



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

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 47.6 ↓

ISM-SEM Index: In December, the PMI continued its decline, from 51.5 to 47.6. This is the first time the number has been below 50 since January 2009.

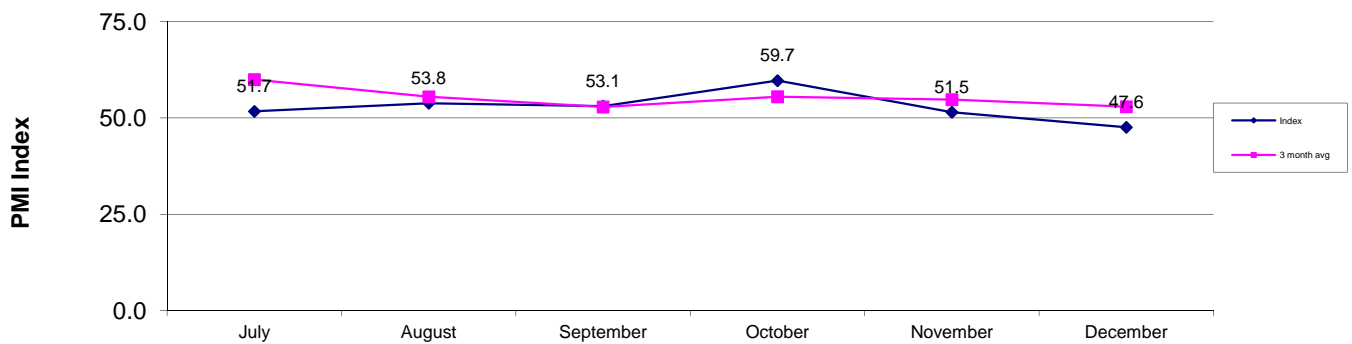
Employment: Employment finished slightly higher than November at 58.3. The 3 Month average remains above 60 at 61.7.

Commodity Prices: Commodity Prices dropped 10 points in December, from 60.0 to 50.0 even. The three month average of 58.9 is the lowest average of the year, continuing what has been a steady decline since August.

Items up or down in price: *December shows aerospace alloys, fasteners, petroleum based products, steel are up in price. Copper, stainless steel, aluminum, copper, and fuel are reported down in price.*

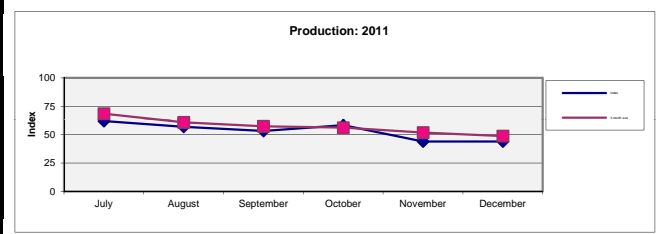
Economic Issues: *The December survey showed that for the first time in twenty-two months, the Southeast Michigan Purchasing Managers Index fell below 50, to 47.6. Generally, PMI index values above 50 indicate an expanding economy while index values below 50 indicate a contracting economy. The three-month moving average PMI index value, however, is still above 50 at 52.9. The specific components contributing to the declining PMI were the Production Index, which was below 50 for the second consecutive month, at 44.2, the New Orders Index, which was 46.2, and Finished Goods Inventory, at 42.3. New Orders fell for the second consecutive month, and fell below 50 for the first time since September. On the positive side, the Employment Index value is a strong 58.3, which is slightly up from the November value. This coincides with reports that the Michigan jobs outlook is improving. Similarly, the Commodity Prices Index value is 50, which is down for the second consecutive month, indicating that inflationary pressures may be subsiding. The percentage of purchasing managers who anticipate that the economy will remain stable over the next six months increased from 52% in November to 64% in December. The percentage of respondents who believe the economy will be less stable is slightly more (20%) than those who believe that the economy will become more stable (16%) in the next six months. Southeast Michigan Purchasing Managers report concern over a variety of issues domestically and internationally, such as the European financial crisis, the North Korean leadership change, Medicare payments, and the soft housing market. Purchasing Managers also report continued delay in technology shipments due to the Asian Tsunami.*

Southeast Michigan Index: 2011



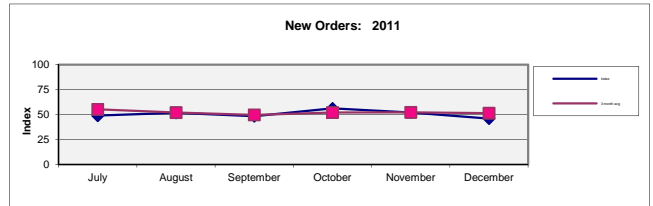
ISM-SEM Index		2011					
		July	August	September	October	November	December
Index		51.7	53.8	53.1	59.7	51.5	47.6
Index	3 month average	59.9	55.5	52.9	55.5	54.8	52.9
Production		2011					
		July	August	September	October	November	December
	Higher	56.5	37.9	25.8	37.5	20.0	28.0
	Same	10.9	37.9	54.8	41.7	48.0	32.0
	Lower	32.6	24.1	19.4	20.8	32.0	40.0
Index		62.0	56.9	53.2	58.3	44.0	44.0
Index	3 month average	68.5	60.9	57.4	56.2	51.9	48.8

Production remained below 50 for the second consecutive month.



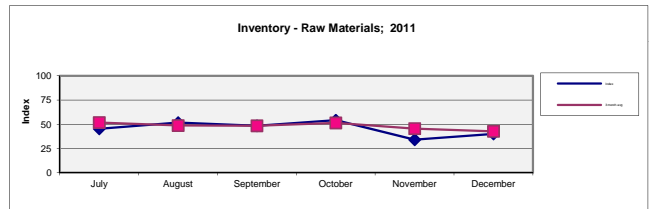
New Orders		2011					
		July	August	September	October	November	December
	Higher	42.6	27.6	25.8	37.5	32.0	36.0
	Same	12.8	48.3	45.2	37.5	40.0	20.0
	Lower	44.7	24.1	29.0	25.0	28.0	44.0
Index		48.9	51.7	48.4	56.3	52.0	46.0
Index	3 month average	55.2	52.1	49.7	52.1	52.2	51.4

New orders fell for the second consecutive month, to below 50.



Inventory - Raw Materials		2011					
		July	August	September	October	November	December
	Higher	33.3	27.6	16.1	25.0	12.0	16.0
	Same	23.8	48.3	64.5	58.3	44.0	48.0
	Lower	42.9	24.1	19.4	16.7	44.0	36.0
Index		45.2	51.7	48.4	54.2	34.0	40.0
Index	3 month average	51.8	48.7	48.4	51.4	45.5	42.7

Raw materials inventories improved, but still remains below 50.



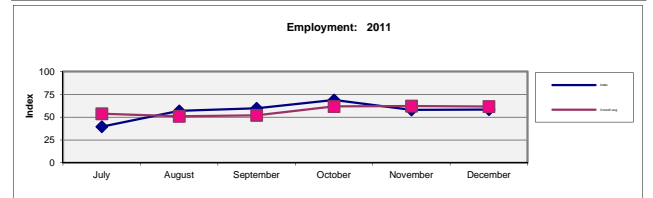
Inventory - Finished Goods		2011					
		July	August	September	October	November	December
	Higher	20.8	24.1	19.4	25.0	16.0	16.0
	Same	16.7	55.2	58.1	70.8	60.0	52.0
	Lower	62.5	20.7	22.6	4.2	24.0	32.0
Index		29.2	51.7	48.4	60.4	46.0	42.0
Index	3 month average	42.0	43.0	43.1	53.5	51.6	49.5

Finished goods inventories declined for the second consecutive month.



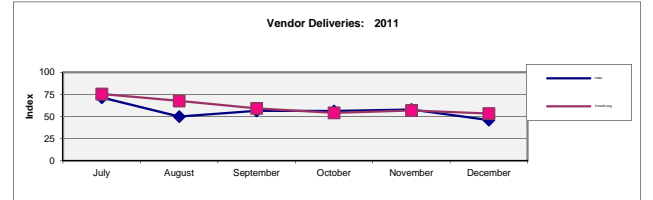
Employment		2011					
		July	August	September	October	November	December
	Higher	27.9	31.0	29.0	37.5	32.0	33.3
	Same	23.3	51.7	61.3	62.5	52.0	50.0
	Lower	48.8	17.2	9.7	0.0	16.0	16.7
Index		39.5	56.9	59.7	68.8	58.0	58.3
Index	3 month average	53.7	51.0	52.0	61.8	62.1	61.7

Employment improved slightly, to a strong 58.3.



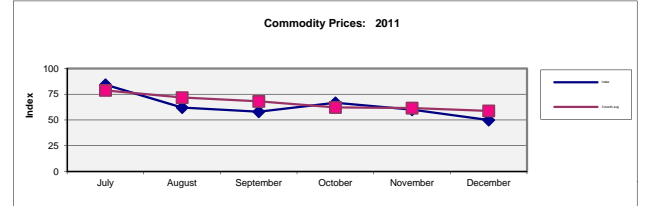
Vendor Deliveries		2011					
		July	August	September	October	November	December
	Faster	14.3	10.3	9.7	8.3	8.0	16.0
	Same	28.6	79.3	67.7	70.8	68.0	76.0
	Slower	57.1	10.3	22.6	20.8	24.0	8.0
Index		71.4	50.0	56.5	56.3	58.0	46.0
Index	3 month average	75.4	67.7	59.3	54.2	56.9	53.4

Deliveries fell to an index value of 46.



Commodity Prices		2011					
		July	August	September	October	November	December
	Higher	68.6	27.6	22.6	41.7	36.0	20.0
	Same	31.4	69.0	71.0	50.0	48.0	60.0
	Lower	0.0	3.4	6.5	8.3	16.0	20.0
Index		84.3	62.1	58.1	66.7	60.0	50.0
Index	3 month average	78.7	71.8	68.1	62.3	61.6	58.9

Commodity prices declined sharply to 50.

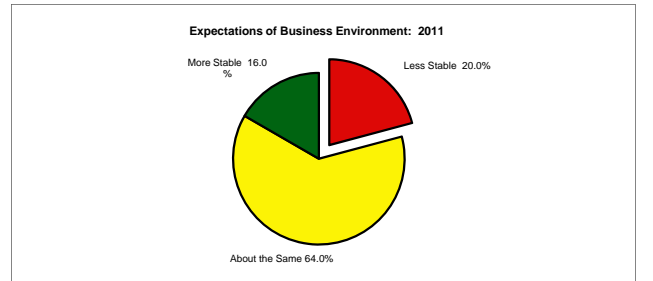


Expectations of Business Environment

6 months into the future:

Less Stable	20.8	percent
About the same	62.5	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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