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February 26, 2010

NEW YORK CITY REPORT ON BUSINESS

Weather Can't Keep A Good Thing Down

New York City business activity is strengthening and broadening, according to the survey taken by the Institute for Supply Management-New York (ISM-NY). The Current Business Conditions index rose to 77.0 in February, the best level in more than three years, from 72.6 in January.

Future optimism decreased from white hot to red hot. The Six-Month Outlook index came in at 81.1 in February following the January surge to 97.0.

Gains in jobs and purchasing volumes are being sustained. The Employment index expanded for the fourth consecutive month, coming in at 53.4 in February from 54.2 in January. The Quantity of Purchases index expanded in three of the last four months, advancing to 60.3, the highest level since June 2007, after 53.1 in January.

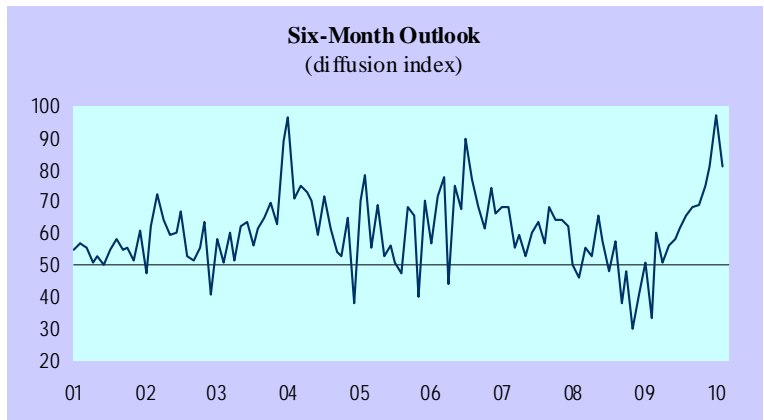
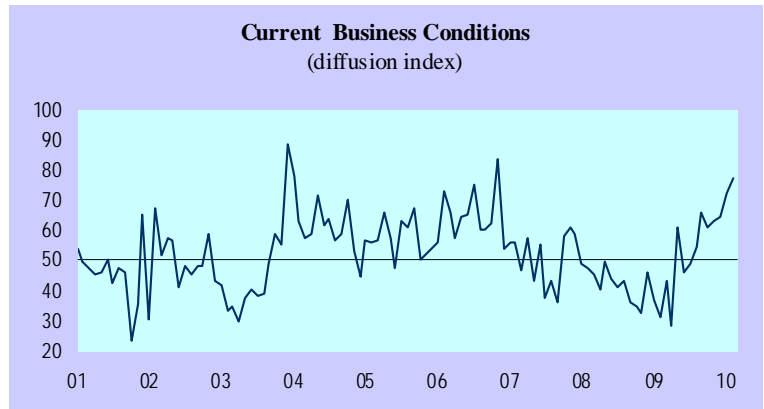
Downward pressure on input costs is abating. The Prices Paid index rose to 46.6 in February, a 15-month high, from 38.5 in January.

Weather was cited much more frequently as a business impediment in February, even more so than working capital shortages, which declined for a sixth straight month as financial conditions continued to improve.

Business Impediments	Feb	Jan	Dec
Skilled labor shortage	7%	8%	8%
Unskilled labor shortage	0%	2%	0%
Working capital shortage	17%	21%	22%
Raw material shortage	14%	0%	3%
Security concerns	7%	6%	8%
Abnormal weather	21%	6%	11%
"Other" difficulties	17%	10%	16%
No difficulties	28%	29%	24%
	*	*	*

February's Question of the Month: Are your 2010 capital spending plans higher, steady, or lower compared to 2009? There has been a relative improvement this year over last year, however, the percentage of firms planning lower spending still outnumber the ones planning higher spending by a 2 to 1 margin.

	2010	2009	2008
Higher	19%	6%	28%
Steady	44%	23%	50%
Lower	37%	71%	22%



Business Conditions in New York City
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
February 2009	31.4	33.7	374.2
March	43.2	60.1	370.8
April	28.5	50.7	360.0
May	61.2	56.6	365.6
June	46.1	58.1	363.7
July	49.2	61.5	363.2
August	54.5	65.9	365.5
September	66.0	68.6	373.5
October	60.7	69.1	378.8
November	63.1	74.9	385.3
December	64.5	81.4	392.6
January 2010	72.6	97.0	403.9
February	77.0	81.1	417.4

*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.

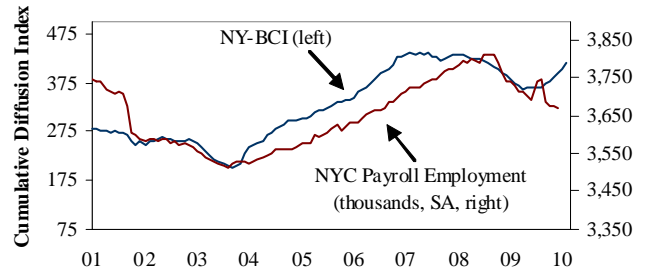
New York City Labor Market

Employment

Current employment trends compared to the previous month.

	Feb	Jan	Dec	Nov	Oct	Year ago Feb
Diffusion Index	53.4	54.2	56.8	54.8	45.7	21.9

NY-BCI vs. NYC Employment



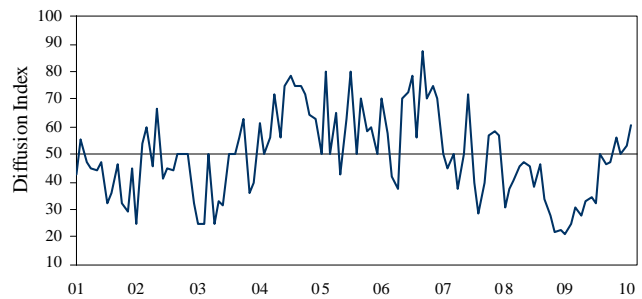
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

Quantity of Purchases

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

	Feb	Jan	Dec	Nov	Oct	Year ago Feb
Diffusion Index	60.3	53.1	50.0	55.9	46.7	25.0

Quantity of Purchases

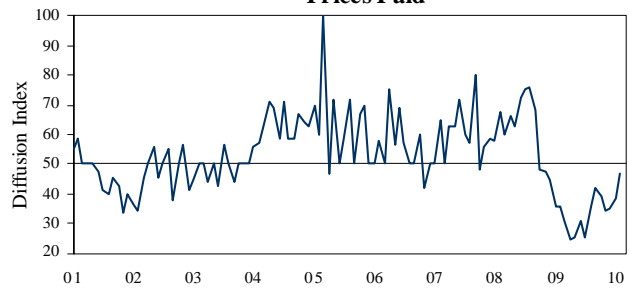


Prices Paid

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

	Feb	Jan	Dec	Nov	Oct	Year ago Feb
Diffusion Index	46.6	38.5	35.1	34.6	39.4	35.9

Prices Paid

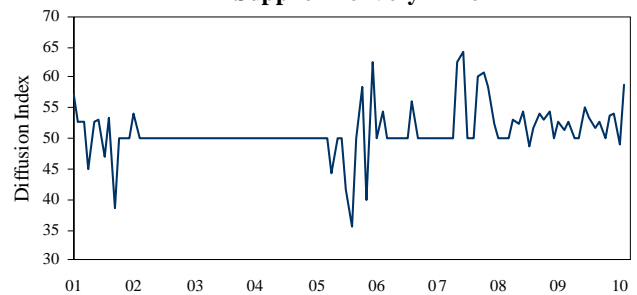


Supplier Delivery Time

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

	Feb	Jan	Dec	Nov	Oct	Year ago Feb
Diffusion Index	58.9	49.0	54.1	53.8	50.0	51.6

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.