



February - 2012 (FOR RELEASE: March 1, 2012 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 65.1 ↓

ISM-SEM Index: In February the PMI adjusted fractionally, from 65.9 to 65.1. However, there was a significant rise in Production and an offsetting decline in New Orders. The three month average is at a healthy 59.5

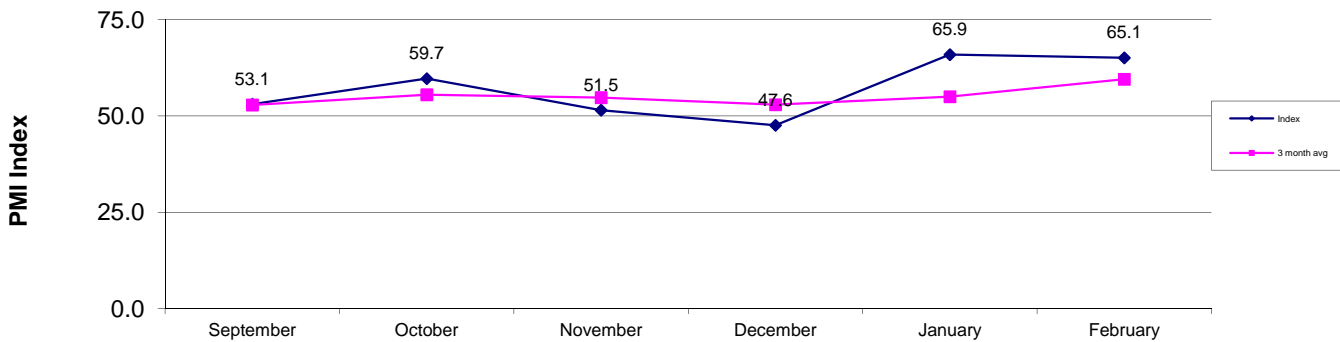
Employment: The Employment index rose to 70.7, indicating that employment conditions in Southeast Michigan are very favorable. The 3 Month average rose from 61.0 to 65.2.

Commodity Prices: After a short-lived dip into the 50's, Commodity Prices are back up to 65.5. However, the three month average of 56.8 is the second lowest average of the year. This number is anticipated to rise in March.

Items up or down in price: February shows items up in price include petroleum based products, resins, and aluminum. Natural gas was reported to be down in price.

Economic Issues: The February survey shows continued improvement in the Southeast Michigan business economy. The Southeast Michigan Purchasing Managers Index (PMI) for February is a strong 65.1, down slightly from the January PMI of 65.9. The Southeast Michigan PMI has been above 50 for twenty-four of the past twenty-five months. A PMI value of 50 or more generally indicates an expanding economy. The specific economic components that drove the strong PMI value include Production, in which the index value increased to 70.7 from the January index of 63.3; New Orders, which fell to 65.5 from the January Index of 71.7, and Finished Goods Inventory, which fell to 53.4 from a January Index value of 60.0. Employment continued to improve with a very strong index value of 70.7, an increase from 66.7 in January- indicating that Purchasing Managers are observing more hiring in their companies during the past month. Commodity prices continue to increase according to the Purchasing Managers survey. The February Commodity Prices index sharply increased to 65.5 from 55.0. Over 86% of respondents report that they believe that the economy will remain the same or more stable over the next six months. Purchasing managers indicate concern about vendor lead time, commenting that they have experienced longer lead times due to increased demand and that they are planning for longer lead times during the summer months. The expanding economy leads purchasing managers to be concerned about increasing prices and longer vendor delivery times in the coming months.

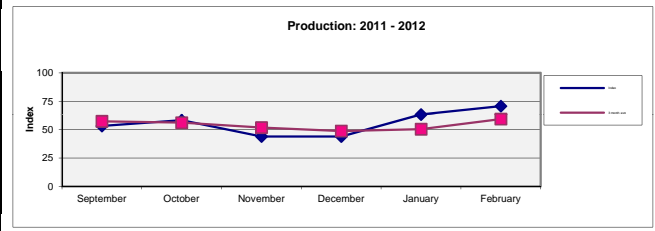
Southeast Michigan Index: 2011 - 2012



| ISM-SEM Index | | 2011 - 2012 | | | | | |
|---------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| Index | | 53.1 | 59.7 | 51.5 | 47.6 | 65.9 | 65.1 |
| Index | 3 month average | 52.9 | 55.5 | 54.8 | 52.9 | 55.0 | 59.5 |

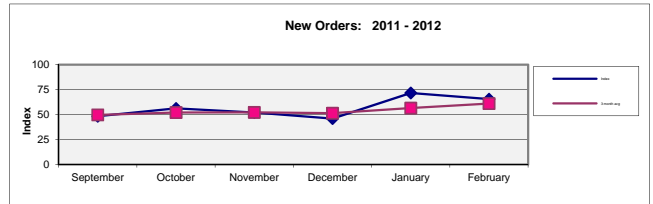
| Production | | 2011 - 2012 | | | | | |
|------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Higher | 25.8 | 37.5 | 20.0 | 28.0 | 40.0 | 51.7 |
| | Same | 54.8 | 41.7 | 48.0 | 32.0 | 46.7 | 37.9 |
| | Lower | 19.4 | 20.8 | 32.0 | 40.0 | 13.3 | 10.3 |
| Index | | 53.2 | 58.3 | 44.0 | 44.0 | 63.3 | 70.7 |
| Index | 3 month average | 57.4 | 56.2 | 51.9 | 48.8 | 50.4 | 59.3 |

Production improved for the second consecutive month, to a strong 70.7.



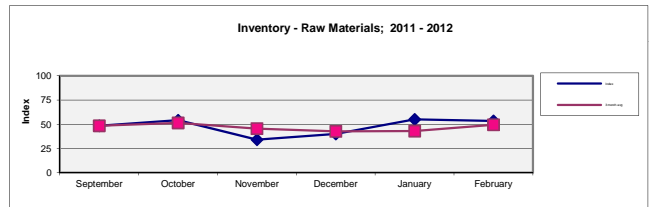
| New Orders | | 2011 - 2012 | | | | | |
|------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Higher | 25.8 | 37.5 | 32.0 | 36.0 | 50.0 | 44.8 |
| | Same | 45.2 | 37.5 | 40.0 | 20.0 | 43.3 | 41.4 |
| | Lower | 29.0 | 25.0 | 28.0 | 44.0 | 6.7 | 13.8 |
| Index | | 48.4 | 56.3 | 52.0 | 46.0 | 71.7 | 65.5 |
| Index | 3 month average | 49.7 | 52.1 | 52.2 | 51.4 | 56.6 | 61.1 |

New orders declined in February, but remained strong at 65.5.



| Inventory - Raw Materials | | 2011 - 2012 | | | | | |
|---------------------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Higher | 16.1 | 25.0 | 12.0 | 16.0 | 26.7 | 20.7 |
| | Same | 64.5 | 58.3 | 44.0 | 48.0 | 56.7 | 65.5 |
| | Lower | 19.4 | 16.7 | 44.0 | 36.0 | 16.7 | 13.8 |
| Index | | 48.4 | 54.2 | 34.0 | 40.0 | 55.0 | 53.4 |
| Index | 3 month average | 48.4 | 51.4 | 45.5 | 42.7 | 43.0 | 49.5 |

Raw materials inventories grew modestly, at 53.4.



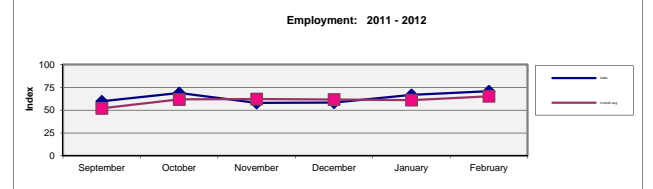
| Inventory - Finished Goods | | 2011 - 2012 | | | | | |
|----------------------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Higher | 19.4 | 25.0 | 16.0 | 16.0 | 36.7 | 20.7 |
| | Same | 58.1 | 70.8 | 60.0 | 52.0 | 46.7 | 65.5 |
| | Lower | 22.6 | 4.2 | 24.0 | 32.0 | 16.7 | 13.8 |
| Index | | 48.4 | 60.4 | 46.0 | 42.0 | 60.0 | 53.4 |
| Index | 3 month average | 43.1 | 53.5 | 51.6 | 49.5 | 49.3 | 51.8 |

Finished goods inventories grew modestly, at 53.4.



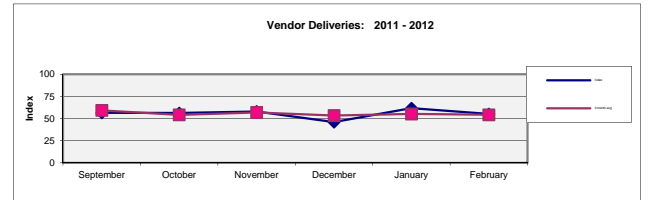
| Employment | | 2011 - 2012 | | | | | |
|------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Higher | 29.0 | 37.5 | 32.0 | 33.3 | 46.7 | 44.8 |
| | Same | 61.3 | 62.5 | 52.0 | 50.0 | 40.0 | 51.7 |
| | Lower | 9.7 | 0.0 | 16.0 | 16.7 | 13.3 | 3.4 |
| Index | | 59.7 | 68.8 | 58.0 | 58.3 | 66.7 | 70.7 |
| Index | 3 month average | 52.0 | 61.8 | 62.1 | 61.7 | 61.0 | 65.2 |

Employment continued to improve, to a strong 70.7.



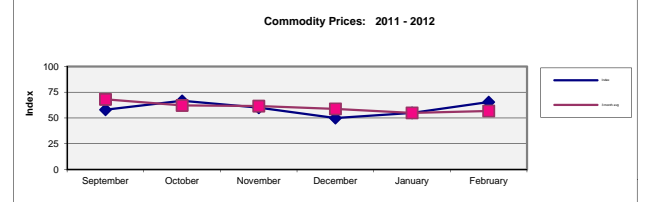
| Vendor Deliveries | | 2011 - 2012 | | | | | |
|-------------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Faster | 9.7 | 8.3 | 8.0 | 16.0 | 3.3 | 10.3 |
| | Same | 67.7 | 70.8 | 68.0 | 76.0 | 70.0 | 69.0 |
| | Slower | 22.6 | 20.8 | 24.0 | 8.0 | 26.7 | 20.7 |
| Index | | 56.5 | 56.3 | 58.0 | 46.0 | 61.7 | 55.2 |
| Index | 3 month average | 59.3 | 54.2 | 56.9 | 53.4 | 55.2 | 54.3 |

Deliveries declined from 61.7 to 55.2.



| Commodity Prices | | 2011 - 2012 | | | | | |
|------------------|-----------------|-------------|---------|----------|----------|---------|----------|
| | | September | October | November | December | January | February |
| | Higher | 22.6 | 41.7 | 36.0 | 20.0 | 30.0 | 34.5 |
| | Same | 71.0 | 50.0 | 48.0 | 60.0 | 50.0 | 62.1 |
| | Lower | 6.5 | 8.3 | 16.0 | 20.0 | 20.0 | 3.4 |
| Index | | 58.1 | 66.7 | 60.0 | 50.0 | 55.0 | 65.5 |
| Index | 3 month average | 68.1 | 62.3 | 61.6 | 58.9 | 55.0 | 56.8 |

Commodity prices continued to grow higher, with an index of 65.5.

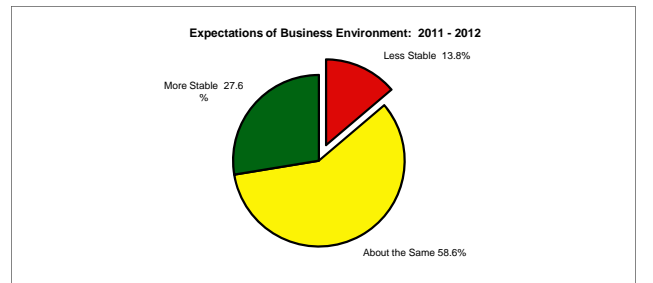


Expectations of Business Environment

6 months into the future:

| | | |
|----------------|------|---------|
| Less Stable | 13.8 | percent |
| About the same | 58.6 | percent |
| More Stable | 27.6 | 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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