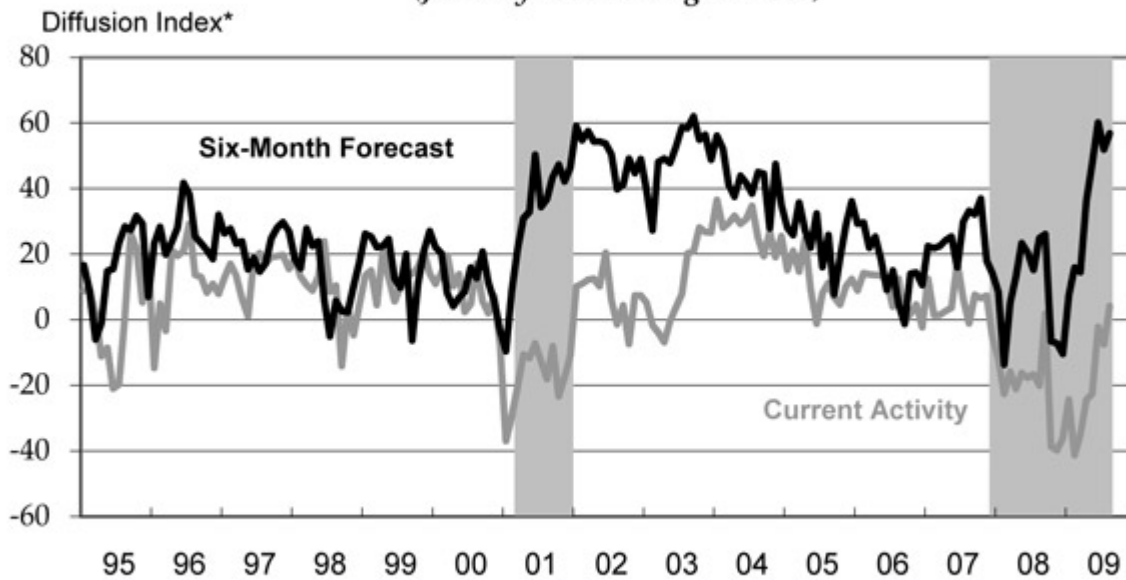


The Philadelphia Fed Business Survey Signals Expansion

August 21, 2009

Bloomberg.com reports, "The Philadelphia Fed report, along with Monday's Empire State report, are pointing to a 50 reading for August's ISM manufacturing index. Philly Fed's general business conditions index rose from minus 7.5 in July to plus 4.2 in August, breaking over zero which is this report's break-even level (50 for the ISM). The gain was led where it should be by new orders which also came in at plus 4.2. Inventories are another good signal, showing little change at plus 0.3 to end a long string of deeply negative readings. The inventories result indicates that manufacturers in the region held their inventories steady in the month. Shipments are also slightly positive at plus 0.6".

Current and Future General Activity Indexes
(January 1995 to August 2009)



* Percentage of respondents indicating an increase minus percentage indicating a decrease.

We believe these reports (courtesy of the Federal Reserve Bank of Philadelphia) point to further evidence of economic recovery and this should eventually lead to more jobs as companies begin to hire to produce the orders as mentioned in the above report.

Feel free to forward to a friend who invests, they may find this useful.

Gerald R. Sparrow, MBA,
Registered Investment Advisor

Disclosure:

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