



NAPM-New York

Report on Business



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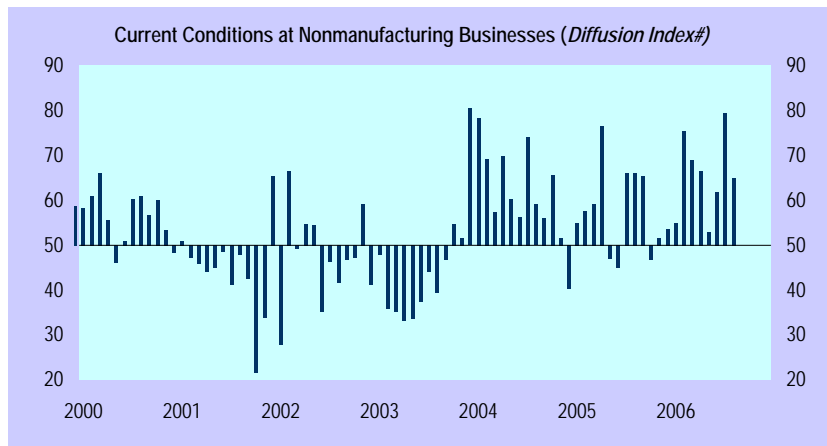
NEW YORK CITY REPORT ON BUSINESS

The Hums of August

The local economy continues to expand at a solid clip, according to the latest business survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). The majority of business responses indicated that conditions remain unchanged—that is, favorable—and a few noted that activity is picking up.

A larger number of local businesses reported that they were optimistic about the outlook. This is reflected in the NAPM-NY's sky-high level of the Outlook Index.

With current conditions indexes still well above the neutral "50" level, the NAPM-NY Business Conditions Index (BCI), a measure of the cumulative change in business activity over time, continued to rise. This is a promising sign for the job market, which tends to echo the BCI with a lag.



Business Conditions In New York City#
(Seasonally Adjusted, Except Where Noted)

	Current conditions ~	Outlook ^ *	NY-BCI *
July 2004	74.1	78.5	302.5
August	59.1	60.0	307.1
September	56.2	60.0	310.4
October	65.7	50.0	318.0
November	51.6	64.3	321.2
December	40.2	37.5	316.3
January 2005	54.9	60.0	319.0
February	57.6	80.0	324.9
March	59.2	50.0	329.1
April	76.5	77.8	341.2
May	47.0	50.0	337.3
June	45.0	62.5	333.7
July	66.2	50.0	339.6
August	66.2	50.0	345.4
September	65.5	75.0	353.2
October	46.9	66.7	351.6
November	51.6	37.5	352.4
December	53.6	66.7	354.2
January 2006	54.9	50.0	356.7
February	75.4	73.1	369.4
March	69.1	70.0	378.9
April	66.5	50.0	387.2
May	52.9	70.8	388.6
June	61.9	75.0	394.5
July	79.4	88.3	409.3
August	65.0	81.3	416.8

Half the percentage reporting unchanged conditions plus the percentage reporting improving activity.

~ Activity at nonmanufacturing businesses.

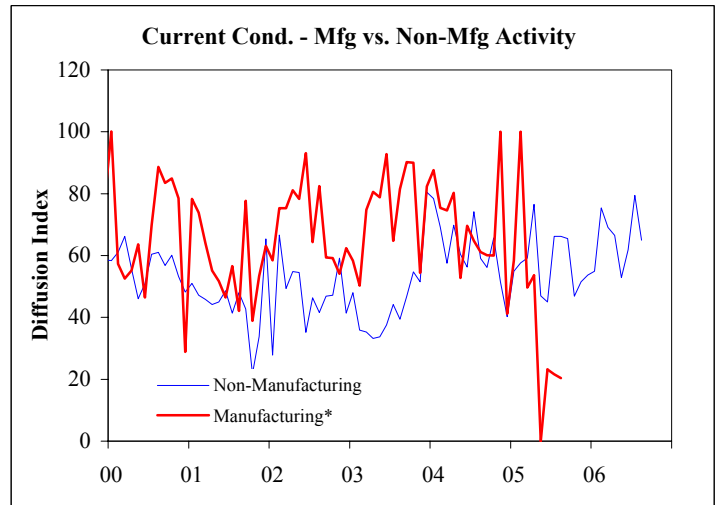
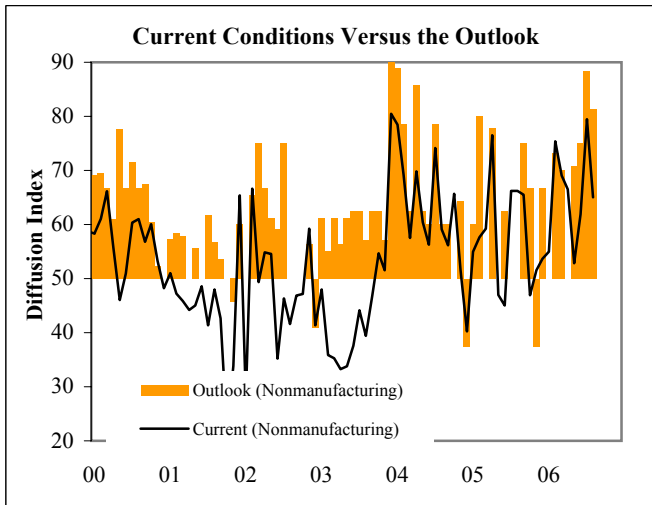
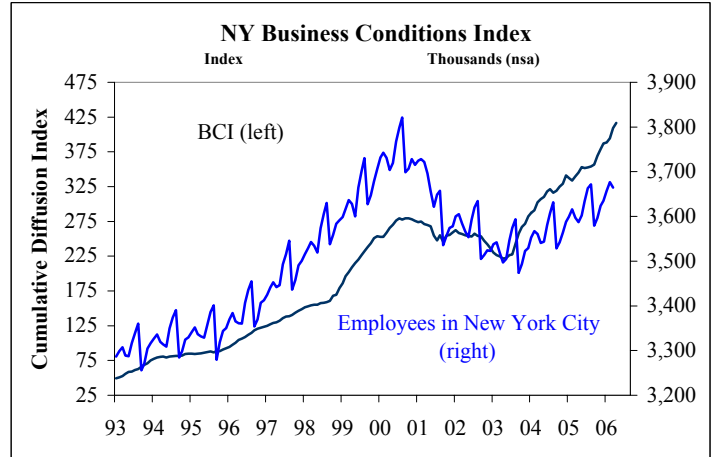
^ Not seasonally adjusted.

* After August 2005, the index reflects activity at nonmanufacturing businesses.

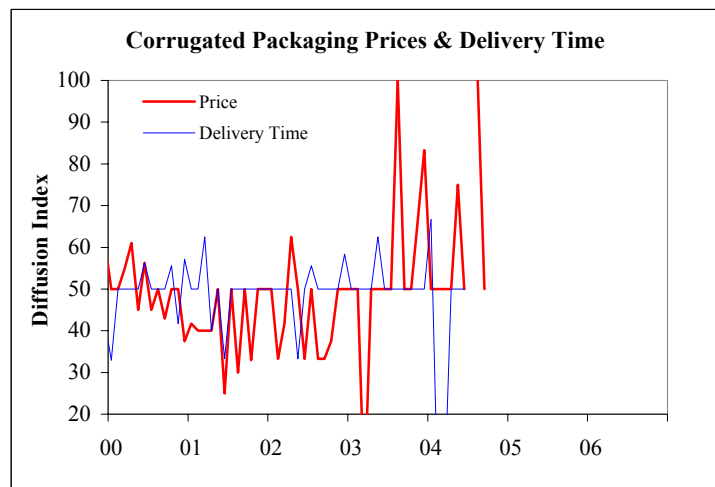
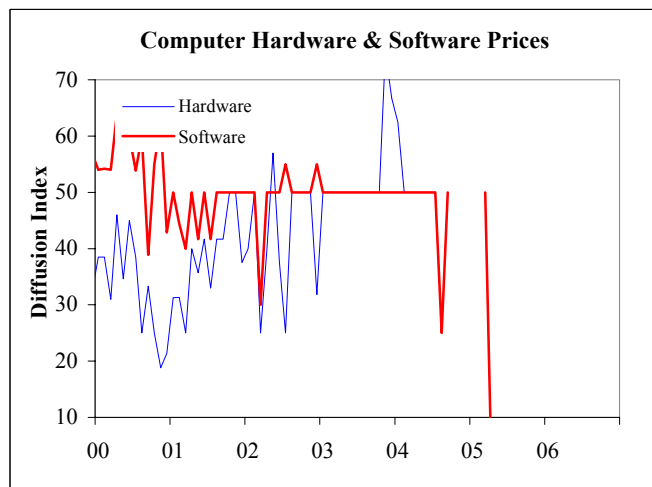
New York Business Conditions Index (NY-BCI)

The New York NAPM business conditions index (BCI) is a cumulative diffusion index constructed from the diffusion index of current conditions for nonmanufacturing businesses in the New York City area. The BCI often precedes local employment trends. Furthermore, because the count of local jobs is not available for one or two months, the BCI offers advance information about forthcoming local labor market conditions. Until recently, City payrolls have lagged the recovery in the NY-NAPM's BCI (figure to the right). Lately, however, job growth appears to be picking up.

Note: After August 2005, the NY-NAPM BCI reflects responses of nonmanufacturers.



* Discontinued after August 2005

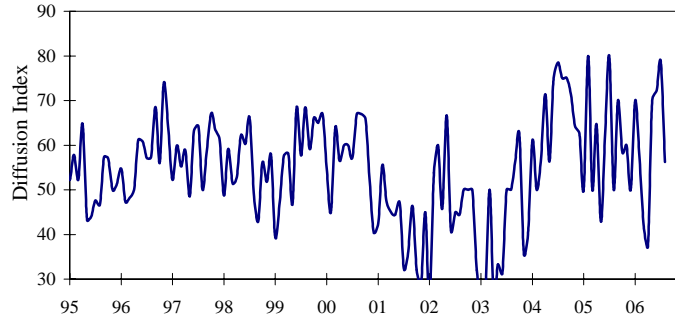


Quantity of Purchases

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

	August	July	June	May	April	Year ago August
Composite	56.25	78.57	72.22	70	37.5	50
Manufacturing	NA	50	NA	50	0	25
Non-Mfg.	60	83	81	71	50	40

Quantity of Purchases

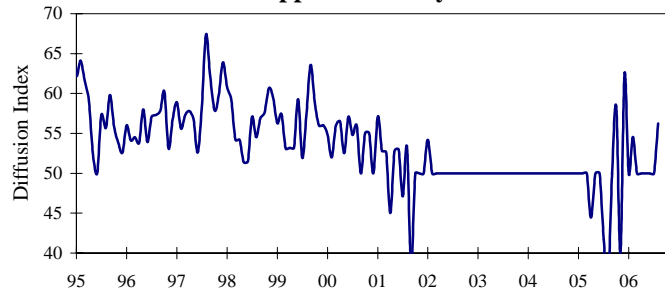


Supplier Delivery Time

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.

	August	July	June	May	April	Year ago August
Composite	56	50	50	50	50	36
Manufacturing	NA	50	50	50	50	50
Non-Mfg.	56	50	50	50	50	50

Supplier Delivery Time

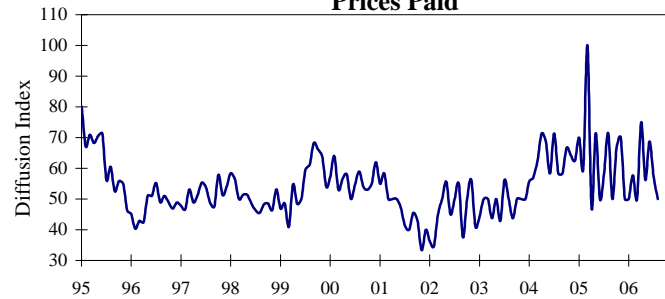


Prices Paid

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

	August	July	June	May	April	Year ago August
Composite	50	57	69	56	70	71
Manufacturing	NA	50	100	50	100	75
Non-Mfg.	50	58	64	57	67	70

Prices Paid

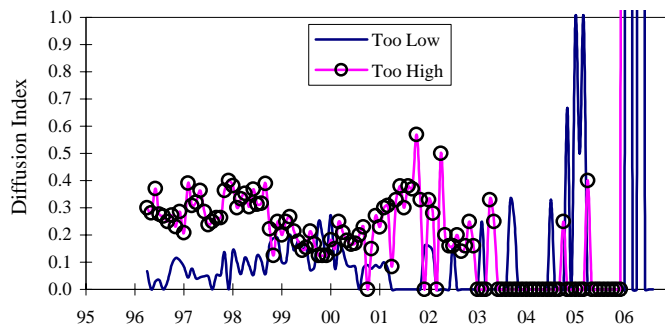


Finished Goods Inventory Relative to Use

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

	August	July	June	May	April	Year ago August
Composite	33	63	63	58	75	0
% too high	67	0	0	0	0	100
Manufacturing	0	100	100	100	100	0
Non-Mfg.	66.67	50	62.5	54	50	0

Finished Goods Inventory vs. Expected Use

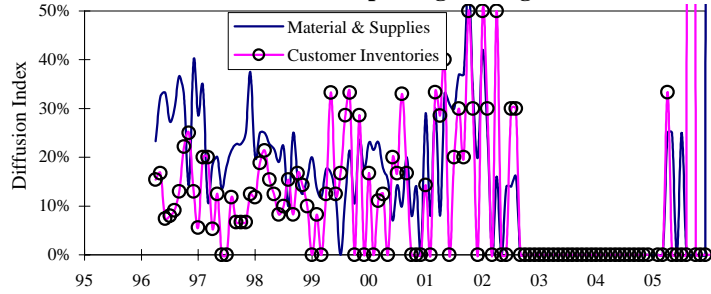


Raw Materials & Customer Inventory

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

	August	July	June	May	April	Year ago August
Materials & Supplies	#####	25.0	40.0	50.0	50.0	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



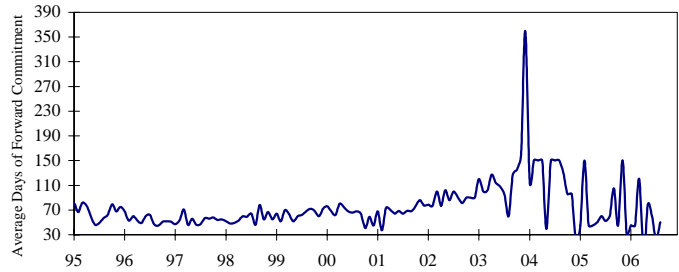
Buying Policy for Production Materials

The period of forward commitment for production materials.

	August	July	June	May	April	Year ago August
Average Days	50	23	60	79	0	60

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
50	0%	33%	67%	0%	0%	0%

Production Materials



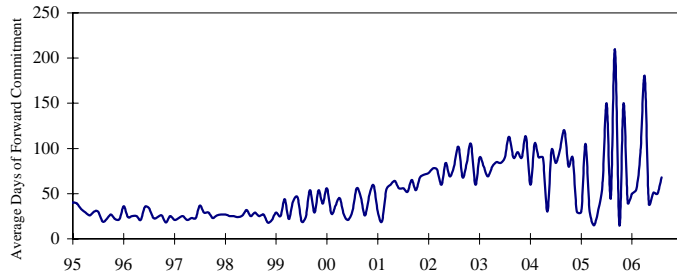
Buying Policy for MRO Supplies

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

	August	July	June	May	April	Year ago August
Average Days	68	50	51	39	180	45

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

MRO Supplies



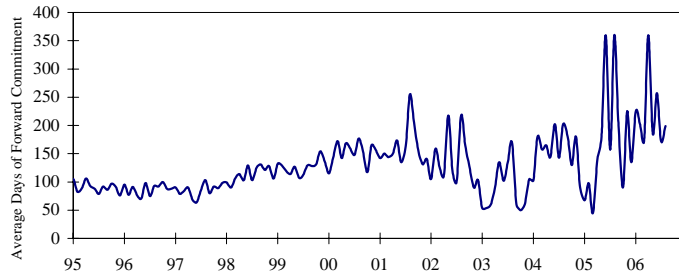
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	August	July	June	May	April	Year ago August
Average Days	199	172.5	257	186	360	360

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
199	0%	0%	0%	20%	60%	0%

Capital Equipment



Specific Price Changes & Supplier Deliveries

COMMODITIES	--- PRICE CHANGES ---			--- VENDOR DELIVERIES ---		
	August	July	June	August	July	June
Castings			100.00	-50.00	-50.00	100.00
Chemicals	150.00		50.00		50.00	50.00
Computer Hardware	+++	150.00	62.50			50.00
Computer Software	+++	50.00	37.50			50.00
Corrugated Packaging	50.00		50.00	50.00		50.00
Electrical Components	50.00		100.00	50.00		100.00
Energy			100.00			100.00
Ferrous Metals			100.00			100.00
Food Products						50.00
Glass						50.00
Hydraulic Components						
Medical Supplies					50.00	
Nonferrous Metals	+++				50.00	
Office Equipment (non-computer)	+++	50.00	33.33		50.00	50.00
Office Supplies	+++	50.00	50.00			50.00
Piping & Tubing	50.00	50.00	100.00	50.00		100.00
Plastics	50.00		100.00	50.00	50.00	100.00
Plating			100.00			100.00
Printing Paper	+++	50.00	100.00			75.00
Rubber Products			100.00			100.00
Textile Products	50.00			50.00		100.00
Wood & Pulp			100.00			100.00
Services (Contracted)						
Cleaning	60.00	60.00	60.00	with delivery delays (for commodities) for at least three months. Where are the HOT SPOTS?		
Construction	50.00	50.00	50.00			
Painting	50.00	50.00	50.00			
Engineering	+++ 66.67	66.67	66.67			
Architectural	+++ 50.00	50.00	50.00			
Temporary Personnel	+++ 50.00	50.00	50.00			
Computer Consultants	+++ 50.0	50.0	50.0			

+++ = 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.