



March - 2012 (FOR RELEASE: April 2, 2012 - 6 am EST)

The ISM - Southeast Michigan Purchasing Managers Index (PMI) at 66.1 ↑

ISM-SEM Index: In March the PMI increased from 65.1 to 66.1 indicating continued growth in Michigan. The three month average was up smartly to 65.7.

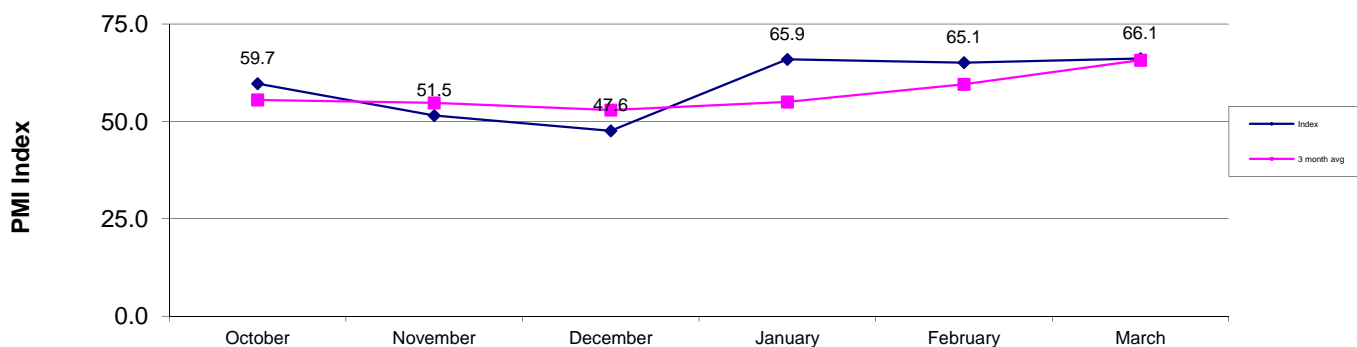
Employment: The Employment index dropped from a high of 70.7 to a still strong 65.5. The index continues to indicate that employment conditions in Southeast Michigan are favorable with continuing growth. The 3 Month average also moved up to 67.6.

Commodity Prices: The commodity price index was unchanged at 65.5. The 3 month average of 62.0 however moved up showing sustained price pressure.

Items up or down in price: March show fuel, rubber, plastics, resins, platinum, palladium, titanium, nickel alloys, and zinc up in price. Copper, aluminum, and steel were also up in price along with shipping costs as a result of higher fuel prices. Rare earth, rhodium, and computer related items were down in price.

Economic Issues: The March survey showed the Southeast Michigan economy continuing to expand nicely. Three major components of the index were all showing solid growth with production and new orders gaining steam, and employment while growing, showing slower growth. The stronger economy is paradoxically in this time of high unemployment leading to some labor shortages, especially in industrial, mechanical and electrical engineers. This may lead to higher wage pressures building for engineers. Commodity prices, especially oil based were continuing to grow unfortunately; this may act as an impediment to growth down the line and also higher inflation. Expectations of the business environment six months out suggested some more instability, about 21% of respondents. Comments from respondents are seen as strongly confirming the above with "Good for now until the end of 3QTR", "We are seeing improvements in construction that are benefiting our sales", "Have received more opportunities to quote new programs than in a while. Hopefully this is the beginning of our recovery", "A more robust automotive market is the key to our business model. As long as this market segment stays strong our business should prosper", and finally, "With this being an election year for the construction industry this affects larger upcoming projects to be touted as personal objects completed by the elected candidate. So even if this year is better than last year, 2013 should typically follow suit and be better than this year"! On the pessimistic side, concerns were raised about "The economy, taxes, and health Care", "Any additional increases in oil and gasoline prices could have a very negative impact on our business", "Labor shortages in Tool shops and skilled trades could become a problem. There were a lot of skilled trades that retired and were not replaced", "Concerned about possible telecom strike that may hit in the next couple of week". The current crisis in Europe also attracted attention as in "As long as Europe does not crash we should be fine", and "Euro zone financial crisis"!

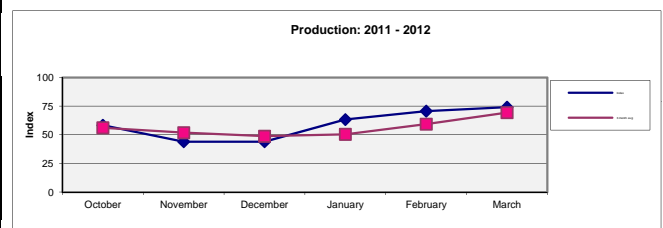
Southeast Michigan Index: 2011 - 2012



ISM-SEM Index		2011 - 2012					
		October	November	December	January	February	March
Index		59.7	51.5	47.6	65.9	65.1	66.1
Index	3 month average	55.5	54.8	52.9	55.0	59.5	65.7

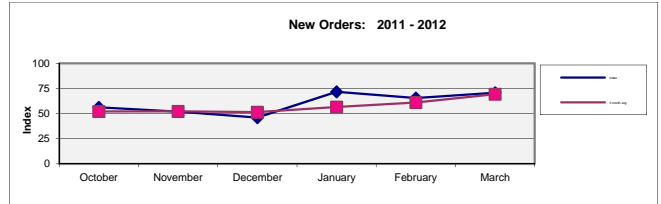
Production		2011 - 2012					
		October	November	December	January	February	March
	Higher	37.5	20.0	28.0	40.0	51.7	58.6
	Same	41.7	48.0	32.0	46.7	37.9	31.0
	Lower	20.8	32.0	40.0	13.3	10.3	10.3
Index		58.3	44.0	44.0	63.3	70.7	74.1
Index	3 month average	56.2	51.9	48.8	50.4	59.3	69.4

Production growth rate up nicely.



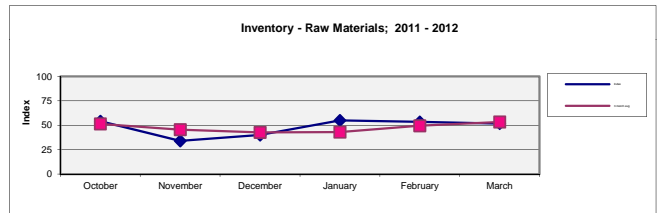
New Orders		2011 - 2012					
		October	November	December	January	February	March
	Higher	37.5	32.0	36.0	50.0	44.8	55.2
	Same	37.5	40.0	20.0	43.3	41.4	31.0
	Lower	25.0	28.0	44.0	6.7	13.8	13.8
Index		56.3	52.0	46.0	71.7	65.5	70.7
Index	3 month average	52.1	52.2	51.4	56.6	61.1	69.3

New orders also growing nicely.



Inventory - Raw Materials		2011 - 2012					
		October	November	December	January	February	March
	Higher	25.0	12.0	16.0	26.7	20.7	27.6
	Same	58.3	44.0	48.0	56.7	65.5	48.3
	Lower	16.7	44.0	36.0	16.7	13.8	24.1
Index		54.2	34.0	40.0	55.0	53.4	51.7
Index	3 month average	51.4	45.5	42.7	43.0	49.5	53.4

Raw materials inventories index dropped slightly.



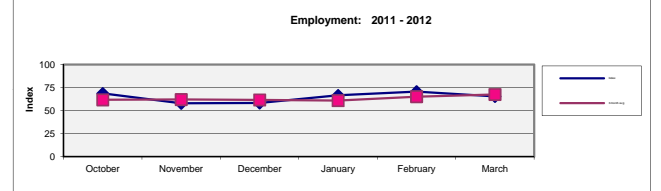
Inventory - Finished Goods		2011 - 2012					
		October	November	December	January	February	March
	Higher	25.0	16.0	16.0	36.7	20.7	20.7
	Same	70.8	60.0	52.0	46.7	65.5	58.6
	Lower	4.2	24.0	32.0	16.7	13.8	20.7
Index		60.4	46.0	42.0	60.0	53.4	50.0
Index	3 month average	53.5	51.6	49.5	49.3	51.8	54.5

Finished goods inventories stalled.



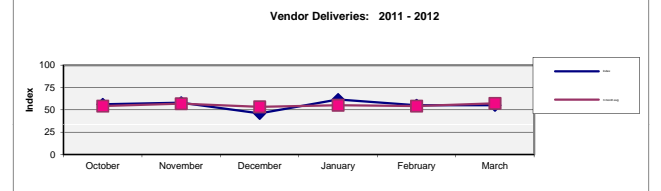
Employment		2011 - 2012					
		October	November	December	January	February	March
	Higher	37.5	32.0	33.3	46.7	44.8	41.4
	Same	62.5	52.0	50.0	40.0	51.7	48.3
	Lower	0.0	16.0	16.7	13.3	3.4	10.3
Index		68.8	58.0	58.3	66.7	70.7	65.5
Index	3 month average	61.8	62.1	61.7	61.0	65.2	67.6

Employment growth rate slowed somewhat.



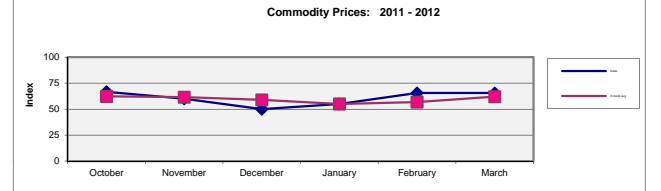
Vendor Deliveries		2011 - 2012					
		October	November	December	January	February	March
	Faster	8.3	8.0	16.0	3.3	10.3	3.4
	Same	70.8	68.0	76.0	70.0	69.0	82.8
	Slower	20.8	24.0	8.0	26.7	20.7	13.8
Index		56.3	58.0	46.0	61.7	55.2	55.2
Index	3 month average	54.2	56.9	53.4	55.2	54.3	57.3

Deliveries were constant.



Commodity Prices		2011 - 2012					
		October	November	December	January	February	March
	Higher	41.7	36.0	20.0	30.0	34.5	37.9
	Same	50.0	48.0	60.0	50.0	62.1	55.2
	Lower	8.3	16.0	20.0	20.0	3.4	6.9
Index		66.7	60.0	50.0	55.0	65.5	65.5
Index	3 month average	62.3	61.6	58.9	55.0	56.8	62.0

Commodity prices still growing.

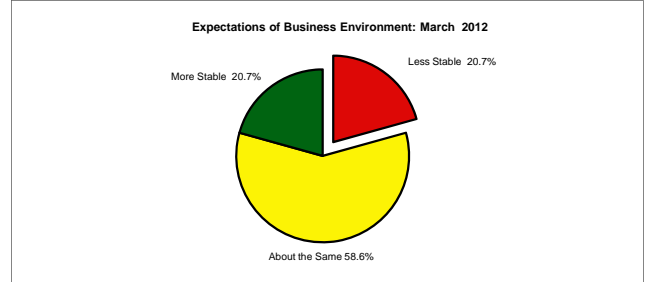


Expectations of Business Environment

6 months into the future:

Less Stable	20.7	percent
About the same	58.6	percent
More Stable	20.7	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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