

Report on Business



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NEW YORK CITY REPORT ON BUSINESS *Revvng Up*

New York City business activity grew at the fastest pace in three years, according to the survey taken by the Institute for Supply Management-New York (ISM-NY).

Current Business Conditions came in at 69.5 in November, the strongest showing since October 2010.

Future optimism rose to a 12-month high. The **Six-Month Outlook** improved to 69.6 in November, the highest level since November 2012.

Jobs stayed close to neutral for a third straight month. **Employment** came in at 50.8 in November.

Purchase volume shifted to neutral after two straight monthly contractions. **Quantity of Purchases** rose to 50.0 in November.

Prices Paid rose to an eight-month high of 59.5 in November.

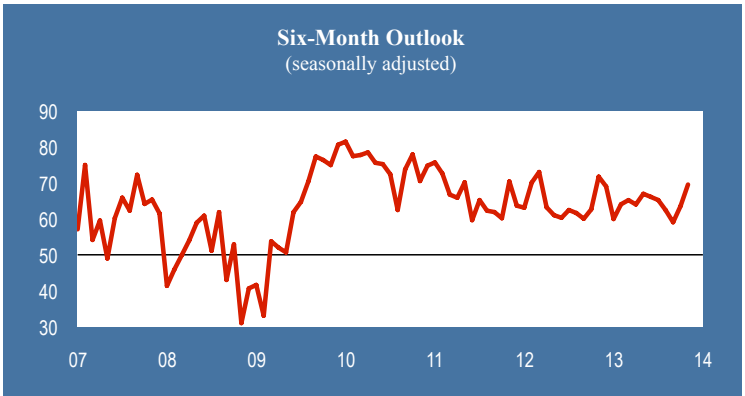
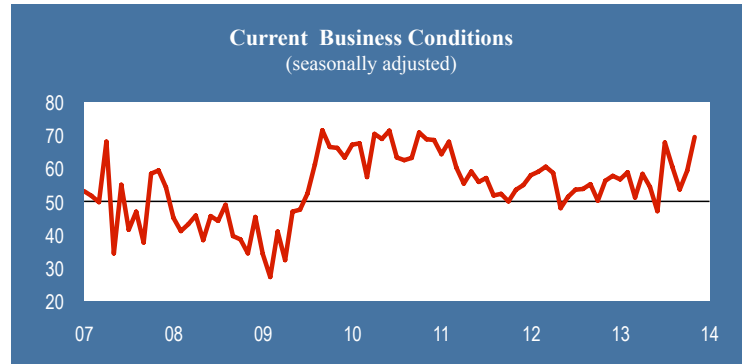
The top line improved further, and guidance was solid. **Current Revenues**, 65.8 in November, rose to a nine-month high, and **Expected Revenues**, 63.2 in November, expanded at a healthy clip.

November's Question of the Month: In your opinion, what is your firm's willingness to borrow over the next six months? For the first time since this question was asked three years ago, there were more positive ("more") responses than negative ("less") responses.

	Nov '13	Nov '12	Nov '11	Nov '10
More	14%	9%	13%	11%
Same	45%	45%	45%	74%
Less	9%	9%	19%	13%

(numbers may not add to 100% due to rounding and don't know, other and no responses)

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*
November 2012	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
October	59.3	63.6	598.7
November	69.5	69.6	608.5

*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.

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Employment (seasonally adjusted)

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

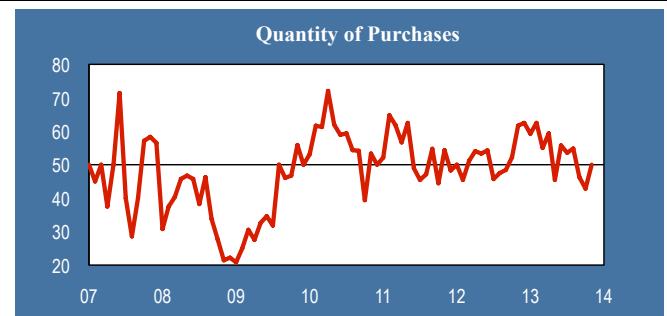
	Nov	Oct	Sep	Aug	Jul	Jun	Year ago Nov
	50.8	50.3	50.2	59.8	54.1	50.8	50.1



Quantity of Purchases

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

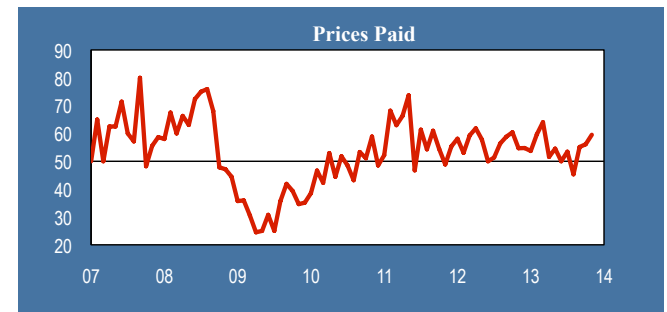
	Nov	Oct	Sep	Aug	Jul	Jun	Year ago Nov
	50.0	42.9	46.3	54.8	53.6	55.8	61.7



Prices Paid

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

	Nov	Oct	Sep	Aug	Jul	Jun	Year ago Nov
	59.5	56.1	55.1	45.3	53.4	50.0	54.7



Current Revenues

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

	Nov	Oct	Sep	Aug	Jul	Jun	Year ago Nov
	65.8	52.1	47.3	59.4	58.9	50.0	45.8

Expected Revenues

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

	Nov	Oct	Sep	Aug	Jul	Jun	Year ago Nov
	63.2	60.4	62.5	74.2	60.3	50.0	69.6

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.

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Potential Business Opportunities/Impediments - November 2013

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

	Opportunity-Impediment	Impediment	No effect	Opportunity
Cost of benefits	-55%	60%	35%	5%
Regulations	-30%	45%	40%	15%
Inflation	-30%	35%	60%	5%
Working Capital	-25%	35%	55%	10%
Security Concerns	-20%	20%	80%	0%
Taxes	-15%	20%	75%	5%
Skilled Labor	-15%	25%	65%	10%
Interest Rates	-15%	25%	65%	10%
Exchange Rate	-10%	10%	90%	0%
Abnormal Weather/Natural Disasters	-10%	15%	80%	5%
Capital Equipment	-10%	15%	80%	5%
Banking	-5%	20%	65%	15%
Insurance	-5%	10%	85%	5%
Energy Costs	-5%	15%	75%	10%
Cost of labor	-5%	25%	55%	20%
Unskilled Labor	0%	5%	90%	5%
Raw Materials	0%	5%	90%	5%
Project Distribution	0%	5%	90%	5%
Other	0%	0%	100%	0%
Competition	5%	10%	75%	15%
Domestic Demand	5%	15%	65%	20%
Management Skills	10%	10%	70%	20%
Technology	20%	10%	60%	30%
Occupancy	20%	0%	80%	20%
Foreign Demand	25%	5%	65%	30%