



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

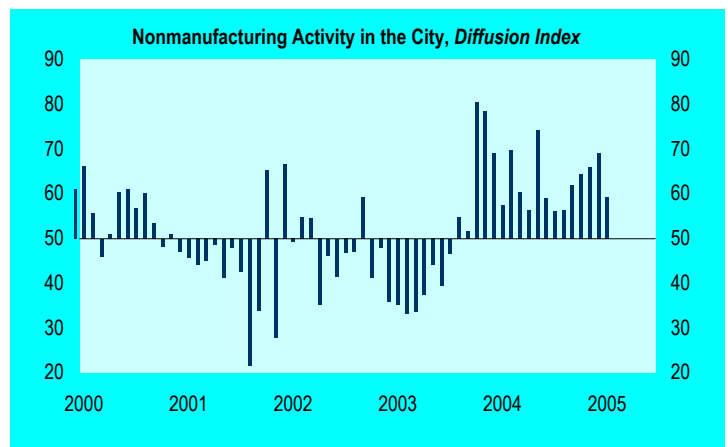
**NEW YORK CITY REPORT ON BUSINESS**  
***The City's Economy Remains on a Solid Track***

Business activity continues to improve in the New York City area, according to the March survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). The upbeat tone of the latest business survey echoes favorable economic reports on the region's economy more broadly—for example, the Federal Reserve's survey of manufacturing activity in the Empire State indicated that industrial activity continues to expand. Moreover, the good news on the Big Apple's economy echoes the message in the national business reports that show the pace of US economic activity may have quickened this winter.

Although month-to-month trends in the NAPM-NY survey are volatile—sometimes exaggerated by variations in response rates—the NAPM-NY's current business conditions index stands at a respectable 58.3 level. Diffusion index levels over 50 signal that business activity is expanding. Nonmanufacturing businesses, the most prevalent type of business in the Big Apple, continue to fare well, according to the NAPM-NY, staying in the range that has been evident since late 2003. Growth in the manufacturing sector may be slowing somewhat.

	NY-BCI	Current*	Mfg.	Non-Mfg.	Outlook**
December	254.3	43.4	62.4	41.3	41.0
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
March	344.5	58.3	49.7	59.2	50.0

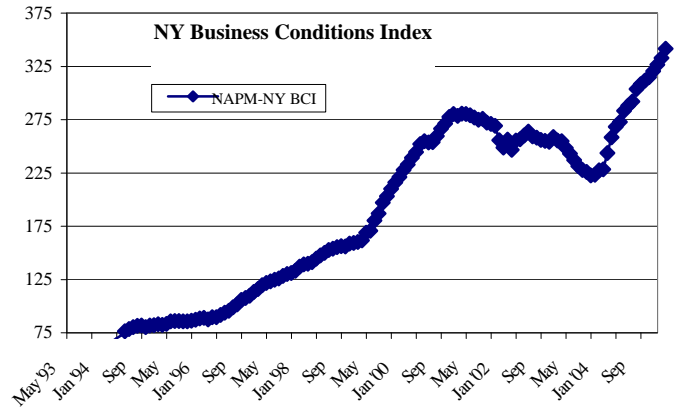
\* This index is a weighted average of manufacturing and non-mfg. \*\* Not seasonally adjusted.



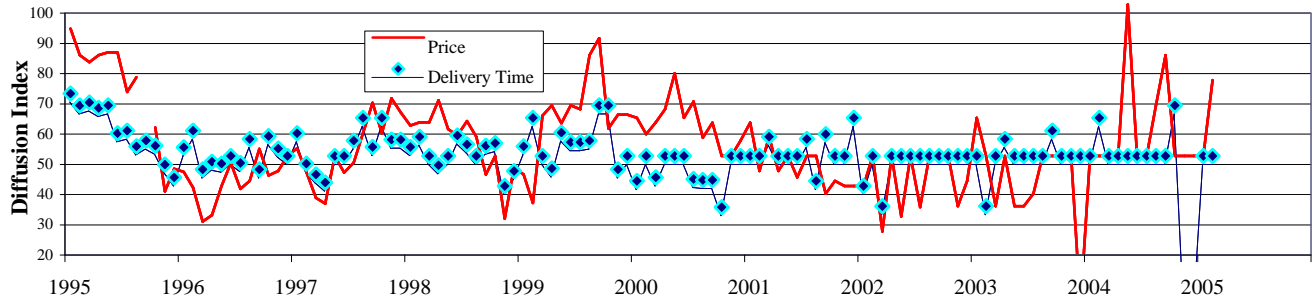
## New York Business Conditions Index

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.

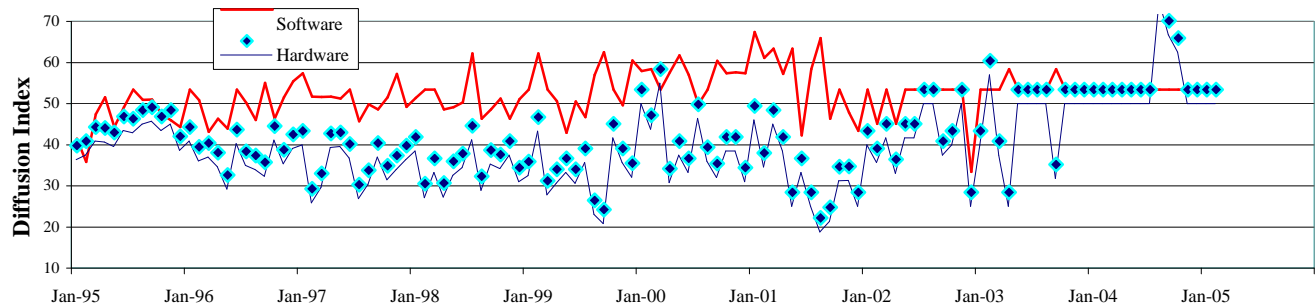
	Year ago				
	March	Jan	Jan	Dec	March
NY BCI	344.5	319.3	319.3	319.3	271.8
% Change M/M	1.2	1.8	1.8	1.8	1.7



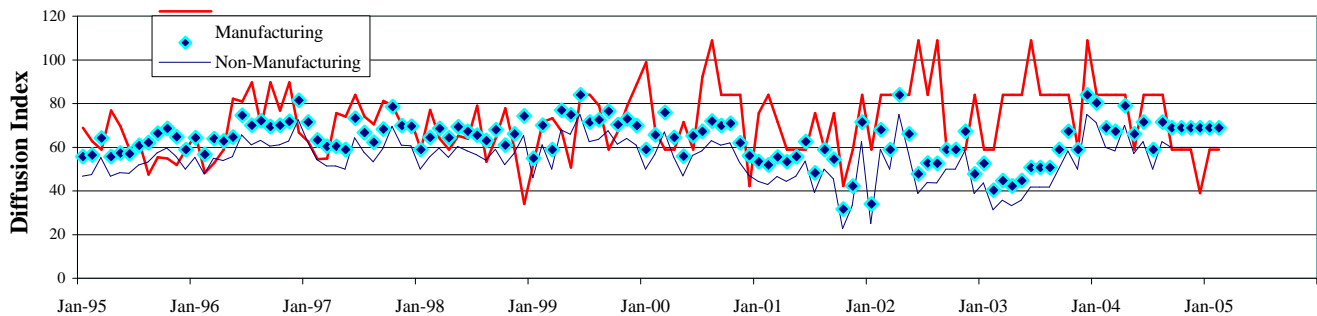
## Corrugated Packaging Prices & Delivery Time



## Computer Hardware & Software Prices



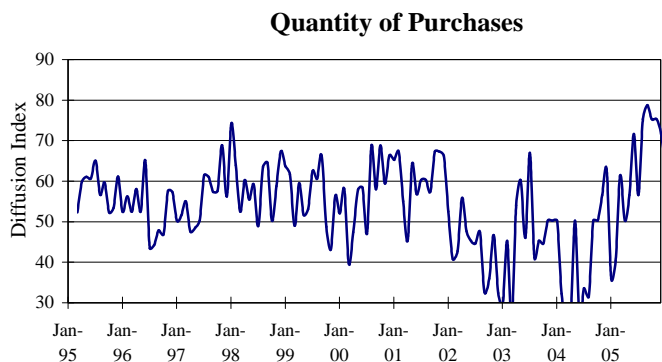
## Current Conditions - Manufacturing vs. Non-Manufacturing Activity



### Quantity of Purchases

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

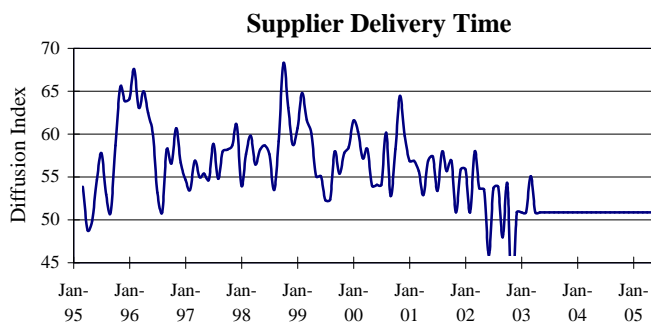
	March	Feb	Jan	Dec	Nov	Year ago March
Composite	50.0	80.0	50.0	62.5	64.3	56.3
Manufacturing	50.0	100.0	50.0	NA	100.0	75.0
Non-Mfg.	50.0	66.7	50.0	62.5	50.0	50.0



### 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.

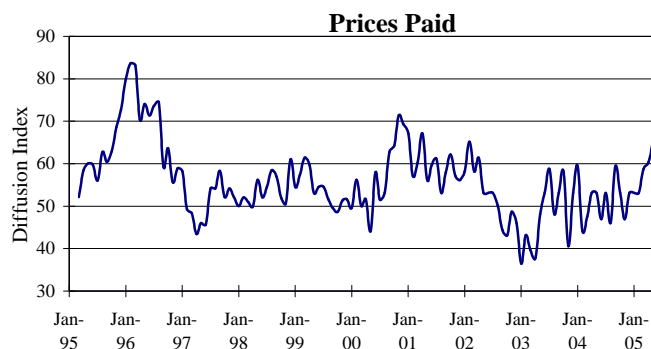
	March	Feb	Jan	Dec	Nov	Year ago March
Composite	50	50.0	50.0	50.0	50.0	50.0
Manufacturing	50	50.0	50.0	NA	50.0	50.0
Non-Mfg.	50	50.0	50.0	50.0	50.0	50.0



### 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.

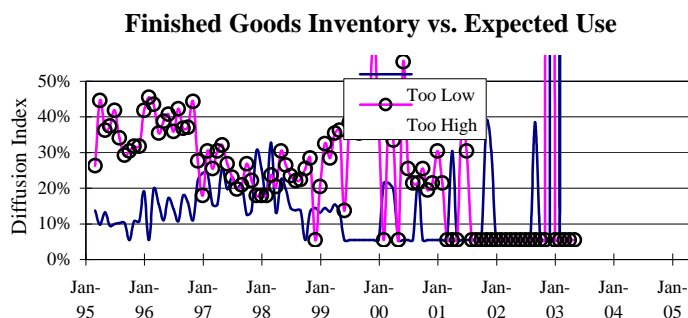
	March	Feb	Jan	Dec	Nov	Year ago March
Composite	100.0	60.0	70.0	62.6	64.3	62.5
Manufacturing	100.0	50.0	50.0	NA	75.0	50.0
Non-Mfg.	100.0	66.7	50.0	62.5	60.0	66.7



### Finished Goods Inventory Relative to Use

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

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

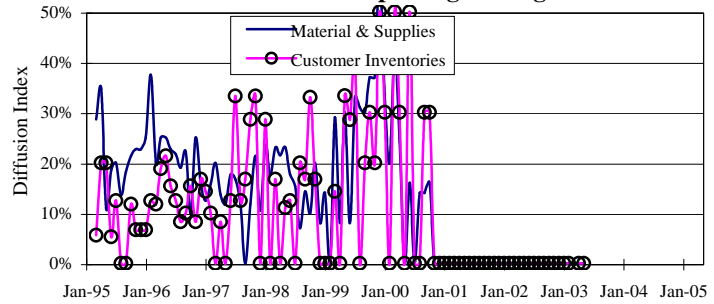


## Raw Materials & Customer Inventory

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

	Year ago					
	March	Feb	Jan	Dec	Nov	March
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



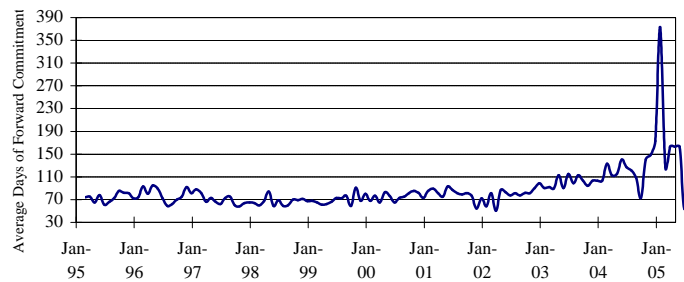
## Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	March	Feb	Jan	Dec	Nov	March
Average Days	45	45	45	15	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



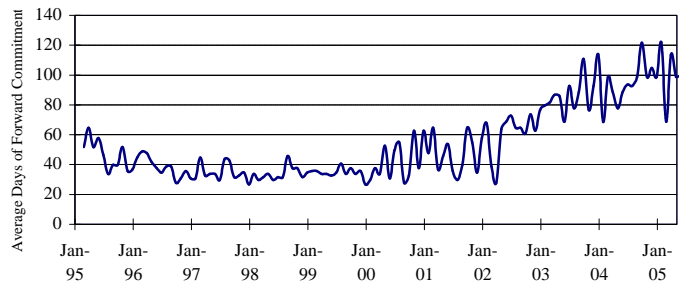
## Buying Policy for MRO Supplies

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

	Year ago					
	March	Feb	Jan	Dec	Nov	March
Average Days	30	30	30	30	80	90

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



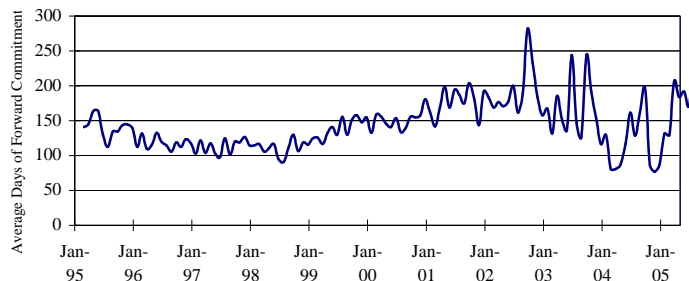
## Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	March	Feb	Dec	Dec	Nov	March
Average Days	45	68	90	90	130	157.5

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

## Capital Equipment



## Specific Price Changes & Supplier Deliveries

COMMODITIES	--- PRICE CHANGES ---			--- VENDOR DELIVERIES ---			
	March	Feb	Jan	March	Feb	Jan	
Castings	50.0	50.0		50.0	50.0		
Chemicals	100.0	75.0	50.0	50.0	50.0		
Computer Hardware	+++ 50.0	50.0	33.3	50.0	50.0	50.0	
Computer Software	+++ 50.0	50.0	33.3	50.0	50.0	50.0	
Corrugated Packaging	75.0	50.0	50.0	50.0	50.0		
Electrical Components			50.0				
Energy	100.0	100.0	100.0	50.0	50.0	50.0	
Ferrous Metals		100.0	100.0			50.0	
Food Products							
Glass							
Hydraulic Components							
Medical Supplies							
Nonferrous Metals	+++ 100.0	75.0		50.0	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	100.0	75.0	100.0		50.0		
Plating		100.0			50.0		
Printing Paper	+++ 75.0	50.0	75.0	50.0	50.0	50.0	
Rubber Products							
Textile Products							
Wood & Pulp	100.0	50.0		100.0	0.0		
<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	60.0	62.5	57.1				
Construction	62.5	60.0	66.7				
Painting	62.5	60.0	60.0				
Engineering	+++ 50.0	50.0	50.0				
Architectural	+++ 62.5	58.3	58.3				
Temporary Personnel	+++ 58.3	55.6	56.3				
Computer Consultants	+++ 60.0	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.