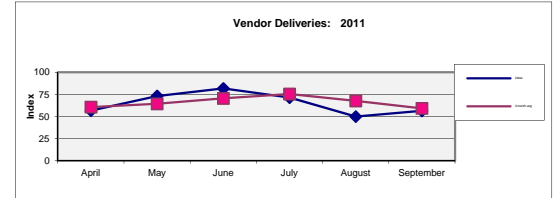
Employment		2011					
		April	May	June	July	August	September
Higher		43.3	51.2	39.1	27.9	31.0	29.0
Same		46.7	27.9	34.8	23.3	51.7	61.3
Lower		10.0	20.9	26.1	48.8	17.2	9.7
Index		66.7	65.1	56.5	39.5	56.9	59.7
Index	3 month average	65.8	67.3	62.8	53.7	51.0	52.0

Employment increased to 59.7.



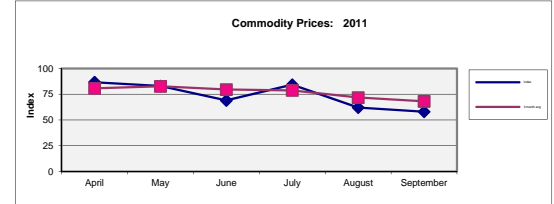
Vendor Deliveries		2011					
		April	May	June	July	August	September
Faster		13.3	4.9	0.0	14.3	10.3	9.7
Same		60.0	43.9	36.5	28.6	79.3	67.7
Slower		26.7	51.2	63.5	57.1	10.3	22.6
Index		56.7	73.2	81.7	71.4	50.0	56.5
Index	3 month average	60.7	64.4	70.5	75.4	67.7	59.3

Deliveries rebounded slightly to 56.5.



Commodity Prices		2011					
		April	May	June	July	August	September
Higher		73.3	72.7	56.0	68.6	27.6	22.6
Same		26.7	20.5	26.0	31.4	69.0	71.0
Lower		0.0	6.8	18.0	0.0	3.4	6.5
Index		86.7	83.0	69.0	84.3	62.1	58.1
Index	3 month average	80.8	82.7	79.5	78.7	71.8	68.1

Commodity prices growing but at slower rate.

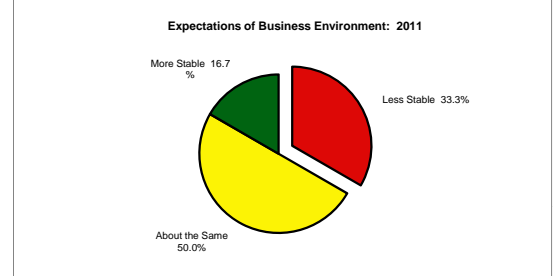


Expectations of Business Environment

6 months into the future:

Less Stable	33.3	percent
About the same	50.0	percent
More Stable	16.7	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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Survey Results Production by: Kenneth Doherty & Steve Welsh of ISM.

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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