

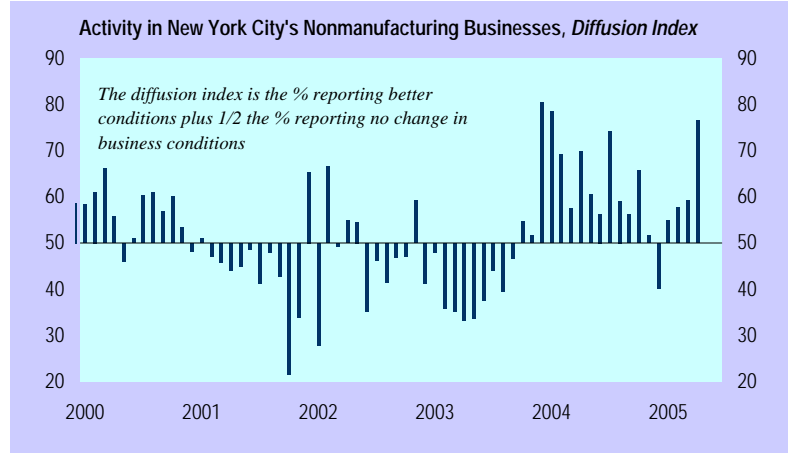


NEW YORK CITY REPORT ON BUSINESS
April Flowers?

New York City's businesses contacts report that activity in the area perked up in April, according to the latest survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). This encouraging message may seem somewhat at odds with the Federal Reserve Bank's latest downbeat survey of conditions in New York state, but the differences reflect divergences between the manufacturing and nonmanufacturing sectors—the Fed's survey represents activity in New York's manufacturing sector. To that point, the last signs of improved activity in the Big Apple are centered in the nonmanufacturing sector, where the NAPM-NY diffusion index jumped back up to its highest level since early last year. Activity in the manufacturing sector apparently improved slightly, but remains more muted than in the City's service sector that dominates the Big Apple's economy. [The smaller representation of manufacturing businesses in the NAPM-NY's business survey likely contributes to the more volatile month-to-month variation in the survey's indication of activity in manufacturing.] The upbeat tone of the NAPM-NY business report is a bright spot amid a mixed bag of national economic reports, including the latest report that the US economy's growth rate moderated somewhat to a 3.1% annualized pace in the first quarter.

Although job growth in New York and the tri-state region has lagged the national trends, the latest lift in the NAPM-NY Business Conditions Index (BCI)—the BCI tends to coincide with the City's employment trends—is a promising sign.

The NAPM-NY also indicates that businesses remain optimistic about the outlook. The index of future conditions has often been a good leading indicator of current conditions.



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

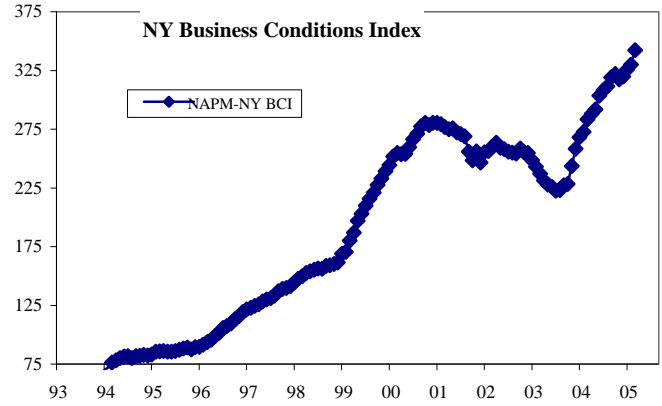
	Current*	Mfg.	Non-Mfg.	Outlook**	NY-BCI
March '03	39.2	74.8	35.3	61.1	242.1
April	38.0	80.6	33.3	56.3	236.1
May	38.3	78.8	33.8	61.1	230.2
June	43.1	92.8	37.5	62.5	226.7
July	46.2	64.8	44.2	62.5	224.9
August	43.6	81.6	39.4	57.1	221.7
September	51.1	90.2	46.8	62.5	222.2
October	58.2	90.0	54.7	62.5	226.4
November	51.9	54.4	51.6	57.4	227.3
December	80.7	82.3	80.5	90.0	242.6
January '04	79.4	87.6	78.5	88.9	257.3
February	69.8	75.4	69.2	78.6	267.2
March	59.2	74.6	57.5	62.5	271.8
April	70.9	80.3	69.8	85.7	282.2
May	59.7	52.7	60.4	62.5	287.1
June	57.6	69.6	56.3	60.0	290.9
July	73.2	64.8	74.1	78.5	302.5
August	59.3	61.2	59.1	60.0	307.1
September	56.6	60.1	56.2	60.0	310.4
October <i>r</i>	65.1	60.0	65.7	50.0	318.0
November <i>r</i>	56.4	100.0	51.6	64.3	321.2
December <i>r</i>	40.3	41.2	40.2	37.5	316.3
January '05 <i>r</i>	55.3	58.4	54.9	60.0	319.0
February <i>r</i>	61.9	100.0	57.6	80.0	324.9
March <i>r</i>	58.3	49.7	59.2	50.0	329.1
April	74.2	53.5	76.5	77.8	341.2

* This index is a weighted average of manufacturing (10%) and non-manufacturing (90%).

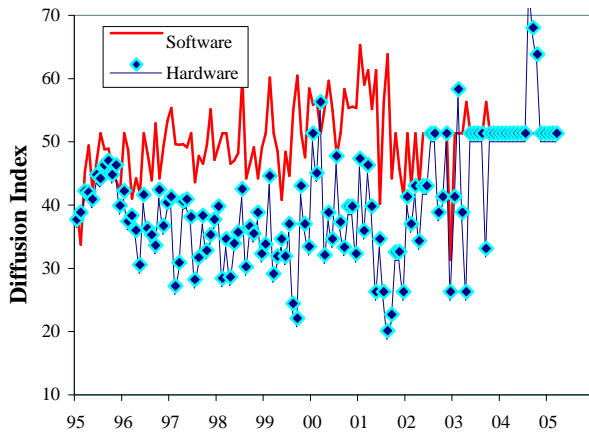
** Not seasonally adjusted. *r* denotes revised figures.

New York Business Conditions Index (NY-BCI)

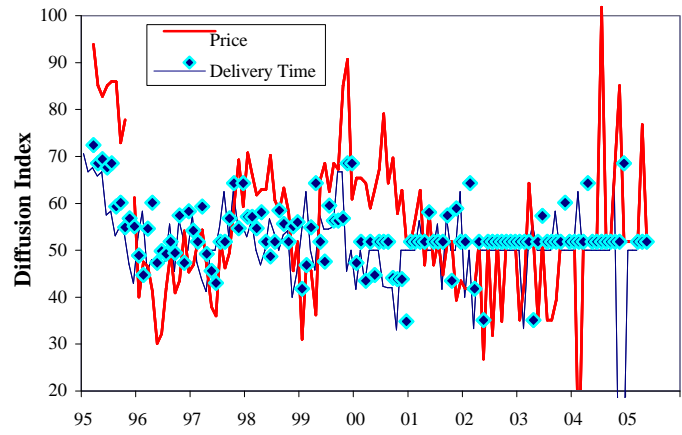
The New York business conditions index (BCI) is a cumulative diffusion index of current business conditions in the New York city area. The BCI tends to precede or move with local-area employment. As a result, because employment data are not available for one or two months later, the BCI can provide advance indications of local labor market conditions.



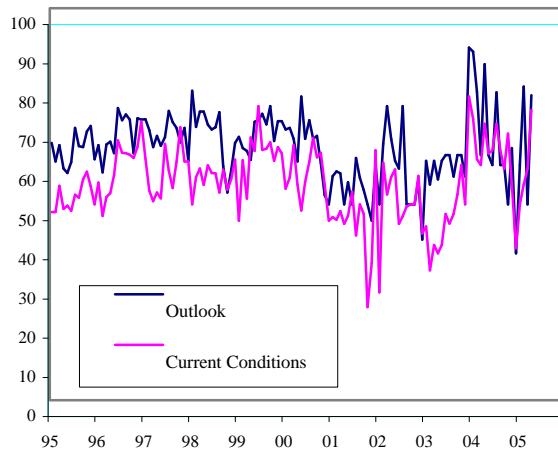
Computer Hardware & Software Prices



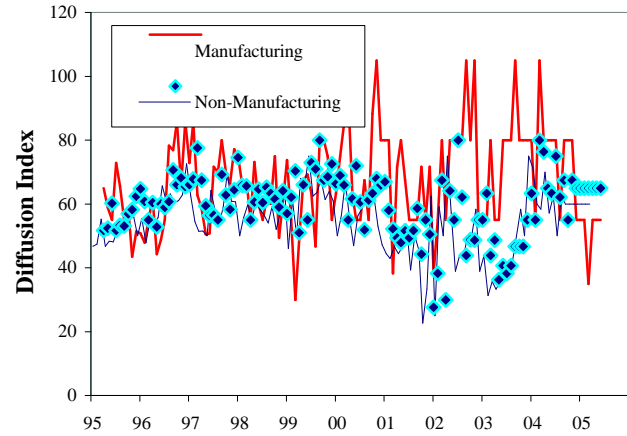
Corrugated Packaging Prices & Delivery Time



Current Conditions Versus the Outlook



Current Cond. - Mfg vs. Non-Mfg Activity

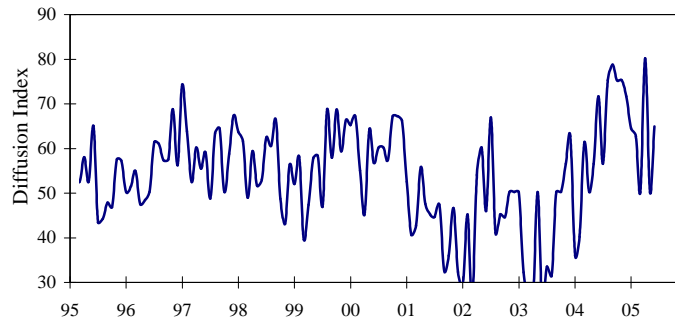


Quantity of Purchases

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

	April	Feb	Feb	Jan	Dec	Year ago April
Composite	65	80	80	50	63	71
Manufacturing	50	100	100	50	NA	75
Non-Mfg.	66	67	67	50	63	70

Quantity of Purchases

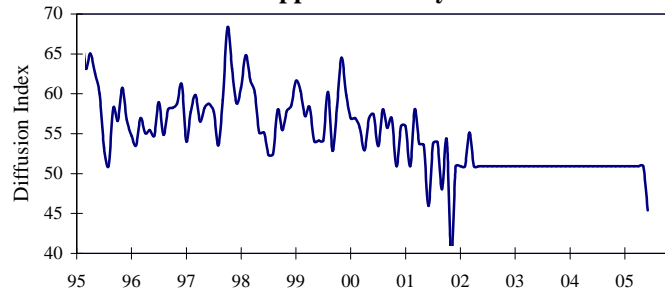


Supplier Delivery Time

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.

	April	March	Feb	Jan	Dec	Year ago April
Composite	44	50	50	50	50	50
Manufacturing	50	50	50	50	NA	50
Non-Mfg.	50	50	50	50	50	50

Supplier Delivery Time

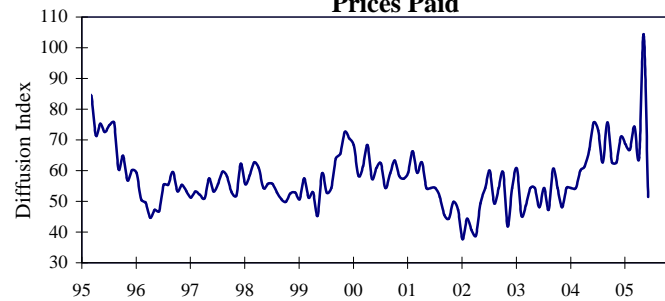


Prices Paid

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

	April	March	Feb	Jan	Dec	Year ago April
Composite	47	100	60	70	63	71
Manufacturing	50	100	50	50	NA	75
Non-Mfg.	40	100	67	50	63	70

Prices Paid

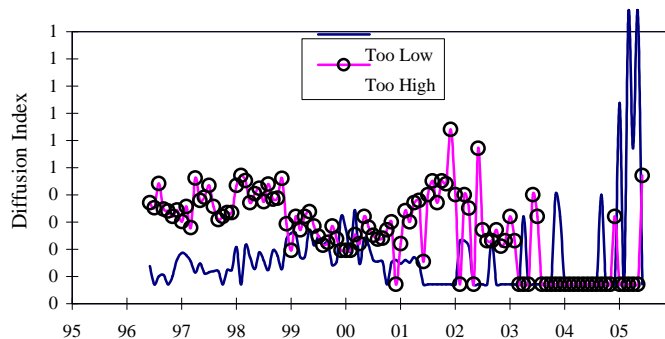


Finished Goods Inventory Relative to Use

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

	April	March	Feb	Jan	Dec	Year ago April
Composite	70	0	25	0	NA	50
% too high	0	0	0	0	0	0
Manufacturing	50	0	25	0	NA	50
Non-Mfg.	75	NA	NA	NA	NA	50

Finished Goods Inventory vs. Expected Use

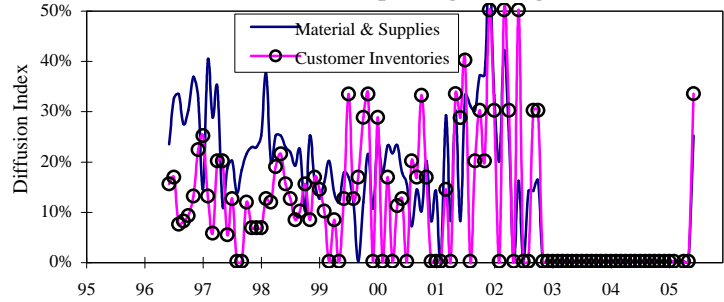


Raw Materials & Customer Inventory

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

	Year ago					
	April	March	Feb	Jan	Dec	April
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

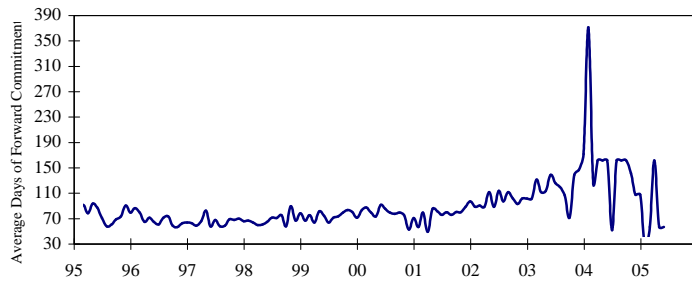


Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	April	March	Feb	Jan	Dec	April
Average Days	45	45	45	45	15	150

Production Materials



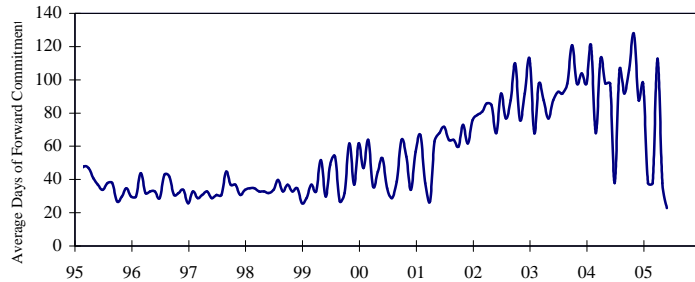
Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
45	25%	25%	25%	25%	0%	0%

Buying Policy for MRO Supplies

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

	Year ago					
	April	March	Feb	Jan	Dec	April
Average Days	15	30	30	30	30	90

MRO Supplies



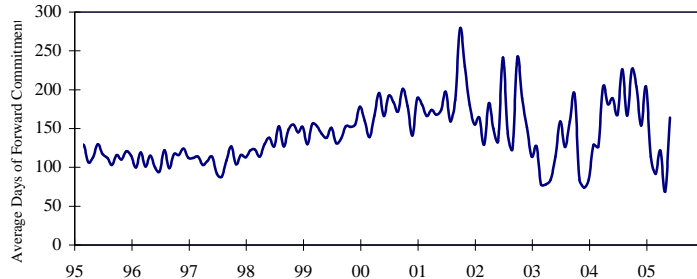
Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
15	50%	50%	0%	0%	0%	0%

Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	April	Feb	Feb	Dec	Dec	April
Average Days	140	45	68	90	90	165

Capital Equipment



Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
140	11%	33%	0%	11%	22%	22%

Specific Price Changes & Supplier Deliveries

COMMODITIES	--- PRICE CHANGES ---			--- VENDOR DELIVERIES ---		
	April	March	Feb	April	March	Feb
Castings	62.50	50.0	50.0	62.50	50.0	50.0
Chemicals	50.00	100.0	75.0	50.00	50.0	50.0
Computer Hardware	+++ 25.00	50.0	50.0	50.00	50.0	50.0
Computer Software	+++ 55.00	50.0	50.0	50.00	50.0	50.0
Corrugated Packaging	50.00	75.0	50.0	50.00	50.0	50.0
Electrical Components	33.33			50.00		
Energy	33.33	100.0	100.0	50.00	50.0	50.0
Ferrous Metals	50.00		100.0	50.00		
Food Products	50.00			50.00		
Glass	50.00			50.00		
Hydraulic Components	75.00			50.00		
Medical Supplies	50.00			50.00		
Nonferrous Metals	+++ 33.33	100.0	75.0	50.00	50.0	50.0
Office Equipment (non-computer)	+++ 41.67	50.0	50.0	45.45	50.0	50.0
Office Supplies	+++ 50.00	50.0	50.0	50.00	50.0	50.0
Piping & Tubing	50.00			50.00		
Plastics	50.00	100.0	75.0	50.00		50.0
Plating	50.00		100.0	50.00		50.0
Printing Paper	+++ 55.56	75.0	50.0	50.00	50.0	50.0
Rubber Products	50.00			50.00		
Textile Products						
Wood & Pulp	50.00	100.0	50.0	25.00	100.0	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	60.00	60.0	62.5			
Construction	50.00	62.5	60.0			
Painting	50.00	62.5	60.0			
Engineering	+++ 66.67	50.0	50.0			
Architectural	+++ 50.00	62.5	58.3			
Temporary Personnel	+++ 50.00	58.3	55.6			
Computer Consultants	+++ 50.00	60.0	56.3			

+++ = 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.

