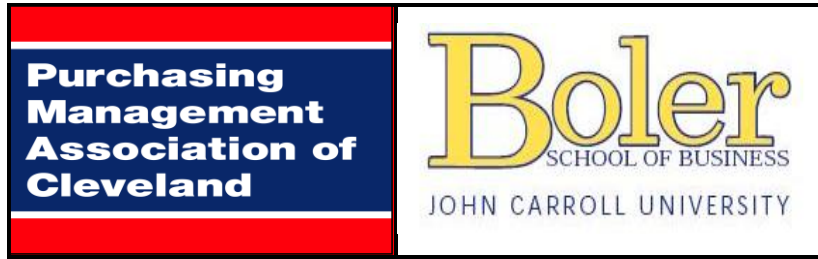


**Northeast Ohio Business Survey Report
for
October, 2011**



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GENERAL BUSINESS CONDITIONS

The barometer index of 20.88 indicates that economic activity is approximately the same as it was last month and a year ago.

The forecast index of 37 indicates that manufacturing activity should increase for the next month.

Barometer readings above "0" indicate that the manufacturing sector of the economy is generally expanding.

Readings below "0" mean generally contracting.

| Month | Oct-11 | Sep-11 | Aug-11 | Oct-10 |
|-----------------------|---------------|---------------|---------------|---------------|
| Cleveland Barometer-% | 20.88 | 21.19 | 21.53 | 24.83 |
| Cleveland Forecast-% | 37.00 | 30.25 | 24.78 | 36.78 |

PRODUCTION

Production activity increased from last month.

The Production Index is now 33

| Production | %Better | %Same | %Worse | Net | Index |
|-------------------|----------------|--------------|---------------|------------|--------------|
| October 2011 | 33 | 55 | 11 | 22 | 22 |
| September 2011 | 17 | 83 | 0 | 17 | 20 |
| August 2011 | 33 | 58 | 8 | 25 | 33 |

NEW ORDERS

New orders continue to increase

The New Order Index is now 31

| New Orders | %Better | %Same | %Worse | Net | Index |
|-------------------|----------------|--------------|---------------|------------|--------------|
| October 2011 | 44 | 44 | 11 | 33 | 31 |
| September 2011 | 42 | 50 | 8 | 34 | 34 |
| August 2011 | 42 | 58 | 0 | 42 | 46 |

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EMPLOYMENT

Employment is increasing somewhat.
The Employment Index is 23

| Employment | %Greater | %Same | %Lower | Net | Index |
|-------------------|-----------------|--------------|---------------|------------|--------------|
| October 2011 | 22 | 78 | 0 | 22 | 23 |
| September 2011 | 25 | 50 | 25 | 0 | 5 |
| August 2011 | 17 | 75 | 8 | 9 | 7 |

INVENTORIES

RAW MATERIALS

Raw material inventories are beginning to increase.
The Raw Material Index is 27

| Raw Material Inventories | %Higher | %Same | %Lower | Net | Index |
|-------------------------------------|----------------|--------------|---------------|------------|--------------|
| October 2011 | 38 | 50 | 12 | 26 | 27 |
| September 2011 | 18 | 46 | 36 | -18 | -18 |
| August 2011 | 8 | 67 | 25 | -17 | -15 |

FINISHED GOODS

Finished goods inventories remain the same.
The Finished Goods Index is -4

| Finished Goods Inventories | %Higher | %Same | %Lower | Net | Index |
|---------------------------------------|----------------|--------------|---------------|------------|--------------|
| October 2011 | 25 | 50 | 25 | 0 | -4 |
| September 2011 | 9 | 64 | 27 | -18 | -13 |
| August 2011 | 9 | 64 | 27 | -18 | -18 |

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BUYING POLICIES

Buying policies for Production Materials remain spread out
Buying policies for MRO Supplies are more hand to mouth.
Capital expenditure decisions remain weighted toward longer or shorter terms

PERCENT REPORTING

| PRODUCTION MATERIALS | Hand to Mouth | 30 Days | 60 Days | 90 Days | 6 Mos | 1 Year |
|-----------------------------|----------------------|----------------|----------------|----------------|--------------|---------------|
| October 2011 | 37 | 13 | 25 | 13 | 13 | 0 |
| September 2011 | 33 | 25 | 25 | 8 | 0 | 8 |
| August 2011 | 33 | 17 | 25 | 8 | 17 | 0 |
| MRO SUPPLIES | | | | | | |
| October 2011 | 57 | 29 | 14 | 0 | 0 | 0 |
| September 2011 | 40 | 50 | 10 | 0 | 0 | 0 |
| August 2011 | 45 | 36 | 18 | 0 | 0 | 0 |
| CAPITAL EXPENDITURES | | | | | | |
| October 2011 | 29 | 0 | 14 | 0 | 14 | 43 |
| September 2011 | 11 | 0 | 33 | 11 | 22 | 22 |
| August 2011 | 10 | 0 | 20 | 10 | 30 | 30 |

COMMODITY PRICES

The commodity prices are increasing somewhat.
The Commodity Price Index is now 31

| Commodity Prices | %Higher | %Same | %Lower | Net | Index |
|-------------------------|----------------|--------------|---------------|------------|--------------|
| October 2011 | 38 | 50 | 12 | 26 | 31 |
| September 2011 | 17 | 75 | 8 | 9 | 0 |
| August 2011 | 60 | 40 | 0 | 60 | 65 |

COMMODITY CHANGES:

Prices Up: copper, candy, writing instruments

Prices Down: polyester film, steel scrap and allow surcharges

Items in Short Supply: steel, and another respondent said "none"

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FROM GENERAL REMARKS:

Very active bidding

Freight costs continue to increase

Business is up after being down all summer but not sure if this is just replenishing stock to survive till year end or if this is true expanded growth.