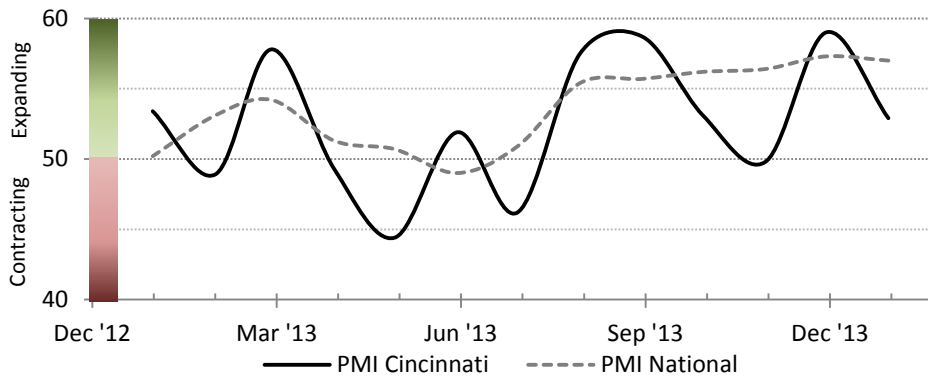


Report on Business: December, 2013

Cincinnati



PMI At A Glance		
Period	Cincinnati	National
December '13	52.9	57.0
November '13	59.0	57.3
October '13	49.8	56.4
September '13	53.1	56.2
August '13	58.7	55.7
July '13	57.5	55.4
December '12	53.4	50.2

The Cincinnati PMI expanded again in December but at a rate more modest than November. This was driven primarily by expansion in *New Orders*, *Production*, and *Employment*. *Inventories* and (the performance of) *Supplier Deliveries* continued to contract. While respondents provided no new opinions regarding *Inventories*, in the previous months, respondents noted that firms were reducing their inventories for the end of the year. If this is so, it can be expected that *Inventories* should start to grow again in the near future. This is supported by a rise in *Backlogs* and the *Perceived Customer Inventory Levels* being "too low" by suppliers.

Commodity Prices overall decreased with pork, poultry, and alumina falling in price. Commodities that increased in price were beef, cheese, and flour.

Additional comments included concerns that the extremely cold weather and heavy storms might have had a negative impact to their businesses. Lastly, the National Retail Federation indicated the holiday sales were 0.1 percentage points below forecasts (coming in at 3.8%). Retailers, in general, indicated that holiday sales were below expectations. While these are national reports, this could lead to an increase in *Inventories* and a decline in *backlogs* for certain businesses.

	Jul	Aug	Sep	Oct	Nov	Dec	
New Orders (Core PMI Component) (Seasonally Adjusted)							
Local	77.2	74.7	66.4	62.8	73.8	64.2	■ ■ ■ ■ ■ ■
National	58.3	63.2	60.5	60.6	63.6	64.2	■ ■ ■ ■ ■ ■
Production (Core PMI Component) (Seasonally Adjusted)							
Cincinnati	70.8	64.2	64.4	59.0	78.5	61.4	■ ■ ■ ■ ■ ■
National	65.0	62.4	62.6	60.8	62.8	62.2	■ ■ ■ ■ ■ ■
Employment (Core PMI Component) (Seasonally Adjusted)							
Cincinnati	45.6	55.1	49.4	40.0	61.7	52.4	■ ■ ■ ■ ■ ■
National	54.4	53.3	55.4	53.2	56.5	56.9	■ ■ ■ ■ ■ ■
Supplier Deliveries (Core PMI Component) (Seasonally Adjusted)							
Cincinnati	43.8	47.9	44.0	43.0	39.2	44.0	■ ■ ■ ■ ■ ■
National	52.1	52.3	52.6	54.7	53.2	54.7	■ ■ ■ ■ ■ ■
Inventory (Core PMI Component)							
Cincinnati	50.0	51.7	41.2	44.1	41.7	42.3	■ ■ ■ ■ ■ ■
National	47.0	47.5	50.0	52.5	50.5	47.0	■ ■ ■ ■ ■ ■

	Jul	Aug	Sep	Oct	Nov	Dec	
Perceived Customer Inventory Levels							
Cincinnati	43.8	34.4	52.9	44.1	54.2	42.3	■ ■ ■ ■ ■ ■
National	47.5	42.5	43.0	47.0	45.0	47.5	■ ■ ■ ■ ■ ■
Backlog							
Cincinnati	46.7	51.4	59.4	46.4	54.5	58.3	■ ■ ■ ■ ■ ■
National	45.0	46.5	49.5	51.5	54.0	51.5	■ ■ ■ ■ ■ ■
New Exports							
Cincinnati	61.5	55.8	63.6	46.4	61.1	55.0	■ ■ ■ ■ ■ ■
National	53.5	55.5	52.0	57.0	59.5	55.0	■ ■ ■ ■ ■ ■
Imports							
Cincinnati	66.7	70.9	63.6	64.3	78.6	56.2	■ ■ ■ ■ ■ ■
National	57.5	58.0	55.0	55.5	55.0	55.0	■ ■ ■ ■ ■ ■
Commodity Prices							
Cincinnati	46.9	53.1	52.9	50.0	58.3	46.2	■ ■ ■ ■ ■ ■
National	49.0	54.0	56.5	55.5	52.5	53.5	■ ■ ■ ■ ■ ■

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