



Indexes of Business Conditions in New York City
(Seasonally Adjusted, Except Where Noted)

NEW YORK CITY REPORT ON BUSINESS
New York's New News is Good News

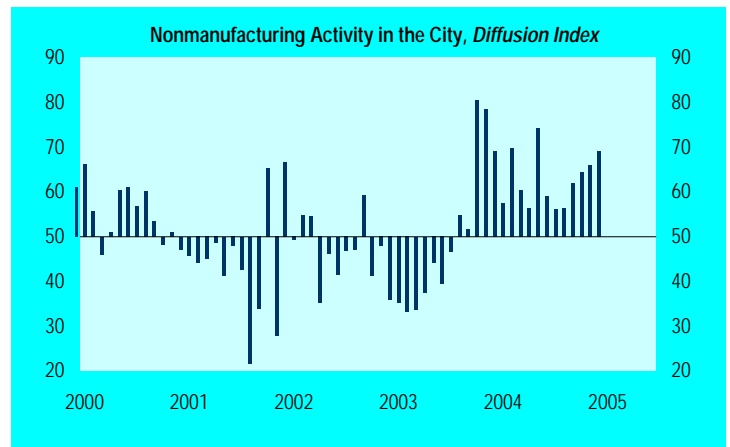
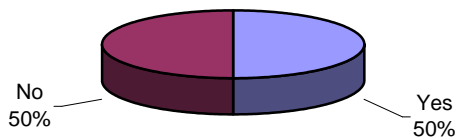
The Big Apple's purchasing managers report that the local economy continues to grow at an impressive pace, according to the February survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). Businesses in the nonmanufacturing sector—the predominant type of business in New York City's economy—appear to be strengthening further, with the business index jumping to 69.2 from 65.9, back to levels reached early last year. Even those in manufacturing apparently have seen some improvement in activity, following a winter lull. Survey respondents turned even more optimistic about the outlook in the latest survey, with the outlook index touching an extraordinarily high level of 80. The NAPM-NY survey of the City's purchasing managers matches the upbeat tone of the Empire State report on manufacturing activity conducted by the Federal Reserve Bank of New York.

The NAPM-NY survey, together with other reports on the local economy, bode well for the job market outlook. The overall business conditions index—a cumulative diffusion index that tends to parallel or precede labor market trends in the region—continues to climb. In addition, survey respondents confirmed in a special question about hiring plans that they too sense a pickup in hiring. New York has recovered about one-third of the jobs losses since the late-2000 peak in the number of jobs.

	NY-BCI	Current*	Mfg.	Non-Mfg.	Outlook**
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
November	319.3	61.1	54.4	61.9	64.3
December	325.5	62.1	41.2	64.4	37.5
January	331.8	62.8	35.1	65.9	60.0
February	340.4	67.3	50.3	69.2	80.0

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

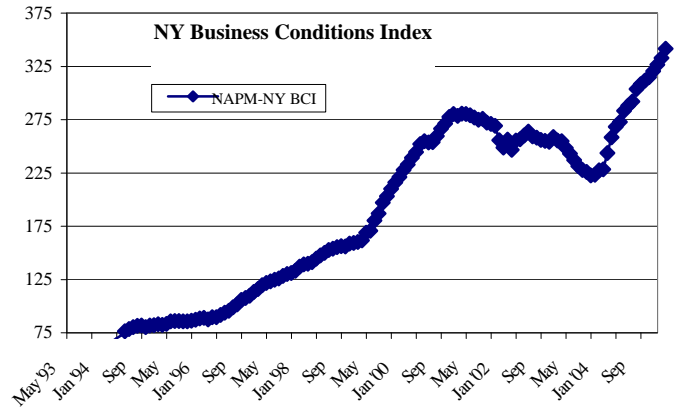
Surveys indicate that unemployment in the New York region has fallen below the national unemployment rate for the first time in a while. Do you sense that hiring is picking up?



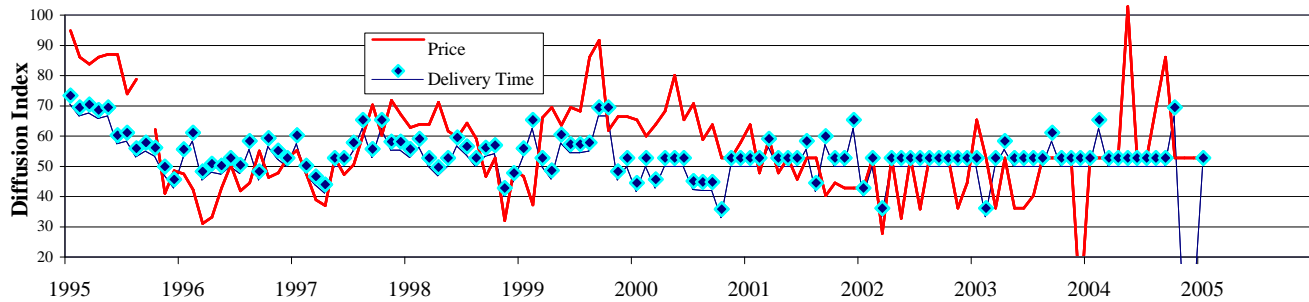
New York Business Conditions Index

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.

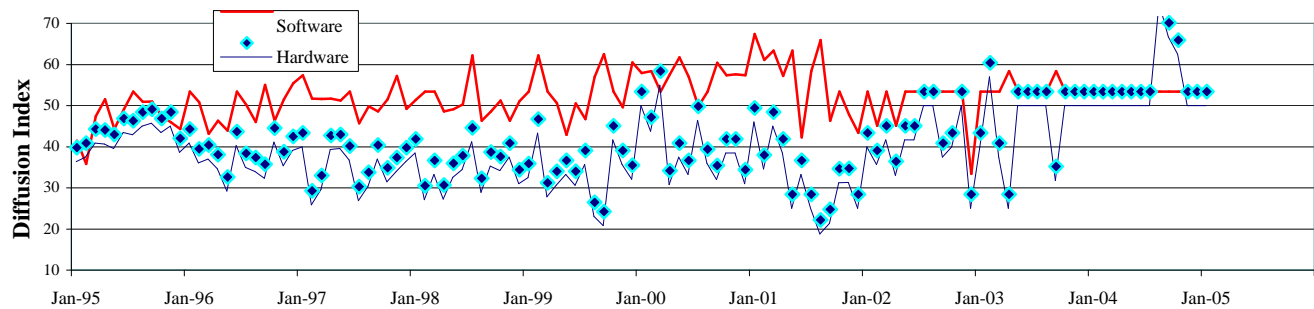
	Feb	Jan	Dec	Nov	Year ago Feb
NY BCI	340.4	319.3	319.3	319.3	267.2
% Change M/M	2.6	1.8	1.8	1.8	3.8



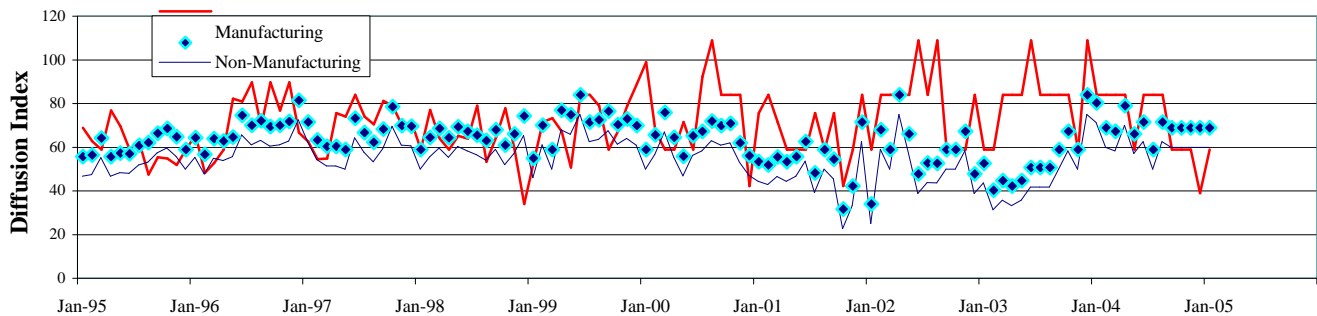
Corrugated Packaging Prices & Delivery Time



Computer Hardware & Software Prices



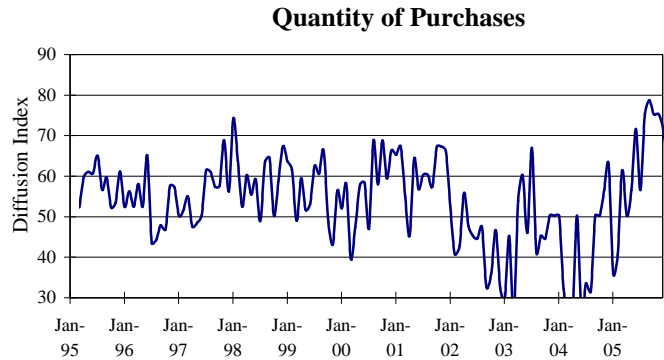
Current Conditions - Manufacturing vs. Non-Manufacturing Activity



Quantity of Purchases

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

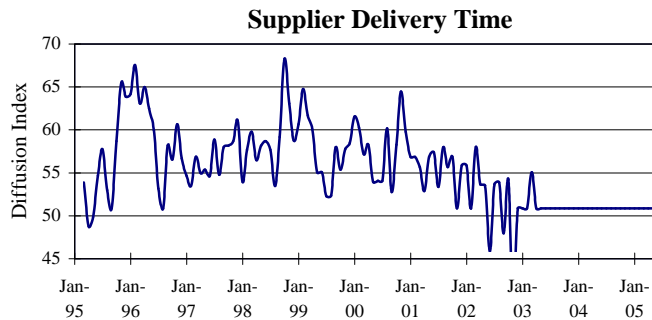
	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
Composite	80.0	50.0	62.5	64.3	71.4	50.0
Manufacturing	100.0	50.0	NA	100.0	75.0	75.0
Non-Mfg.	66.7	50.0	62.5	50.0	70.0	40.0



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.

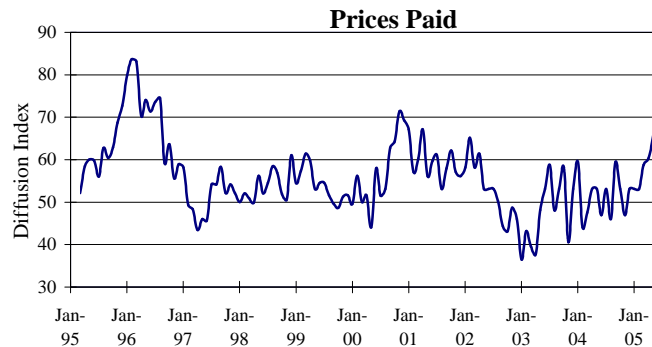
	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
Composite	50.0	50.0	50.0	50.0	50.0	50.0
Manufacturing	50.0	50.0	NA	50.0	50.0	50.0
Non-Mfg.	50.0	50.0	50.0	50.0	50.0	50.0



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.

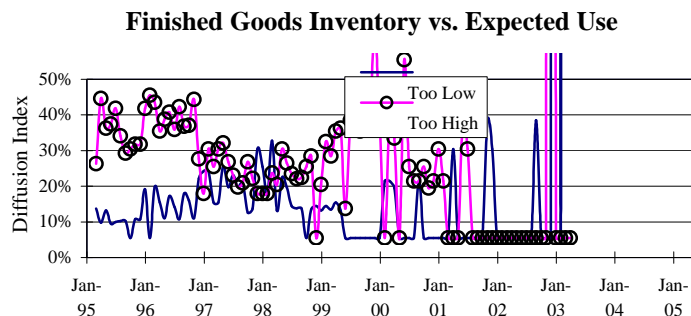
	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
Composite	60.0	70.0	62.6	64.3	66.7	57.1
Manufacturing	50.0	50.0	NA	75.0	50.0	50.0
Non-Mfg.	66.7	50.0	62.5	60.0	75.0	60.0



Finished Goods Inventory Relative to Use

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

	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
Composite	25	0	NA	63	63	50
% too high	0	0	0	0	0	0
Manufacturing	25	0	NA	50	50	50
Non-Mfg.	NA	NA	NA	75	75	50

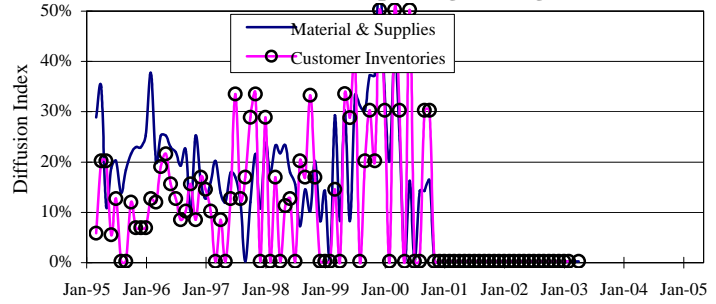


Raw Materials & Customer Inventory

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

	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
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



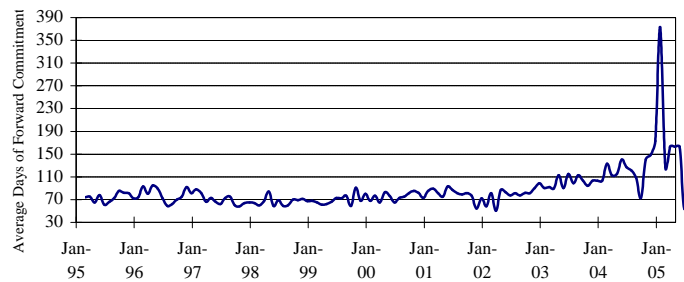
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
Average Days	45	45	15	96	96	150

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
45	0%	50%	50%	0%	0%	0%

Production Materials



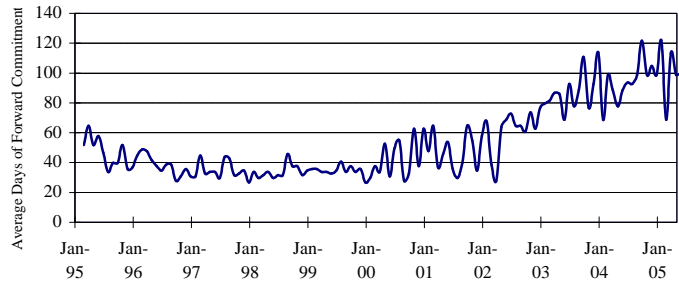
Buying Policy for MRO Supplies

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

	Year ago					
	Feb	Jan	Dec	Nov	Oct	Feb
Average Days	30	30	30	80	120	105

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
30	25%	50%	25%	0%	0%	0%

MRO Supplies



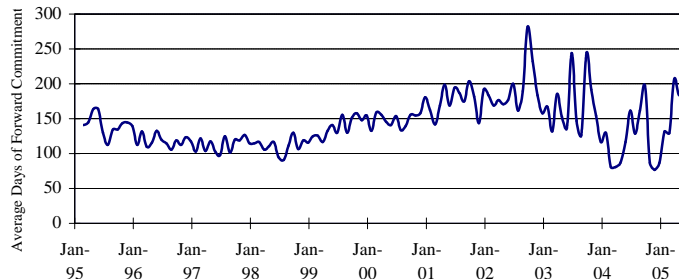
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Feb	Dec	Dec	Nov	Oct	Feb
Average Days	68	90	90	130	130	180

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
68	25%	0%	0%	75%	0%	0%

Capital Equipment



Specific Price Changes & Supplier Deliveries

COMMODITIES	--- PRICE CHANGES ---			--- VENDOR DELIVERIES ---		
	Feb	Jan	Dec	Feb	Jan	Dec
Castings	50.0			50.0		
Chemicals	75.0	50.0	50.0	50.0		
Computer Hardware	+++ 50.0	33.3	33.3	50.0	50.0	50.0
Computer Software	+++ 50.0	33.3	33.3	50.0	50.0	50.0
Corrugated Packaging	50.0	50.0	50.0	50.0		
Electrical Components		50.0	50.0			
Energy	100.0	100.0	100.0	50.0	50.0	50.0
Ferrous Metals	100.0	100.0	100.0		50.0	50.0
Food Products						
Glass						
Hydraulic Components						
Medical Supplies						
Nonferrous Metals	+++ 75.0			50.0		
Office Equipment (non-computer)	+++ 50.0	50.0	50.0	50.0	50.0	50.0
Office Supplies	+++ 50.0	50.0	50.0	50.0	50.0	50.0
Piping & Tubing						
Plastics	75.0	100.0	100.0	50.0		
Plating	100.0			50.0		
Printing Paper	+++ 50.0	75.0	75.0	50.0	50.0	50.0
Rubber Products						
Textile Products						
Wood & Pulp	50.0			0.0		
Services (Contracted)				"Hot Spots" are those commodities & services that have experienced upward price pressure with delivery delays (for commodities) for at least three months. Where are the HOT SPOTS?		
Cleaning	62.5	57.1				
Construction	60.0	66.7				
Painting	60.0	60.0				
Engineering	+++ 50.0	50.0				
Architectural	+++ 58.3	58.3				
Temporary Personnel	+++ 55.6	56.3				
Computer Consultants	+++ 56.3	57.1				

+++ = 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.