

CHICAGO BUSINESS BAROMETER™ CLIMBED

The Chicago Purchasing Managers reported the CHICAGO BUSINESS BAROMETER signaled economic expansion for the third consecutive month:

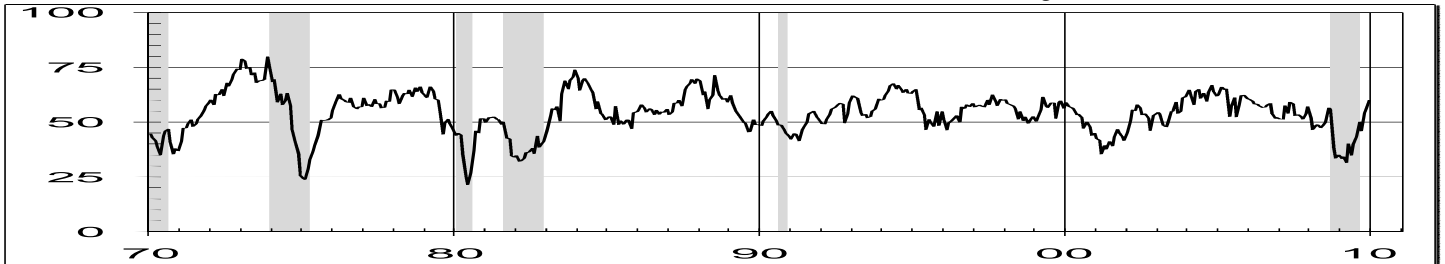
BUSINESS ACTIVITY:

- PRODUCTION, NEW ORDERS, and ORDER BACKLOGS expanded;
- EMPLOYMENT improved;
- PRICES PAID strengthened;

BUYING POLICY:

- Lead-times increased.

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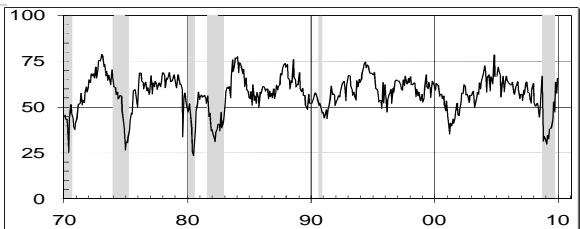
Notes : Recessions are indicated by gray bars. Readings in **red** (below) indicate values worse than the prior month

Next Release:
29 January 2010
8:45am CT

Business Barometer		2009					
3 month average ↑		Jul	Aug	Sep	Oct	Nov	Dec
Index		43.8	49.8	48.1	51.9	53.8	52.8
Seasonally Adjusted		43.4	50.0	46.1	54.2	56.1	60.0

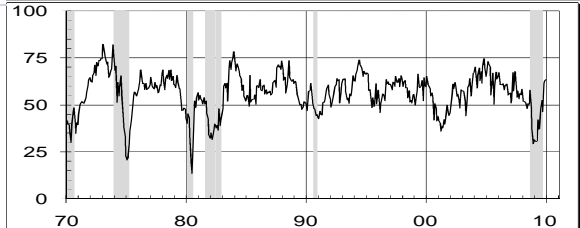
Production		2009					
3 month average ↑		Jul	Aug	Sep	Oct	Nov	Dec
Higher		20	29	29	38	33	34
Same		49	46	41	40	46	45
Lower		31	25	30	22	21	21
Index		44.5	52.0	49.5	58.0	56.0	56.5
Seasonally Adjusted		43.3	52.9	47.2	63.9	57.6	65.8

Highest in over a year



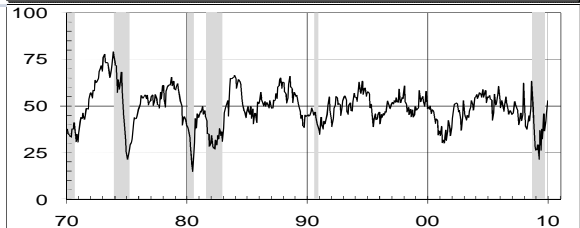
New Orders		2009					
3 month average ↑		Jul	Aug	Sep	Oct	Nov	Dec
More		23	31	27	40	36	34
Same		49	44	48	31	45	43
Fewer		28	25	25	29	19	23
Index		47.5	53.0	51.0	55.5	58.5	55.5
Seasonally Adjusted		48.0	52.5	46.3	61.4	62.8	63.5

Highest since May 2007



Order Backlogs		2009					
3 month average ↑		Jul	Aug	Sep	Oct	Nov	Dec
Larger		12	17	12	19	21	19
Same		38	49	58	46	46	48
Smaller		50	34	30	35	33	33
Index		31.0	41.5	41.0	42.0	44.0	43.0
Seasonally Adjusted		32.1	45.8	36.7	41.9	46.5	53.0

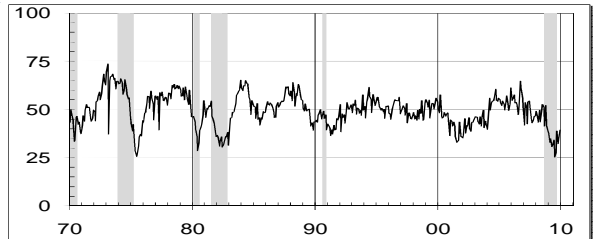
Expanded for first time in 16 months



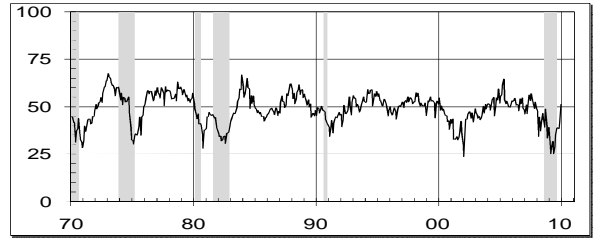
NOTICE:

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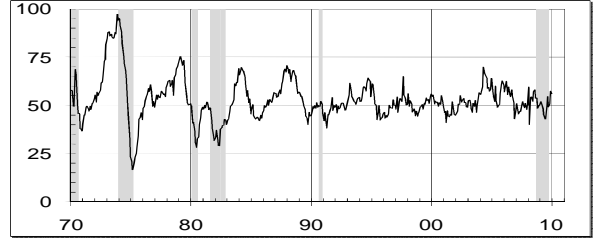
Inventories		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
3 month average	↑						
Larger		13	11	11	12	11	14
Same		28	36	52	38	48	44
Smaller		59	53	37	50	41	42
Index		27.0	29.0	37.0	31.0	35.0	36.0
Seasonally Adjusted		25.4	27.5	38.9	32.2	34.9	39.4
14th month of decline							



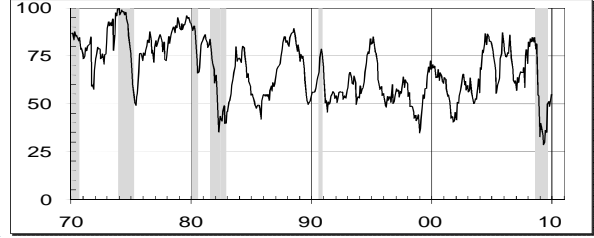
Employment		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
3 month average	↑						
More		14	12	11	8	7	18
Same		46	54	54	60	70	59
Fewer		40	34	35	32	23	23
Index		37.0	39.0	38.0	38.0	42.0	47.5
Seasonally Adjusted		35.3	38.7	38.8	38.3	41.9	51.2
Improved							



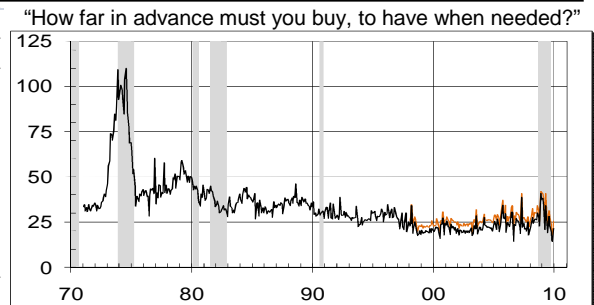
Supplier Deliveries		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
3 month average	↑						
Faster		11	8	8	13	6	11
Same		75	76	79	69	75	71
Slower		14	16	13	18	19	18
Index		51.5	54.0	52.5	52.5	56.5	53.5
Seasonally Adjusted		49.6	54.6	49.3	50.7	57.4	56.2
Trended slower							



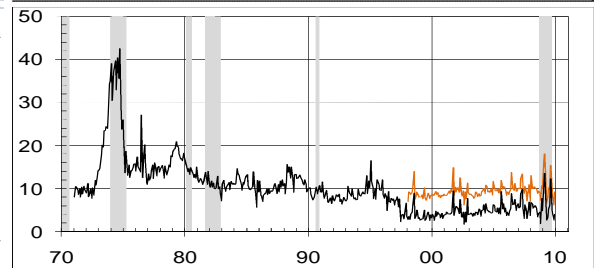
Prices Paid		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
3 month average	↑						
Higher		7	22	24	19	15	17
Same		59	57	53	60	69	69
Lower		34	21	23	21	16	14
Index		36.5	50.5	50.5	49.0	49.5	51.5
Seasonally Adjusted		35.0	50.0	51.3	48.6	52.6	54.9
Crept up							



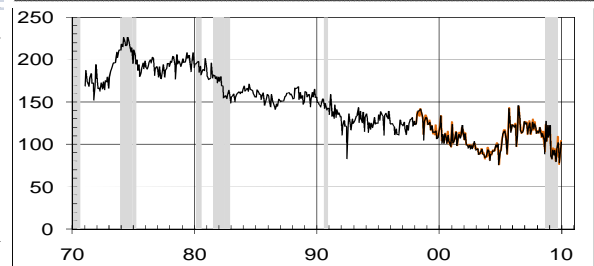
BUYING POLICY:		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
Production Materiels	↑						
less than 11 days		45	40	36	40	52	30
11-15 days		14	13	20	18	18	11
16-30 days		14	13	21	23	3	28
31-60 days		18	24	17	16	25	25
more than 60 days		9	10	6	3	2	6
Average Days		27.0	30.9	21.4	19.2	18.4	25.7
Seasonally Adjusted		31.4	27.4	24.3	19.2	17.9	25.5
Approached long-term average							



M.R.O. Supplies		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
0-1 day	↓	12	6	7	15	13	8
2-3 days		30	27	22	19	29	21
4-5 days		20	19	23	28	17	26
6-10 days		24	21	16	12	22	23
more than 10 days		14	27	32	26	19	22
Average Days		8.5	15.2	10.0	8.3	7.7	8.6
Seasonally Adjusted		9.8	15.4	9.9	8.1	6.1	9.2
Volatile							



Capital Equipment		2009					
		Jul	Aug	Sep	Oct	Nov	Dec
15 days	↓	7	10	14	14	17	8
30 days		15	13	7	7	13	8
60 days		33	28	22	36	27	24
90 days		24	23	30	25	18	33
More than 90 days		21	26	27	18	25	27
Average Days		84.7	93.1	96.6	78.8	87.4	99.8
Seasonally Adjusted		80.4	91.5	109.4	76.8	89.7	104.1
Rebounded sharply							



For more information, contact

phone: (847) 831-4770
e-mail: napmc@kingbiz.com

KINGSBURY INTERNATIONAL, LTD.

fax: (847) 831-2846
http://www.kingbiz.com

FROM THE SOURCE

an occasional feature

General Comments from Members of the Survey Panel

Each month, the survey panelists have the opportunity to add comments to clarify the reported activity of their organization. As appropriate, the report includes comments selected for their insight. No attempt is made to ensure that the nature of the comments represents the survey panel as a whole.

1. "Supplier inventories seem to be inadequate and lead-times are increasing. Hesitance to build resources to accommodate increase demands seems to be stifling potential growth. Excessive demands on surviving employees is wearing thin but, fear and desperation will always prevail."
2. "Mill lead times for raw material are climbing since they are not back to full production."
3. "A few more orders this month than last maybe things are turning around. We will see in January."
4. "A year with dismal revenue increase; going into 2010 AOP with reduced expectations."
5. "Business seems steady but over confidence is not high that it will remain steady."
6. "I continue to be concerned about the potential for price inflation, particularly related to oil and fuel due to the de-valuation of the US dollar."
7. "The local commercial real estate market is worsening and not anticipated to bottom out until late."
8. "2010 is shaping up to be another record year for profits on flat to decreasing sales - no pay raises for the 3rd year and no bonuses for the second year."