



NEW YORK CITY REPORT ON BUSINESS *Speed Up Fades*

New York City business activity grew at a more moderate pace, according to the survey taken by the Institute for Supply Management-New York (ISM-NY).

Current Business Conditions came in at 53.6 in September, easing off the first back-to-back months above the lofty 60 level in two years.

Future optimism faded somewhat. The Six-Month Outlook fell to a four-year low of 59.1 in September, but remained squarely in expansion territory.

Jobs stalled following a two-year high. Employment dropped to 50.2 in September.

Purchase volume contracted for the first time in four months. Quantity of Purchases fell to 46.3 in September.

Prices Paid, on the other hand, rose to a six-month high of 55.1 in September.

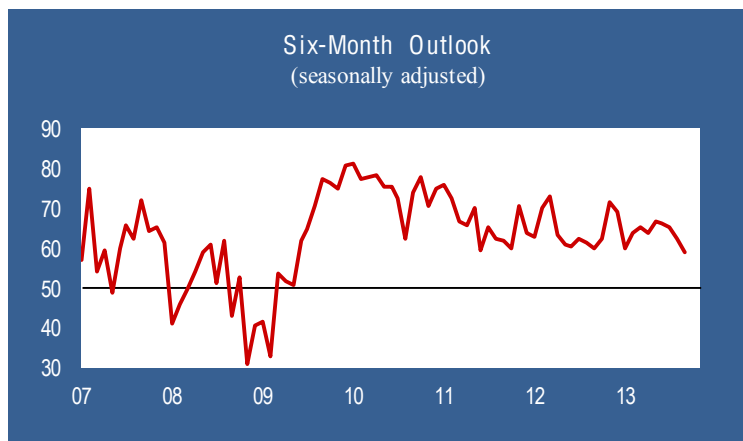
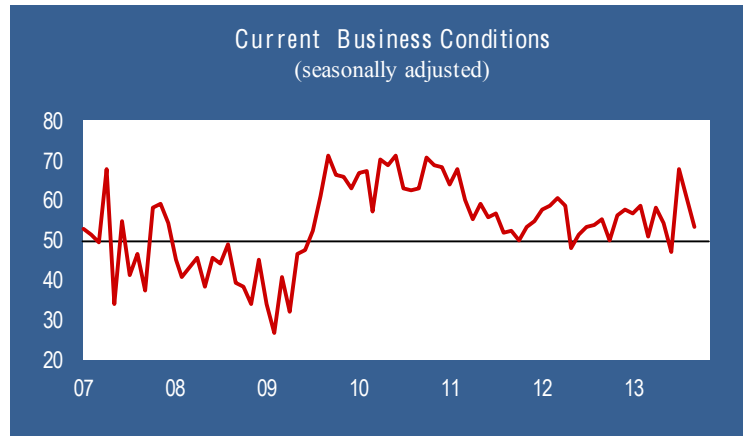
The top line was softer and guidance was less positive. Current Revenues, 47.3 in September, was in the red (below 50) for the first time in 10 months, and Expected Revenues, 62.5 in September, backed off August's high.

(For clarity, the former *Revenues* series has been renamed *Current Revenues* and the former *Expected Demand* series has been renamed *Expected Revenues*.)

September's Question of the Month – Grade the Fed: Interest rates have become a bigger business impediment in recent months as the Federal Reserve has indicated it will taper its asset purchase program. How would you judge the Fed's third round of quantitative easing, which began a year ago, in supporting a faster economic expansion and a faster labor market recovery?

Large Success	8%
Small Success	33%
Neutral	23%
Small Failure	15%
Large Failure	21%

Improved Business Opportunity/Impediment table. We have expanded the coverage of this part of the *Report on Business*, asking respondents not only if they judge specific issues as a business impediment, but also as a business opportunity. The opportunity-impediment indicator will help gauge how good or bad specific issues are supporting or weighing on current business conditions. See page 3.



Business Conditions in New York City Metro Area
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
September 2012	55.2	60.0	557.8
October	50.2	62.7	558.0
November	56.2	71.8	561.1
December	57.7	69.0	564.9
January 2013	56.7	60.0	568.3
February	58.8	64.1	572.7
March	51.2	65.2	573.3
April	58.3	64.0	577.4
May	54.4	67.0	579.6
June	47.0	66.1	578.1
July	67.8	65.3	587.0
August	60.5	62.4	592.3
September	53.6	59.1	594.1

*The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for businesses in the New York City metro area. -r is revised.

Report on Business



Employment (seasonally adjusted)

The current month's number of employees compared to the previous month.

						Year ago
Sep	Aug	Jul	Jun	May	Apr	Sep
50.2	59.8	54.1	50.8	49.4	53.3	53.1

Employment (seasonally adjusted)



Quantity of Purchases

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

						Year ago
Sep	Aug	Jul	Jun	May	Apr	Sep
46.3	54.8	53.6	55.8	45.5	59.4	48.4

Quantity of Purchases

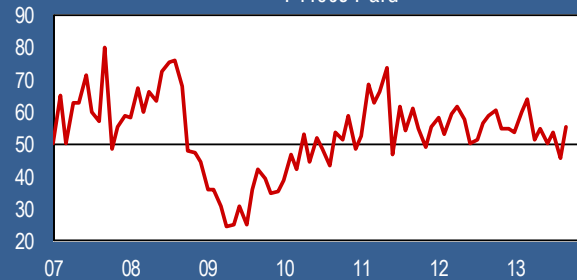


Prices Paid

The current month's level of prices paid for goods and services compared to the previous month.

						Year ago
Sep	Aug	Jul	Jun	May	Apr	Sep
55.1	45.3	53.4	50.0	54.5	51.6	58.8

Prices Paid



Current Revenues

The current month's level of revenues (in dollars) compared to the previous month.

						Year ago
Sep	Aug	Jul	Jun	May	Apr	Sep
47.3	59.4	58.9	50.0	50.0	51.7	55.0

Expected Revenues

The expected level of revenues (in dollars) in the next six months.

						Year ago
Sep	Aug	Jul	Jun	May	Apr	Sep
62.5	74.2	60.3	50.0	64.7	62.9	62.5

About the Survey

The purpose of the survey is to quickly assess business conditions among firms 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, the NY-BCI, and the Employment index are seasonally adjusted. All other measures are not seasonally adjusted. -r is revised.

Report on Business



Potential Business Opportunities/Impediments - September 2013

How do you foresee the following factors affecting your company this month?

	Opportunity-Impediment	Impediment	No effect	Opportunity
Cost of Benefits	-48%	50%	48%	3%
Regulations	-38%	50%	38%	13%
Cost of Labor	-35%	40%	55%	5%
Inflation	-33%	40%	53%	8%
Taxes	-28%	33%	63%	5%
Abnormal Weather/Natural Disasters	-20%	30%	60%	10%
Unskilled Labor	-13%	20%	73%	8%
Energy Costs	-8%	23%	63%	15%
Skilled Labor	-8%	25%	58%	18%
Security Concerns	-5%	13%	80%	8%
Insurance	-5%	18%	70%	13%
Interest Rates	-3%	20%	63%	18%
Exchange Rate	-3%	18%	68%	15%
Project Distribution	-3%	8%	88%	5%
Competition	0%	23%	55%	23%
Other	0%	3%	48%	3%
Raw Materials	0%	13%	75%	13%
Occupancy	3%	8%	83%	10%
Banking	5%	10%	75%	15%
Working Capital	5%	18%	60%	23%
Capital Equipment	10%	3%	85%	13%
Management Skills	18%	10%	63%	28%
Domestic Demand	25%	18%	40%	43%
Foreign Demand	33%	3%	63%	35%
Technology	33%	13%	43%	45%