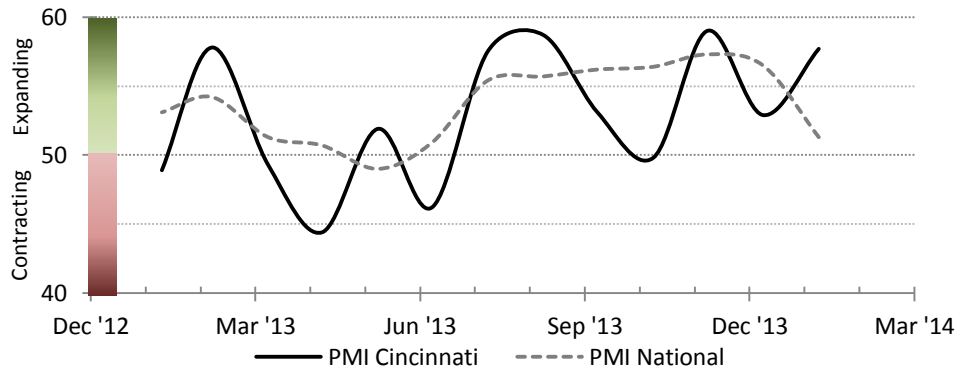


Report on Business: January, 2014

Cincinnati



| PMI At A Glance | | |
|--------------------|-------------|-------------|
| Period | Cincinnati | National |
| January '14 | 57.7 | 51.3 |
| December '13 | 52.9 | 56.5 |
| November '13 | 59.0 | 57.3 |
| October '13 | 49.8 | 56.4 |
| September '13 | 53.1 | 56.2 |
| August '13 | 58.7 | 55.7 |
| January '13 | 48.9 | 53.1 |

In January, Cincinnati expanded overall. This expansion was driven primarily by expansion in *New Orders*, *Production*, and *Inventory*. *Inventory* levels appear to be increasing in response to firms which decreased levels at the end of the year and are starting to rebuild *Inventory*. The decrease in *Backlog* levels appears to be linked to a decrease in *Inventory* as firms were filling more orders to reduce *Inventory* at the end of the year.

With *Perceived Customer Inventory Levels* being low along with firms rebuilding *Inventory*, it is likely that *New Orders* and *Production* will continue to expand in the coming months. The decline in *Employment* appears to be the result of individuals leaving firms without replacement. While firms did not directly comment on seasonal hires, this may have also been a factor. Firms reported prices for aluminum, copper, and tin increased in January while metal grade alumina decreased. Hospitals reported that IV solutions were in short supply. There were no comments regarding the impact of winter weather during January.

| | Aug | Sep | Oct | Nov | Dec | Jan | |
|---|------|------|------|------|------|------|--|
| New Orders (Core PMI Component) (Seasonally Adjusted) | | | | | | | |
| Local | 74.7 | 66.4 | 62.8 | 73.8 | 64.2 | 57.6 | |
| National | 63.2 | 60.5 | 60.6 | 63.6 | 64.4 | 51.2 | |
| Production (Core PMI Component) (Seasonally Adjusted) | | | | | | | |
| Cincinnati | 64.2 | 64.4 | 59.0 | 78.5 | 61.4 | 73.5 | |
| National | 62.4 | 62.6 | 60.8 | 62.8 | 61.7 | 54.8 | |
| Employment (Core PMI Component) (Seasonally Adjusted) | | | | | | | |
| Cincinnati | 55.1 | 49.4 | 40.0 | 61.7 | 52.4 | 47.8 | |
| National | 53.3 | 55.4 | 53.2 | 56.5 | 55.8 | 52.3 | |
| Supplier Deliveries (Core PMI Component) (Seasonally Adjusted) | | | | | | | |
| Cincinnati | 47.9 | 44.0 | 43.0 | 39.2 | 44.0 | 51.2 | |
| National | 52.3 | 52.6 | 54.7 | 53.2 | 54.7 | 54.3 | |
| Inventory (Core PMI Component) | | | | | | | |
| Cincinnati | 51.7 | 41.2 | 44.1 | 41.7 | 42.3 | 58.3 | |
| National | 47.5 | 50.0 | 52.5 | 50.5 | 47.0 | 44.0 | |

| | Aug | Sep | Oct | Nov | Dec | Jan | |
|--|------|------|------|------|------|------|--|
| Perceived Customer Inventory Levels | | | | | | | |
| Cincinnati | 34.4 | 52.9 | 44.1 | 54.2 | 42.3 | 41.7 | |
| National | 42.5 | 43.0 | 47.0 | 45.0 | 47.5 | 44.0 | |
| Backlog | | | | | | | |
| Cincinnati | 51.4 | 59.4 | 46.4 | 54.5 | 58.3 | 45.0 | |
| National | 46.5 | 49.5 | 51.5 | 54.0 | 51.5 | 48.0 | |
| New Exports | | | | | | | |
| Cincinnati | 55.8 | 63.6 | 46.4 | 61.1 | 55.0 | 45.0 | |
| National | 55.5 | 52.0 | 57.0 | 59.5 | 55.0 | 54.5 | |
| Imports | | | | | | | |
| Cincinnati | 70.9 | 63.6 | 64.3 | 78.6 | 56.2 | 50.0 | |
| National | 58.0 | 55.0 | 55.5 | 55.0 | 55.0 | 53.5 | |
| Commodity Prices | | | | | | | |
| Cincinnati | 53.1 | 52.9 | 50.0 | 58.3 | 46.2 | 54.2 | |
| National | 54.0 | 56.5 | 55.5 | 52.5 | 53.5 | 60.5 | |

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