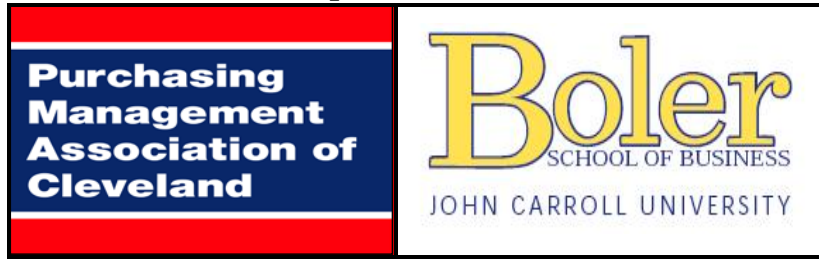


**Northeast Ohio Business Survey Report  
for  
September, 2010**



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*To view this report on-line, please go to [www.PMAC.org](http://www.PMAC.org)*

**GENERAL BUSINESS CONDITIONS**

The barometer index of 14.13 indicates that economic activity is in line with the past two months. The forecast index of 26.00 indicates that manufacturing activity should continue to increase. Barometer readings above "0" indicate that the manufacturing sector of the economy is generally expanding. Readings below "0" mean generally contracting.

<b>Month</b>	<b>Sep-10</b>	<b>Aug-10</b>	<b>Jul-10</b>	<b>Sep-09</b>
Cleveland Barometer-%	14.13	15.00	14.28	14.78
Cleveland Forecast-%	26.00	23.25	4.22	21.44

**PRODUCTION**

Production activity is rising somewhat as it has for the past two months  
The Production Index is now +18

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
September 2010	23	69	8	15	18
August 2010	27	64	9	18	26
July 2010	31	62	8	23	28

**NEW ORDERS**

New orders are increasing, just as they have for the past two months  
The New Order Index is now 24

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
September 2010	39	46	15	24	24
August 2010	46	46	9	37	41
July 2010	46	39	15	31	39

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**EMPLOYMENT**

Employment is slightly lower than the previous two months  
The Employment Index is -1

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
September 2010	15	64	21	-6	-1
August 2010	18	55	27	-9	-11
July 2010	15	77	8	7	3

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories are somewhat lower than in August.  
The Raw Material Index is -15

<b>Raw Material Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
September 2010	8	69	23	-15	-15
August 2010	27	45	27	0	1
July 2010	0	62	38	-38	-41

**FINISHED GOODS**

Finished goods inventories, like raw material inventories, are somewhat lower  
The Finished Goods Index is -9

<b>Finished Goods Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
September 2010	7	72	21	-14	-9
August 2010	20	60	20	0	0
July 2010	8	69	23	-15	-19

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**BUYING POLICIES**

Buying policies for Production Materials have a stronger "hand to mouth" component  
Buying policies for MRO Supplies are concentrated in 0-30 days.  
Capital expenditures are somewhat closer in than during August

**PERCENT REPORTING**

<b>PRODUCTION MATERIALS</b>	<b>Hand to Mouth</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>6 Mos</b>	<b>1 Year</b>
September 2010	30	30	40	0	0	0
August 2010	19	18	36	27	0	0
July 2010	50	17	25	0	8	0
<b>MRO SUPPLIES</b>						
September 2010	45	33	22	0	0	0
August 2010	27	64	9	0	0	0
July 2010	60	30	10	0	0	0
<b>CAPITAL EXPENDITURES</b>						
September 2010	29	0	29	28	0	14
August 2010	19	0	9	9	36	27
July 2010	38	0	25	12	25	0

**COMMODITY PRICES**

The commodity prices are slightly higher, as they have been for the past two months.  
The Commodity Price Index is now 28

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
September 2010	21	79	0	21	28
August 2010	46	46	9	37	42
July 2010	46	39	15	31	35

**COMMODITY CHANGES:**

**Prices Up:** PVC, Polyester, LDPE, chemicals  
rebar, aluminum, stainless & carbon steel, alloys

**Prices Down:** EVA film

**Items in Short Supply:** photomultiplier tubes

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**FROM GENERAL REMARKS:**

- Sept up a little bit over Aug but Oct indications are stronger. Could be an early push b/f year end slow down.
- Virtually no change in any indicator.
- Not great; hanging in there; no steady quitting.
- Aluminum foil and polyester continue to have long lead times.
- Still up in the air. Thinking it may be a long winter.
- Business is steady at same level as last several months.
- Obama needs to lose the house and maybe the Senate so some fiscal sanity can be restored. If they find it so easy to cut defense spending by 10%, why can't they find the courage to cut anything else.