

CHICAGO BUSINESS BAROMETER™ STRENGTHENED

The Chicago Purchasing Managers reported the CHICAGO BUSINESS BAROMETER strengthened to its highest level since April, expanding for the fourteenth month.

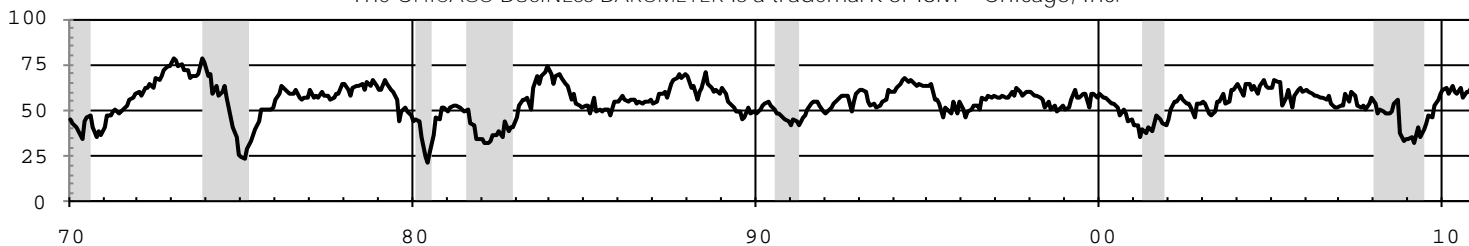
BUSINESS ACTIVITY:

- PRODUCTION reached its highest level since February 2005;
- NEW ORDERS improved to a level not seen since 2007;
- PRICES PAID neared April's high for the year;
- EMPLOYMENT tallied a sixth month of growth.

BUYING POLICY:

- PRODUCTION MATERIEL lead time slowed to the second-longest since January 1980.

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Notes: Recessions are indicated by gray bars. Readings in red (below) indicate values worse than the prior month.

Business Barometer	2010					
	Jun	Jul	Aug	Sep	Oct	Nov
3 month average ↑						
Index	61.5	64.9	59.8	62.8	59.5	60.2
Seasonally Adjusted	59.1	62.3	56.7	60.4	60.6	62.5

Production	2010					
	Jun	Jul	Aug	Sep	Oct	Nov
3 month average ↑						
Higher	39	52	41	44	44	45
Same	49	33	40	46	40	44
Lower	12	15	19	10	16	11
Index	63.5	68.5	61.0	67.0	64.0	67.0
Seasonally Adjusted	64.2	65.0	57.6	64.3	69.8	71.3

Highest level since February 2005

New Orders	2010					
	Jun	Jul	Aug	Sep	Oct	Nov
3 month average ↑						
More	42	49	39	45	42	44
Same	40	37	40	42	37	38
Fewer	18	14	21	13	21	18
Index	62.0	67.5	59.0	66.0	60.5	63.0
Seasonally Adjusted	59.1	64.6	55.0	61.4	65.0	67.2

Accelerated for a third month

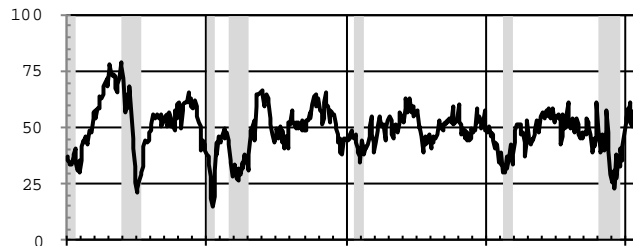
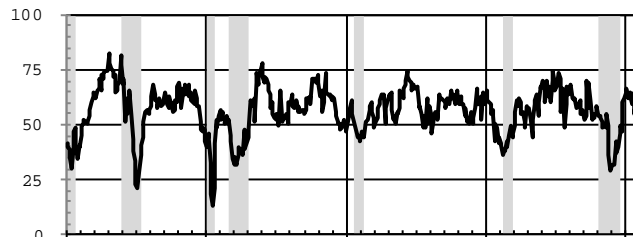
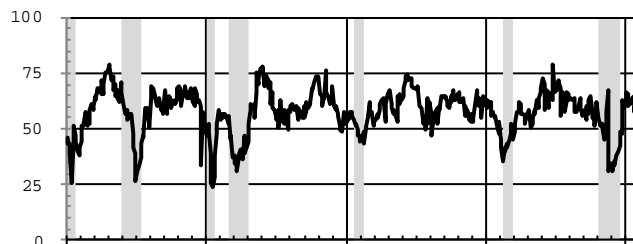
Order Backlogs	2010					
	Jun	Jul	Aug	Sep	Oct	Nov
3 month average ↓						
Larger	34	35	31	27	20	22
Same	52	42	53	57	59	49
Smaller	14	23	16	16	21	29
Index	60.0	56.0	57.5	55.5	49.5	46.5
Seasonally Adjusted	50.7	57.6	56.2	49.1	49.2	48.9

Minimal change

Next Release:

December 30, 2010

8:45 am US Central Time



NOTICE:

No warranty, express or implied, is attached to these figures or their use. While the figures are compiled with professional care, no representations about appropriateness, accuracy, or suitability for specific applications are made.

Inventories	2010					
3 month average ↑	Jun	Jul	Aug	Sep	Oct	Nov
Larger	25	28	20	23	27	28
Same	56	53	57	49	52	42
Smaller	19	19	23	28	21	30
Index	53.0	54.5	48.5	47.5	53.0	49.0
Seasonally Adjusted	46.5	50.8	46.5	49.5	54.9	48.4

Continued to hover near neutral

Employment	2010					
3 month average ↑	Jun	Jul	Aug	Sep	Oct	Nov
More	20	35	29	26	28	32
Same	70	52	58	55	53	47
Fewer	10	13	13	19	19	21
Index	55.0	61.0	58.0	53.5	54.5	55.5
Seasonally Adjusted	54.2	56.6	55.5	53.4	54.6	56.3

6 months of net hiring

Supplier Deliveries	2010					
3 month average ↓	Jun	Jul	Aug	Sep	Oct	Nov
Faster	3	1	5	8	3	8
Same	69	69	64	61	68	66
Slower	28	30	31	31	29	26
Index	62.5	64.5	63.0	61.5	63.0	59.0
Seasonally Adjusted	60.7	59.4	61.2	58.4	62.8	60.4

Expansion continued

Prices Paid	2010					
3 month average ↑	Jun	Jul	Aug	Sep	Oct	Nov
Higher	40	33	30	27	41	44
Same	51	58	61	64	54	46
Lower	9	9	9	9	5	10
Index	65.5	62.0	60.5	59.0	68.0	67.0
Seasonally Adjusted	61.9	58.1	57.2	55.0	68.9	70.7

Second month of acceleration

BUYING POLICY: "How far in advance must you buy, to have when needed?"	2010					
3 month average ↑	Jun	Jul	Aug	Sep	Oct	Nov
fewer than 11 days	29	39	39	28	29	33
11-15 days	18	8	12	13	12	12
16-30 days	27	22	23	25	25	19
31-60 days	12	20	13	18	18	18
more than 60 days	14	11	13	16	16	18
Average Days	27.8	31.7	30.9	37.1	38.3	41.6
Seasonally Adjusted	24.2	34.6	28.4	42.3	43.5	46.9

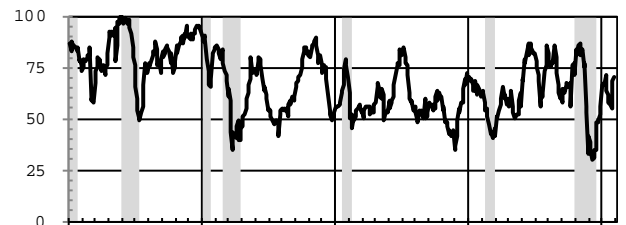
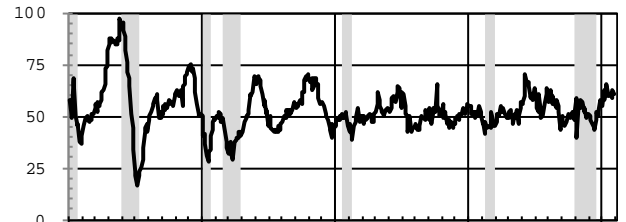
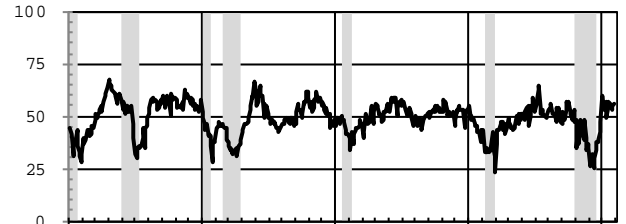
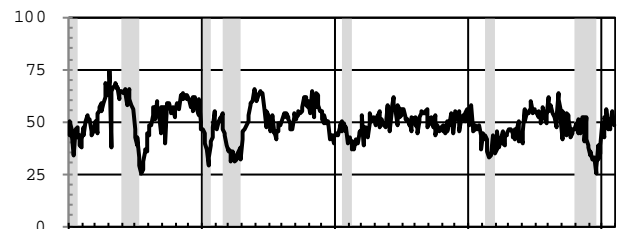
Longest lead time since November 2008

M.R.O. Supplies	2010					
3 month average ↑	Jun	Jul	Aug	Sep	Oct	Nov
0-1 day	8	8	8	7	13	8
2-3 days	22	22	26	17	23	26
4-5 days	15	24	17	20	23	17
6-10 days	21	15	21	21	16	11
more than 10 days	34	31	28	35	25	38
Average Days	12.6	16.7	8.5	11.2	10.2	17.4
Seasonally Adjusted	14.5	18.8	9.3	11.2	12.4	14.3

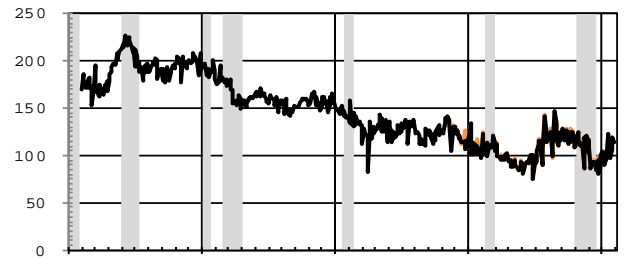
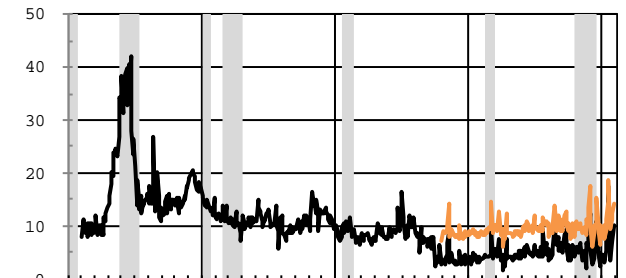
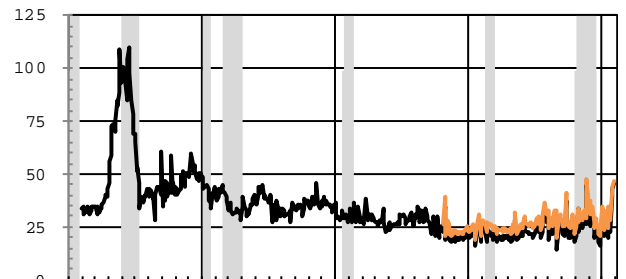
Continued to lengthen

Capital Equipment	2010					
3 month average ↑	Jun	Jul	Aug	Sep	Oct	Nov
0-15 days	8	10	16	5	4	12
16-30 days	9	11	11	7	9	10
31-60 days	22	24	17	22	26	21
61-90 days	26	23	26	35	26	17
More than 90 days	35	32	30	31	35	40
Average Days	112.2	104.5	99.9	109.3	113.6	116.9
Seasonally Adjusted	123.9	100.1	97.2	111.4	117.6	113.1

Shortened



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FROM THE SOURCE

an occasional feature

General Comments from Members of the Survey Panel

Each month, the survey panelists have the opportunity to add comments to clarify the reported activity of their organization. As appropriate, the report includes comments selected for their insight. No attempt is made to ensure that the nature of the comments represents the survey panel as a whole.

1. Lending competition is intense for new viable business.
2. The interdependent variables related to elections, strength of the US Dollar, commodity pricing, QE2, and tax rules are all under strict scrutiny to determine next steps for the economy.
3. My firm buys roughly 100 mm lbs of Copper and a similar amount of 'plastics". The Fed's recent move will weaken the dollar which will in turn add inflation to these markets irrespective of what the "govt" reports as either WPI or CPI - neither number will be relevant to our business.
4. The ball is on a slow roll forward it would seem; everywhere but for us.
5. A few new orders came in this month but not as heavy as the last couple. Quote activity is still good.
6. Expect orders and shipments to stay strong through Q4. Expect business levels for existing products to be flat in 2010.
7. We have found business to be stronger over the last 6 months vs same time last year. More prospects are interested in our services and willing to give us the time to explain what we do.
8. Reduced supplier inventories and subsequently, availability continue to present challenges. Resulting supply/demand pressures seem to be driving prices up as well. I, personally, expect budget tightening to continue well into 2011 and likely beyond, as across the board price increases seem to be imminent.
9. Trends are still for moving out of or away from major population centers & there is more foreign ownership/manufacturing both abroad & domestically by foreign companies; a lot of state issued bonds (such as those in Illinois) are being sold to foreign owners.
10. Indian offshore rates are being pounded down by competition - do not just renew existing contracts. Switching generic software when faced with maintenance increases, or turning off maintenance as we prepare to switch suppliers of generic software. Switch to generic win/tell servers for everything - no custom equipment. Offering pre-emptive renewals with one extra year on term if we get 15% reduction and caps on price increases.