

News Digest

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for Supply Management Report on Business. The PMI registered 51.5 percent, an increase of 1.9 percentage points from August's reading of 49.6 percent, indicating a return to expansion after contracting for three consecutive months.

Construction spending during August 2012 was estimated at a seasonally adjusted annual rate of \$837.1 billion, 0.6 percent below the revised July estimate of \$842 billion, according to the U.S. Census Bureau. The August figure is 6.5 percent above the August 2011 estimate of \$786.3 billion. During the first eight months of this year, construction spending amounted to \$545.2 billion, 9 percent above the \$500.1 billion for the same period in 2011.

New orders for manufactured durable goods in August decreased \$30.1 billion or 13.2 percent to \$198.5 billion, according the U.S. Census Bureau. This decrease, down following three consecutive monthly increases, was the largest decrease since January 2009 and followed a 3.3 percent July increase.

Real gross domestic product – the output of goods and services produced by labor and property located in the United States – increased at an annual rate of 1.3 percent in the second quarter of 2012 (from the first quarter to the second

quarter). In the first quarter, real GDP increased 2 percent.

Manufacturer News

Bain Capital LLC is in final discussions to buy **Apex Tool Group**, a joint venture between Danaher Corp. and Cooper Industries Plc, according to a report from Reuters. Bain is expected to pay between \$1.5 billion and \$1.8 billion for the business.

3M, St. Paul, MN, and **Avery Dennison Corp.**, Pasadena, CA, have terminated the definitive agreement under which 3M would have purchased Avery Dennison's Office and Consumer Products business. Avery Dennison will continue to pursue a divestiture of the Office and Consumer Products business.

3M has realigned its major business groups, with a focus on serving global markets and customers. The new structure will be comprised of five business groups: Consumer (2011 sales of \$4.2 billion), Industrial (\$9.6 billion), Health Care (\$5.0 billion) and two newly formed business groups: Safety & Graphics (\$5.5 billion), and Electronics & Energy (\$5.7 billion).

3M has agreed to acquire **Ceradyne, Inc.**, Costa

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Calculation of MDM Industrial Inflation Index for August 2012

	BLS Price Indices Aug. '12	BLS Price Indices Jul. '12	BLS Price Indices Aug. '11	% Sales Weight	Weighted Indices Aug. '12 (1)X(4)	% Change Aug. '12 Jul. '12	% Change Aug. '12 Aug. '11
1136 Abr. Prod.	550.4	549.2	537.9	19.1	105.12	0.22	2.32
1135 Cutting Tools	487.5	487.0	479.1	18.9	92.14	0.11	1.75
1145 Power Trans.	775.1	774.1	754.8	15.4	119.36	0.12	2.69
1081 Fasteners	499.3	499.1	493.4	9.0	44.94	0.05	1.20
1149.01 Valves, etc.	932.3	933.9	901.4	7.6	70.86	-0.17	3.43
1132 Power Tools	345.8	345.8	342.1	6.5	22.48	0.00	1.10
1144 Mat. Handling	559.1	558.8	540.4	6.2	34.66	0.05	3.45
0713.03 Belting	836.3	836.3	747.1	6.1	51.01	0.00	11.93
1042 Hand Tools	747.5	753.6	739.0	8.1	60.55	-0.81	1.15
108 Misc. Metal	474.1	474.3	471.0	3.1	14.70	-0.06	0.66
"New" August Index	321.7	August Inflation Index			615.82	-0.02	2.94
"New" July Index	321.8	July Inflation Index			615.93		
		August 2011 Inflation Index			598.21		