



**NEW YORK CITY REPORT ON BUSINESS**  
*Extraordinary Optimism*

Business activity started off 2010 strongly, according to the survey taken by the Institute for Supply Management-New York (ISM-NY). The Current Business Conditions index jumped to 72.6 in January, the highest level since November 2006, from a revised 64.5 in December.

Seasonally-adjusted series have been recalculated using updated seasonal factors. This affects Current Business Conditions, the Six-Month Outlook and the NY-BCI from January 2005 to December 2009. Please contact the ISM-NY Business Survey Chair for the new historical data.

In a moonshot of future optimism, an extraordinary zero participants in the survey responded negatively about the outlook. The Six-Month Outlook index surged to 97.0 in January from a revised 81.4 in December.

Recovery in jobs and purchasing volumes continued. The Employment index came in at 54.2 in January from a revised 56.8 in December. The Quantity of Purchases index rose to 53.1 in January from 50.0 in December.

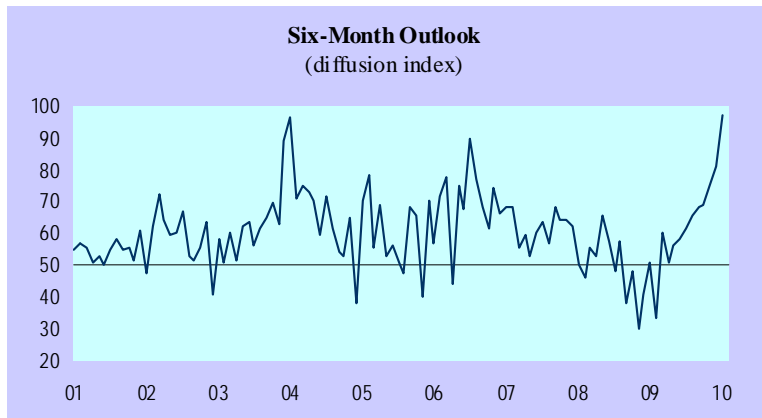
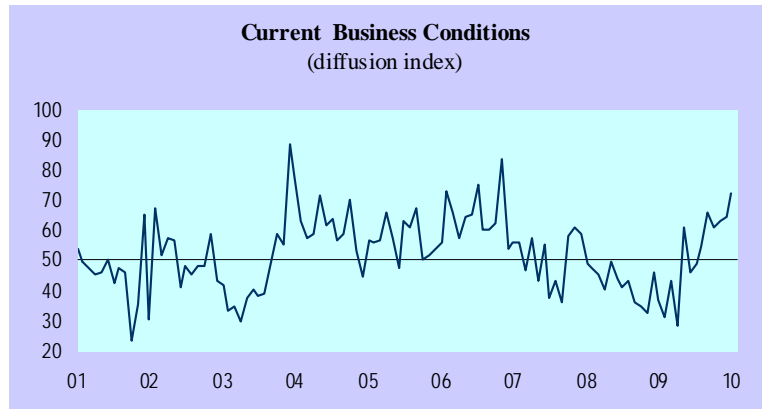
Cost pressures stayed subdued. The Prices Paid index was 38.5 in January from a revised 35.1 in December.

**Business Impediments:** Like last month, “No difficulties” was the most popular response. Working capital shortages declined for a fifth straight month.

	Jan	Dec	Nov
Skilled labor shortage	8%	8%	13%
Unskilled labor shortage	2%	0%	6%
Working capital shortage	21%	22%	23%
Raw material shortage	0%	3%	4%
Security concerns	6%	8%	10%
Abnormal weather	6%	11%	4%
“Other” difficulties	10%	16%-r	23%
No difficulties	29%	24%-r	21%
	*	*	*

January’s Question of the Month: In your opinion, the New York City region is currently in what type of environment for selling prices? The picture is more balanced between rising and falling this January, compared to last January when more than half of the respondents said that selling prices were falling.

	Jan ‘10	Jan ‘09
Rising faster	7%	9%
Rising slower	22%	9%
Steady	43%	26%
Falling slower	28%	50%
Falling faster	0%	6%



<b>Business Conditions in New York City</b> (seasonally adjusted)			
	<b>Current Business Conditions</b>	<b>Six-Month Outlook</b>	<b>NY-BCI*</b>
January 2009-r	37.3	50.7	383.5
February-r	31.4	33.7	374.2
March-r	43.2	60.1	370.8
April-r	28.5	50.7	360.0
May-r	61.2	56.6	365.6
June-r	46.1	58.1	363.7
July-r	49.2	61.5	363.2
August-r	54.5	65.9	365.5
September-r	66.0	68.6	373.5
October-r	60.7	69.1	378.8
November-r	63.1	74.9	385.3
December-r	64.5	81.4	392.6
<b>January 2010</b>	<b>72.6</b>	<b>97.0</b>	<b>403.9</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.

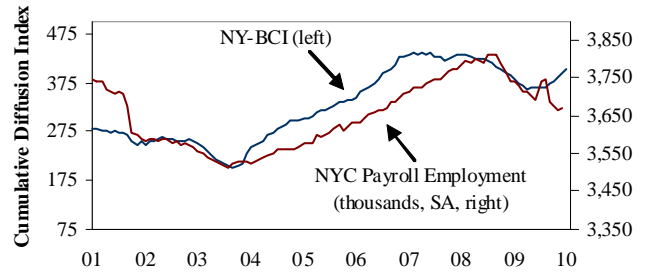
## New York City Labor Market

### Employment

Current employment trends compared to the previous month.

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	54.2	56.8	54.8	45.7	47.3	22.2

### NY-BCI vs. NYC Employment



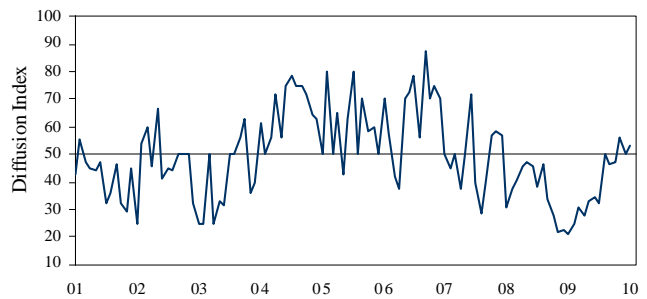
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

### Quantity of Purchases

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

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	53.1	50.0	55.9	46.7	46.1	20.8

### Quantity of Purchases

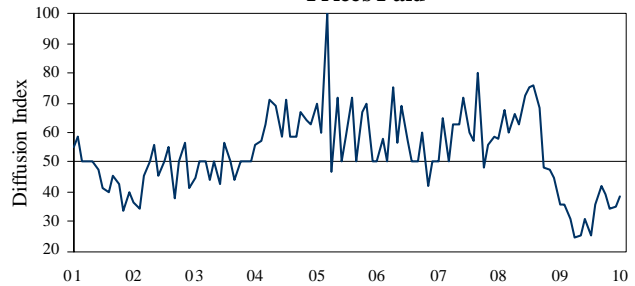


### Prices Paid

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

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	38.5	35.1	34.6	39.4	41.9	35.7

### Prices Paid

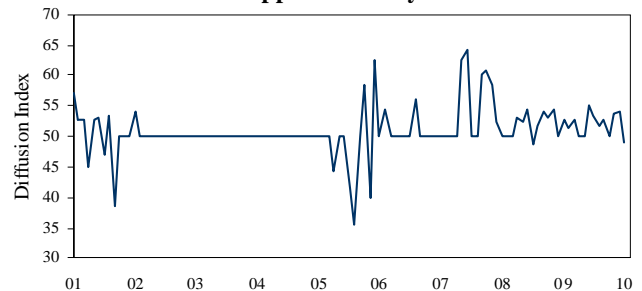


### Supplier Delivery Time

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

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	49.0	54.1	53.8	50.0	52.8	52.8

### Supplier Delivery Time



## About the Survey

The purpose of the survey is to quickly assess business conditions among non-manufacturing firms/organizations 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.