



**New York City Business Conditions Indexes**

(Seasonally Adjusted, Except Where Noted)

**NEW YORK CITY REPORT ON BUSINESS**  
***The City's Economy Continues to Expand, but With Less Zip***

New York City's economic recovery remains on track this fall, according to the latest survey of purchasing managers conducted by the National Association of Purchasing Management-New York (NAPM-NY). Indexes of both manufacturing and nonmanufacturing activity each remain at high levels—over the 50 level associated with an improving business environment. These trends match conditions in New York State reported in the most recent survey from the Federal Reserve Bank of New York. Still, business respondents in the Big Apple indicate subdued optimism about the outlook; the NAPM-NY's index of future conditions has fallen back to the lowest levels since the fall of 2002. Respondents might be reflecting concerns about soaring energy costs.

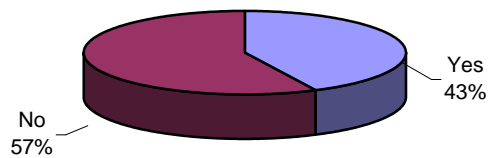
The trends reported in the NAPM-NY survey parallel the city and region's job market developments. Employment in the Tri-State Region has accelerated at a solid pace in the past year, in line with the national jobs recovery, but since the spring, new hiring in the region has slowed, and by more than it has nationally. The moderation has been concentrated in the New York area.

Notably, a sizeable percentage of respondents indicate that rising energy costs are no more challenging than other costs of doing business. Those who identify energy costs to be a significant burden report little ability to recoup their costs in higher prices.

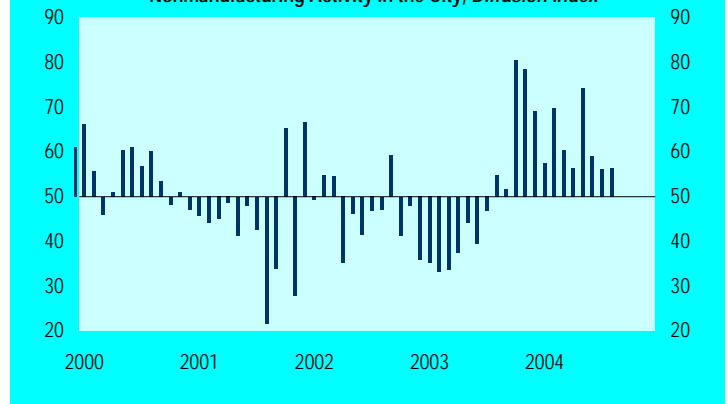
	NY-BCI	Current*	Mfg.	Non-Mfg.	Outlook**
July	257.1	48.1	64.4	46.3	75.0
August	255.0	45.7	82.4	41.6	50.0
September	254.0	48.1	59.4	46.9	50.0
October	253.2	48.4	59.2	47.2	50.0
November	257.6	58.7	54.1	59.2	56.3
December	254.3	43.4	62.4	41.3	41.0
January '03	253.8	49.0	58.4	48.0	61.1
February	247.5	37.3	50.3	35.9	55.0
March	242.1	39.2	74.8	35.3	61.1
April	236.1	38.0	80.6	33.3	56.3
May	230.2	38.3	78.8	33.8	61.1
June	226.7	43.1	92.8	37.5	62.5
July	224.9	46.2	64.8	44.2	62.5
August	221.7	43.6	81.6	39.4	57.1
September	222.2	51.1	90.2	46.8	62.5
October	226.4	58.2	90.0	54.7	62.5
November	227.3	51.9	54.4	51.6	57.4
December	242.6	80.7	82.3	80.5	90.0
January '04	257.3	79.4	87.6	78.5	88.9
February	267.2	69.8	75.4	69.2	78.6
March	271.8	59.2	74.6	57.5	62.5
April	282.2	70.9	80.3	69.8	85.7
May	287.1	59.7	52.7	60.4	62.5
June	290.9	57.6	69.6	56.3	60.0
July	302.5	73.2	64.8	74.1	78.5
August	307.1	59.3	61.2	59.1	60.0
September	310.4	56.6	60.1	52.6	60.0
October	313.7	56.7	60.0	56.3	50.0

\* This index is a weighted average of mfg. and non-mfg. \*\* Not seasonally adjusted.

**Is the rise in your energy costs significant relative to other costs of business?**



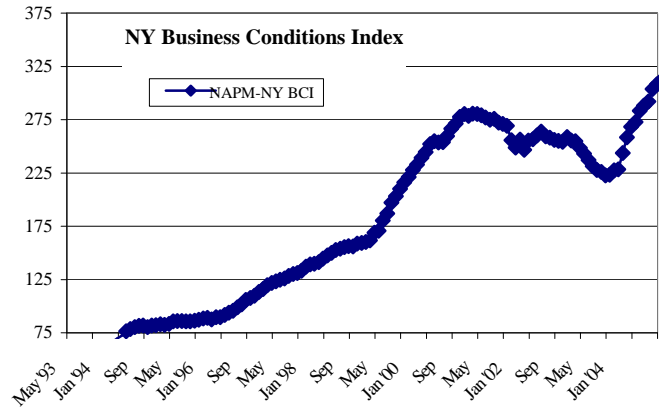
**Nonmanufacturing Activity in the City, Diffusion Index**



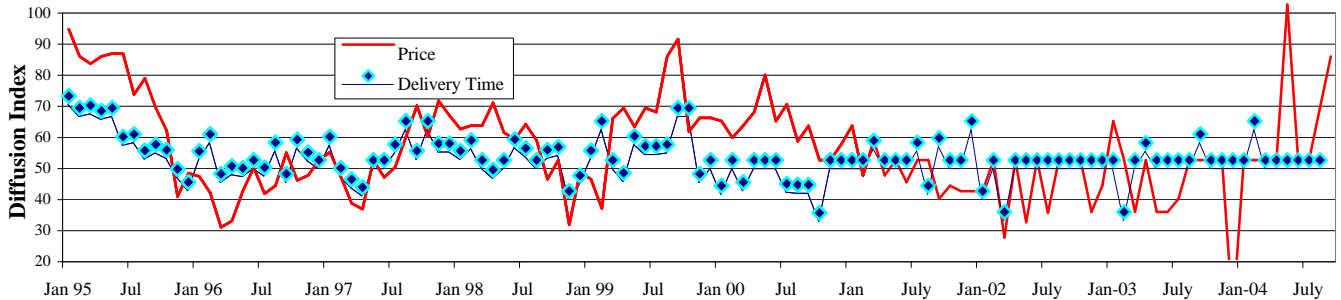
## New York Business Conditions Index

The NY business conditions index is a cumulative diffusion index of the NYC-area's current business conditions. The BCI tends to precede or move with local-area employment. However, the employment data are available 1 or 2 months later than that of the NAPM-NY BCI.

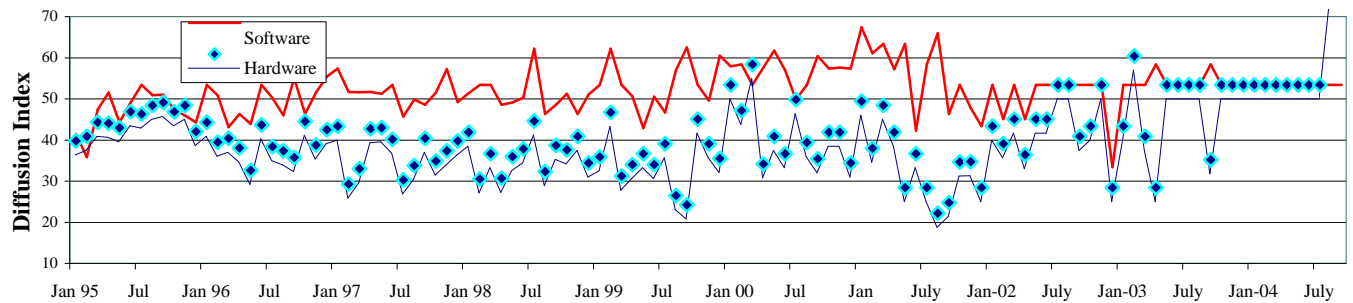
	Oct	Sept	Aug	July	Year ago Oct
NY BCI	313.7	310.4	307.1	302.5	226.4
% Change M/M	1.1	1.1	1.5	4.0	1.8



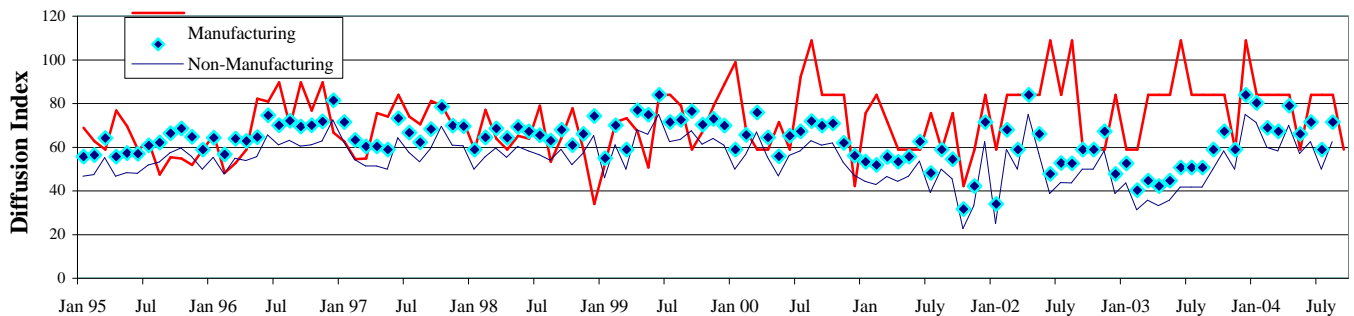
## Corrugated Packaging Prices & Delivery Time



## Computer Hardware & Software Prices



## Current Conditions - Manufacturing vs. Non-Manufacturing Activity

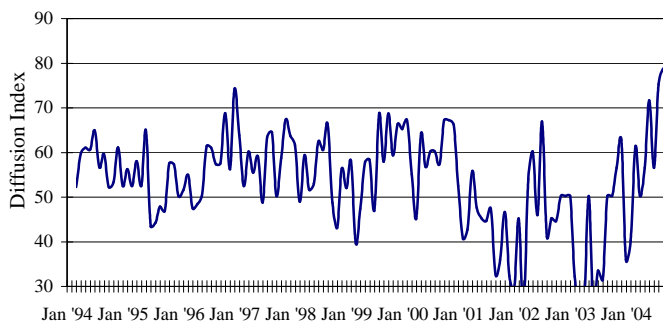


## Quantity of Purchases

The overall quantity (units not dollars) of purchases, including raw materials, MRO, components, intermediates, and services, compared with the previous month.

	Oct	Sept	Aug	July	June	Year ago Oct
Composite	71.4	78	75	78	76	62.5
Manufacturing	75	75	75	75	75	75
Non-Mfg.	70	80	75	80	75	58

## Quantity of Purchases

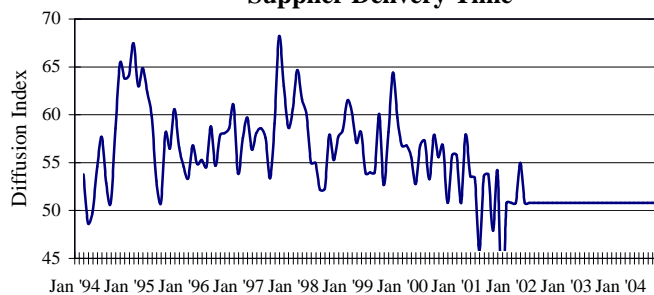


## Supplier Delivery Time

An aggregate evaluation of the current month's delivery performance (lead time) compared to the prior month. This index is the percent reporting slower deliveries plus one-half reporting same.

	Oct	Sept	Aug	July	June	Year ago Oct
Composite	50	50	50	50	50	50
Manufacturing	50	50	50	50	50	50
Non-Mfg.	50	50	50	50	50	50

## Supplier Delivery Time

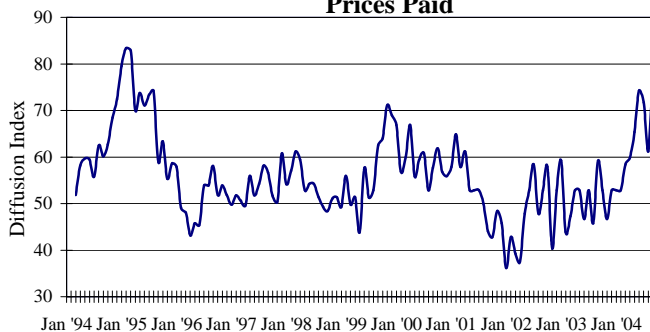


## Prices Paid

The change from the prior month in prices of items -- goods and services, purchased. This is an overall evaluation weighted by quantity of purchase.

	Oct	Sept	Aug	July	June	Year ago Oct
Composite	66.67	58.3	58.33	71	58	50
Manufacturing	50	50	50	50	50	50
Non-Mfg.	63	63	63	80	62	50

## Prices Paid

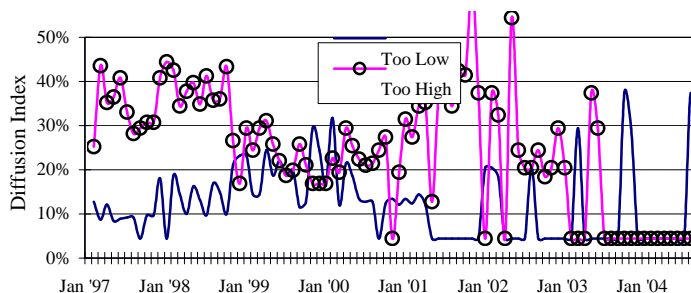


## Finished Goods Inventory Relative to Use

The overall inventory level (units, not dollars) of products held for sale (finished goods) relative to expected use.

	Oct	Sept	Aug	July	Jun	Year ago Oct
Composite	63	50	50	33	50	37
% too high	0	50	0	0	0	0
Manufacturing	50	50	50	50	50	25
Non-Mfg.	75	50	50	0	50	50

## Finished Goods Inventory vs. Expected Use

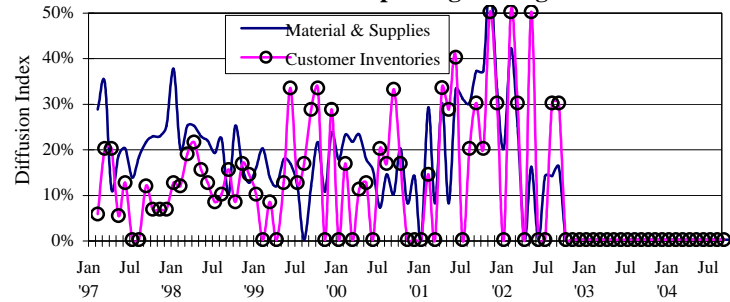


## Raw Materials & Customer Inventory

The overall inventory level (units, not dollars) of products held for sale (finished goods) relative to expected use.

	Year ago					
	Oct	Sept	Aug	July	June	Oct
Materials & Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Customer Inventories	0.0	0.0	0.0	0.0	0.0	0.0

## Material & Customer Stocks vs. Expected Use % Reporting too High



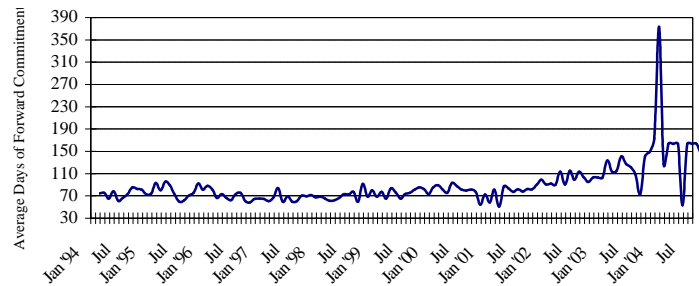
## Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Oct	Sept	Aug	July	June	Oct
Average Days	96	150	150	150	150	135

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
96	20%	40%	20%	0%	0%	20%

## Production Materials



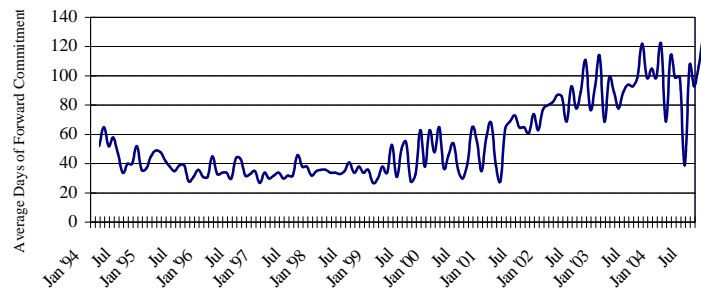
## Buying Policy for MRO Supplies

The period of forward commitment for maintenance, repair, and operation supplies.

	Year ago					
	Oct	Sept	Aug	July	June	Oct
Average Days	80	120	98	98	90	96

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
80	33%	33%	17%	0%	0%	0%

## MRO Supplies



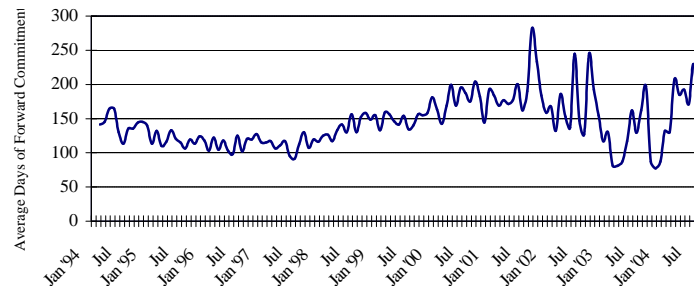
## Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Oct	Sept	Aug	July	June	Oct
Average Days	130	180	202.5	142	202	50

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
130	17%	0%	17%	33%	17%	17%

## Capital Equipment



## Specific Price Changes & Supplier Deliveries

COMMODITIES	--- PRICE CHANGES ---			--- VENDOR DELIVERIES ---			
	Oct	Sept	Aug	Oct	Sept	Aug	
Castings	100.0	100.0	50.00	50.0	50.0	50.00	
Chemicals	50.0	100.0	50.00				
Computer Hardware	+++	50.0	66.7	50.0	50.0	50.00	
Computer Software	+++	50.0	50.0	50.0	50.0	50.00	
Corrugated Packaging		67.7	83.3	50.0	50.0	50.00	
Electrical Components		50.0	50.0	50.0	50.0		
Energy		100.0	100.0			100	
Ferrous Metals		100.0	75.0	50.0	50.0	50.00	
Food Products							
Glass							
Hydraulic Components							
Medical Supplies							
Nonferrous Metals	+++	100.0	50.0	50.0	50.0	50.00	
Office Equipment (non-computer)	+++	50.0	50.0	50.0	50.0	50.00	
Office Supplies	+++	50.0	50.0	50.0	50.0	50.00	
Piping & Tubing		100.0	50.0	50.0	50.0	50.00	
Plastics		75.0	75.0	50.0	50.0	50.00	
Plating		100.0	50.0	50.0	50.0	50.00	
Printing Paper	+++	100.0	75.0	50.0	50.0		
Rubber Products							
Textile Products							
Wood & Pulp		100.0					
<b>Services (Contracted)</b>				"Hot Spots" are those commodities & services that have experienced upward price pressure with delivery delays (for commodities) for at least three months. <b>Where are the HOT SPOTS?</b>			
Cleaning		56.3	64.30				62.50
Construction		64.3	64.30				64.29
Painting		58.3	58.30				58.33
Engineering	+++	50.0	50.00				50.00
Architectural	+++	58.3	58.30				60.00
Temporary Personnel	+++	60.0	61.10				61.11
Computer Consultants	+++	62.5	61.10	62.50			

+++ = Commodity or service price diffusion index above 50% for at least the last three months.

### Items in Short Supply

### Purchaser Comments

### About the Survey

The purpose of the survey is to quickly assess business conditions among manufacturers and non-manufacturing firms/organizations doing business in the New York area. The survey results are compiled into three summary measures for: (1) all industries, (2) manufacturing firms, and (3) non-manufacturing establishments. The manufacturing component can be compared to the ISM Purchasing Manager's Index for the nation. The survey results are compiled as diffusion indexes, which are calculated by taking the percentage of the respondents answering higher plus one-half of the percentage of respondents who answer same or no change. Hence, a reading of 50% means no change from the prior month; greater than 50% indicates a faster pace of activity while a reading of less than 50% indicates a slowing in the pace of activity.