



NEW YORK CITY REPORT ON BUSINESS *Weathering The Storms*

New York City business activity moved back above breakeven after contracting last month for the first time in two years, according to the survey taken by the Institute for Supply Management-New York (ISM-NY). The Current Business Conditions index rose to 50.6 in September from 47.8 in August.

Future optimism remained in positive territory, but less so than last month, suggesting purchasing and supply executives expect the slowdown to be temporary. The Six-Month Outlook index fell to 55.9 in September from 59.9 in August.

Details on purchase volume and employment were mixed. The Quantity of Purchases index (54.8 September vs. 47.1 August) expanded for the first time in four months, while the Employment index (48.8 September vs. 48.6 August) contracted for the fifth time in the last six months.

Price/cost pressures picked up. The Prices Paid index rose to 61.0 in September from 54.3 in August.

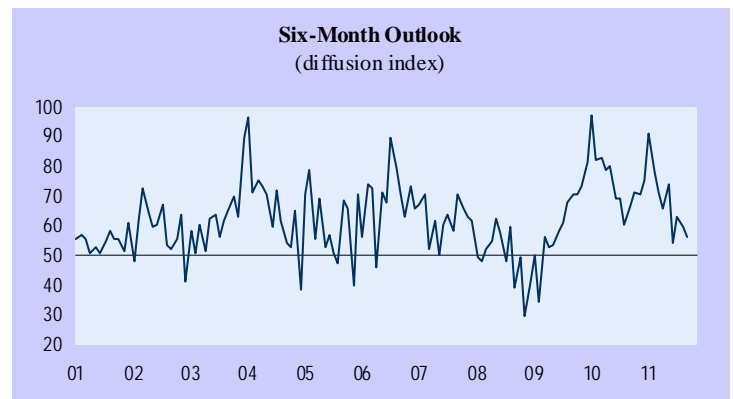
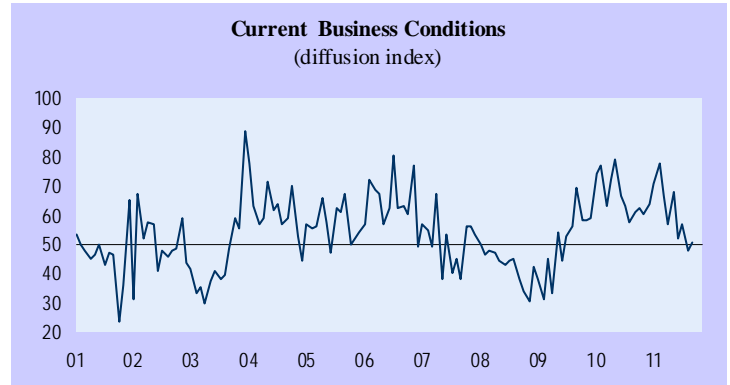
Business impediments had a temporary feel, with weather (i.e., Irene) and security concerns (i.e., 9/11 anniversary and UN) up noticeably on the month.

Business Impediments	Sep	Aug	Jul
Skilled labor shortage	23%	20%	16%
Unskilled labor shortage	3%	3%	2%
Working capital shortage	18%	31%	18%
Raw material shortage	3%	6%	2%
Security concerns	10%	3%	2%
Weather/Natural disasters	15%	3%	2%
"Other" difficulties	13%	17%	14%
No difficulties	40%	34%	50%

September's Question of the Month: In the NYC region, unemployment is no longer falling and payrolls are still tens of thousands below 2008 peak levels. What is the single most important reason limiting the improvement in the NYC labor market?

Poor Sales	46%
"Other" (economic uncertainty, lack of confidence)	36%
Regulations	28%
Cost of Health Care	26%
Taxes	23%
Cost of Labor	23%
Ability to Borrow	23%
Inflation	18%
Quality of Labor	10%
Interest Rates	5%

Does not add to 100% because of multiple responses.



Business Conditions in New York City
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
September 2010	61.2	66.7	470.7
October	62.3	71.4	476.8
November	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

*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.

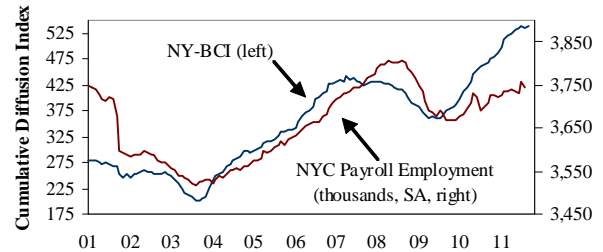


Employment

Current employment trends compared to the previous month.

	Sep	Aug	Jul	Jun	May	Year ago Sep
Diffusion Index	48.8	48.6	46.6	47.8	67.1	53.3

NY-BCI vs. NYC Employment



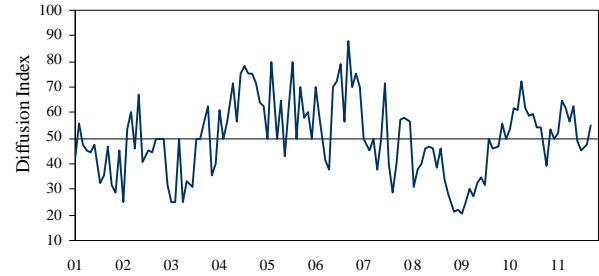
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

Quantity of Purchases

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

	Sep	Aug	Jul	Jun	May	Year ago Sep
Diffusion Index	54.8	47.1	45.5	48.9	62.5	54.2

Quantity of Purchases

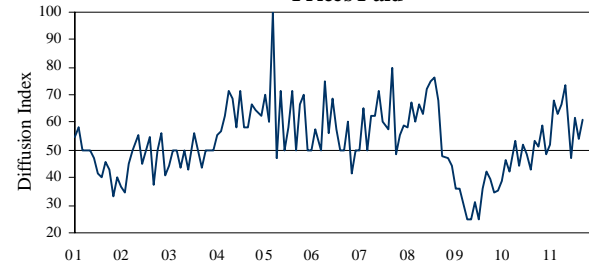


Prices Paid

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

	Sep	Aug	Jul	Jun	May	Year ago Sep
Diffusion Index	61.0	54.3	61.4	46.7	73.7	53.3

Prices Paid

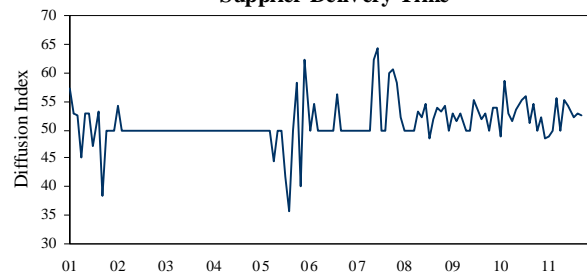


Supplier Delivery Time

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

	Sep	Aug	Jul	Jun	May	Year ago Sep
Diffusion Index	52.4	52.9	52.3	54.3	55.1	54.4

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.