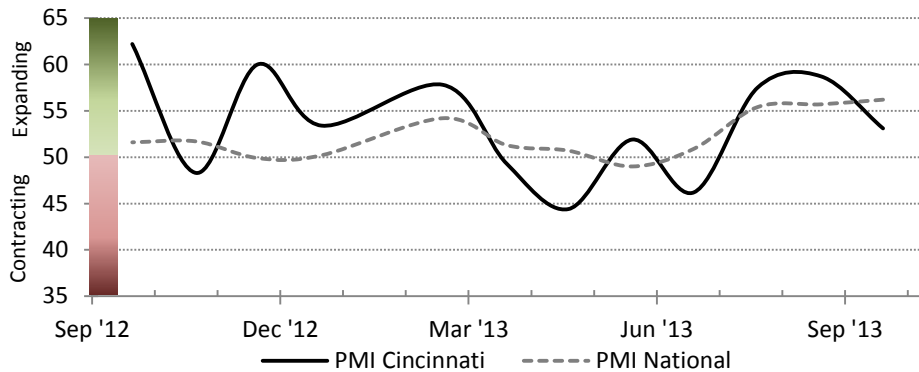


Report on Business: September, 2013

Cincinnati



PMI At A Glance		
Period	Cincinnati	National
September '13	53.1	56.2
August '13	58.7	55.7
July '13	57.5	55.4
June '13	46.2	50.9
May '13	51.9	49.0
April '13	44.4	50.7
September '12	62.2	51.6

The Cincinnati economy continued to grow in September driven by strong improvements in *new orders* and *production*. Further, with both *backlogs* and *new exports* increasing this month, there exists a positive momentum for these core PMI components to continue to expand into the future.

Employment this month was stagnant (based on our survey) with some individual respondents indicating negative labor issues such as hiring freezes, layoffs, and an inability to find qualified workers.

On the downside, (*business*) *inventories* and the (*performance of*) *supplier deliveries* both declined while the *perceived customer inventory levels* of respondent's customers was seen to be "too high." This decline in (*business*) *inventories* may be a short-lived phenomenon as some individual respondents commented they will reducing purchases to meet year-end goals. If this is the phenomenon that is putting downward pressure on *inventory* levels, then *inventory* levels might increase closer to the new year.

Commodity prices increased slightly in September with respondents singling out increases in fruits/vegetables and petroleum-based products. Respondents also noted that aluminum products had decreased in price.

While there are some positive signs in the Cincinnati market, the extent to which the U.S. Government shutdown (in its 14th day at the time of this writing) will negatively impact the Cincinnati market is yet-to-be-seen. Additionally, with the September Retail Report posting gains below what was expected, there is increasing concern on how that might impact the holiday season.

	Apr	May	Jun	Jul	Aug	Sep	
New Orders (Core PMI Component) (Seasonally Adjusted)							
Local	46.4	55.2	53.3	77.2	74.7	66.4	— — — — — — — —
National	52.3	48.8	51.9	58.3	63.2	60.5	— — — — — — — —
Production (Core PMI Component) (Seasonally Adjusted)							
Cincinnati	37.4	50.4	43.1	70.8	64.2	64.4	— — — — — — — —
National	53.5	48.6	53.4	65.0	62.4	62.6	— — — — — — — —
Employment (Core PMI Component) (Seasonally Adjusted)							
Cincinnati	58.6	55.6	56.2	45.6	55.1	49.4	— — — — — — — —
National	50.2	50.1	48.7	54.4	53.3	55.4	— — — — — — — —
Supplier Deliveries (Core PMI Component) (Seasonally Adjusted)							
Cincinnati	38.9	48.1	48.4	43.8	47.9	44.0	— — — — — — — —
National	50.9	48.7	50.0	52.1	52.3	52.6	— — — — — — — —
Inventory (Core PMI Component)							
Cincinnati	40.9	50.0	30.0	50.0	51.7	41.2	— — — — — — — —
National	46.5	49.0	50.5	47.0	47.5	50.0	— — — — — — — —

	Apr	May	Jun	Jul	Aug	Sep	
Perceived Customer Inventory Levels							
Cincinnati	ND	ND	ND	43.8	34.4	52.9	— — — — — — — —
National	44.5	46.0	45.0	47.5	42.5	43.0	— — — — — — — —
Backlog							
Cincinnati	45.5	50.0	45.0	46.7	51.4	59.4	— — — — — — — —
National	53.0	48.0	46.5	45.0	46.5	49.5	— — — — — — — —
New Exports							
Cincinnati	ND	ND	ND	61.5	55.8	63.6	— — — — — — — —
National	54.0	51.0	54.5	53.5	55.5	52.0	— — — — — — — —
Imports							
Cincinnati	ND	ND	ND	66.7	70.9	63.6	— — — — — — — —
National	55.0	54.5	56.0	57.5	58.0	55.0	— — — — — — — —
Commodity Prices							
Cincinnati	68.2	54.5	50.0	46.9	53.1	52.9	— — — — — — — —
National	50.0	49.5	52.5	49.0	54.0	56.5	— — — — — — — —

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CONTACT INFORMATION

Michael Jones, Ph.D.
Director of Research
m.jones@uc.edu
513.556.2491

Brian Preston, MBA
Survey Administrator
prestob@mail.uc.edu
513.443.2108