



## NEW YORK CITY REPORT ON BUSINESS

*The Sun Will Come Out Tomorrow*

New York City business activity contracted for the third time in the last four months, according to the survey taken by the Institute for Supply Management-New York (ISM-NY). The Current Business Conditions index came in at 47.2 in November from 44.0 in October.

Future optimism surged by the most in over two years, but it's too soon to consider this an all-clear signal yet. The Six-Month Outlook index jumped to 71.0 in November from 54.9 in October.

Details on purchase volume and jobs turned positive. The Quantity of Purchases index (54.3 November vs. 44.4 October) expanded for the second time in three months, while the Employment index (52.1 November vs. 37.8 October) hit a six-month high.

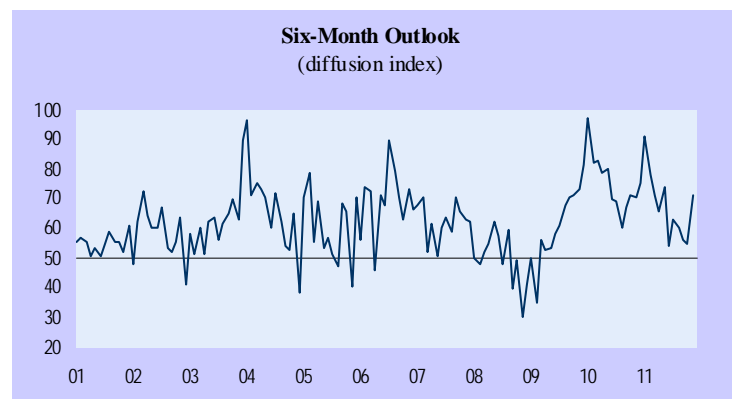
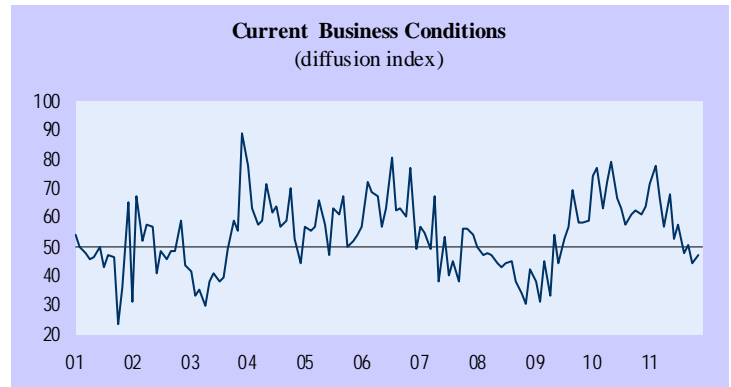
Price/cost pressures eased. The Prices Paid index fell to a five-month low of 48.9 in November from 54.4 in October.

Business impediments had a positive feel. Skilled labor shortages increased to a seven-month high and working capital shortages dropped to a ten-month low.

Business Impediments	Nov	Oct	Sep
Skilled labor shortage	29%	16%	23%
Unskilled labor shortage	4%	4%	3%
Working capital shortage	13%	29%	18%
Raw material shortage	4%	7%	3%
Security concerns	4%	7%	10%
Weather/Natural disasters	6%	4%	15%
"Other" difficulties	13%	11%	13%
No difficulties	35%	40%	40%

November's Question of the Month: Please gauge your firm's willingness to borrow over the next six months? More respondents said there was a reduced willingness to borrow this year compared to last year.

	Nov '11	Nov '10
More	13%	11%
Same	45%	74%
Less	19%	13%
Don't Know	26%	NA



Business Conditions in New York City (seasonally adjusted)			
	Current Business Conditions	Six-Month Outlook	NY-BCI*
November 2010	60.7	70.3	482.2
December	63.8	75.1	489.1
January 2011	71.2	90.7	499.7
February	77.5	77.8	513.4
March	66.4	71.4	521.6
April	56.9	65.6	525.1
May	67.9	73.6	534.0
June	52.3	53.9	535.1
July	57.2	63.2	538.8
August	47.8	59.9	537.6
September	50.6	55.9	538.0
October	44.0	54.9	534.9
<b>November</b>	<b>47.2</b>	<b>71.0</b>	<b>533.5</b>

\*The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for non-manufacturing businesses in the New York City area. -r is revised.

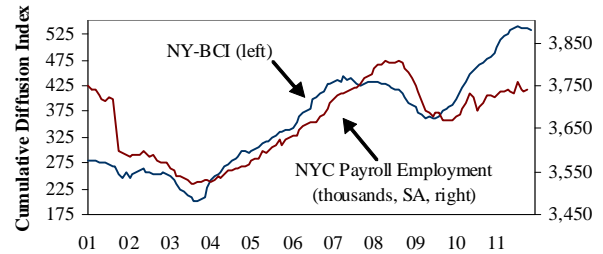


## Employment

Current employment trends compared to the previous month.

	Nov	Oct	Sep	Aug	Jul	Year ago Nov
Diffusion Index	52.1	37.8	48.8	48.6	46.6	55.6

## NY-BCI vs. NYC Employment



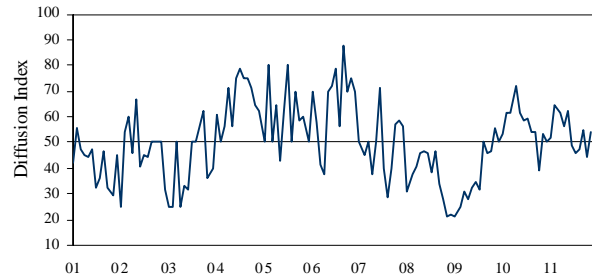
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

## Quantity of Purchases

The current month's level of expenditures (units, not dollars) compared to the previous month.

	Nov	Oct	Sep	Aug	Jul	Year ago Nov
Diffusion Index	54.3	44.4	54.8	47.1	45.5	53.3

## Quantity of Purchases

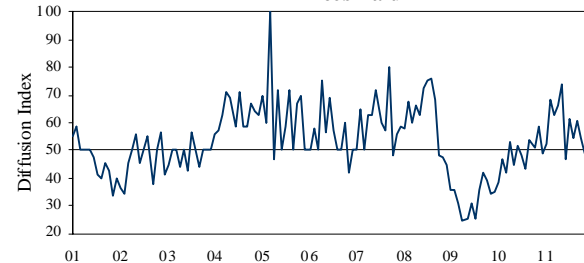


## Prices Paid

The current month's overall change in prices paid for goods and services compared to the previous month.

	Nov	Oct	Sep	Aug	Jul	Year ago Nov
Diffusion Index	48.9	54.4	61.0	54.3	61.4	58.9

## Prices Paid

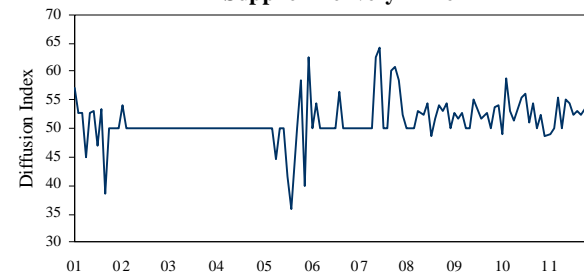


## Supplier Delivery Time

The current month's overall delivery performance compared to the previous month.

	Nov	Oct	Sep	Aug	Jul	Year ago Nov
Diffusion Index	52.4	53.3	52.4	52.9	52.3	52.2

## Supplier Delivery Time



## About the Survey

The purpose of the survey is to quickly assess business conditions among firms in the New York City area. The survey results are compiled as diffusion indices - the percent of positive responses plus one-half of those responding the same (considered positive). A reading of 50% means no change from the prior month, greater than 50% indicates a faster pace of activity, and less than 50% a slower rate. The Current Business Conditions index, Six-Month Outlook index and NY-BCI are seasonally adjusted. All other measures are not seasonally adjusted. -r is revised.