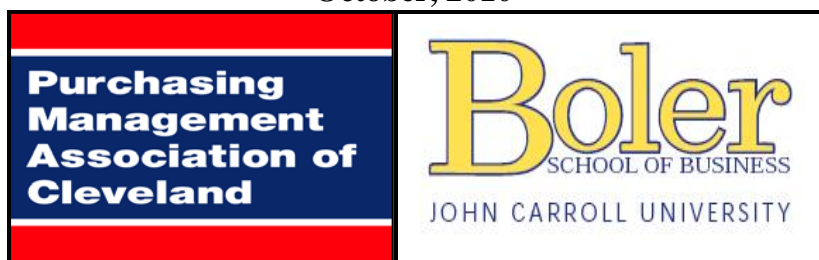


**Northeast Ohio Business Survey Report  
for  
October, 2010**



*Published by: **Boler School of Business, John Carroll University**  
In conjunction with: **Purchasing Management Association of Cleveland***

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

**GENERAL BUSINESS CONDITIONS**

The barometer index of 22 indicates that economic activity has been rising slowly over the past 3 months. The forecast index of 23 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>Oct-10</b>	<b>Sep-10</b>	<b>Aug-10</b>	<b>Oct-09</b>
Cleveland Barometer-%	22.00	18.06	15.92	10.44
Cleveland Forecast-%	23.00	24.50	17.78	3.44

**PRODUCTION**

Production activity is rising somewhat as it has for the past two months  
The Production Index is now +8

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
October 2010	31	46	23	8	8
September 2010	23	69	8	15	18
August 2010	27	64	9	18	26

**NEW ORDERS**

New orders are increasing, just as they have for the past two months  
The New Order Index is now 36

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
October 2010	50	38	12	38	36
September 2010	39	46	15	24	24
August 2010	46	46	9	37	41

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

---

**EMPLOYMENT**

Employment is beginning to rise.  
The Employment Index is 30

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
October 2010	20	71	0	20	30
September 2010	15	64	21	-6	-1
August 2010	18	55	27	-9	-11

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories remain constant.  
The Raw Material Index is 1

<b>Raw Material Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
October 2010	23	54	23	0	1
September 2010	8	69	23	-15	-15
August 2010	27	45	27	0	1

**FINISHED GOODS**

Finished goods inventories, like raw material inventories, remain constant  
The Finished Goods Index is -4

<b>Finished Goods Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
October 2010	23	54	23	0	-4
September 2010	7	72	21	-14	-9
August 2010	20	60	20	0	0

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

---

**BUYING POLICIES**

Buying policies for Production Materials are spreading over a longer time horizon  
 Buying policies for MRO Supplies has a smaller "hand to mouth" component  
 Capital expenditure decisions are longer term

**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>
October 2010	21	21	29	7	21	0
September 2010	30	30	40	0	0	0
August 2010	19	18	36	27	0	0
<b>MRO SUPPLIES</b>						
October 2010	29	43	29	0	0	0
September 2010	45	33	22	0	0	0
August 2010	27	64	9	0	0	0
<b>CAPITAL EXPENDITURES</b>						
October 2010	10	0	10	30	40	10
September 2010	29	0	29	28	0	14
August 2010	19	0	9	9	36	27

**COMMODITY PRICES**

The commodity prices are slightly higher, as they have been for the past three months.  
 The Commodity Price Index is now 48

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
October 2010	43	57	0	43	48
September 2010	21	79	0	21	28
August 2010	46	46	9	37	42

**COMMODITY CHANGES:**

**Prices Up:**

- Steel base price: stainless up 5% effective 1/1/11  
 cotton, oil, PVC, Polyester, LDPE, metal scissors

**Prices Down:**

steel scrap surcharges down 10%, steel, steel sheet

**Items in Short Supply:**

polyester, freight delays out of China

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

---

**FROM GENERAL REMARKS:**

- Business is very good.
- Working capital hard to come by.
- Conditions are slowly improving-but we are still not hiring. We need to but we won't until we know improvement is sustained.
- Very challenging within our market place.
- Not a lot of quoting action.
- Even though business conditions seem slightly worse and orders are down it is allowing us to build some inventory for year end holiday shutdowns. We are cautiously optimistic that this slow down is normal and that 2011 will start off on the right foot.
- Still open in Cleveland until Dec. due to the move of equipment. New building in PA.

Region	Economy	Main Index
Cleveland	Manufacturing	+8.0

Comments
----------

Manufacturing Economy expansion continued to flatten. Inventories and prices continued to rise. Barometer results above zero indicate an expanding manufacturing economy.
---