



NAPM-New York

Report on Business



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November 30, 2006

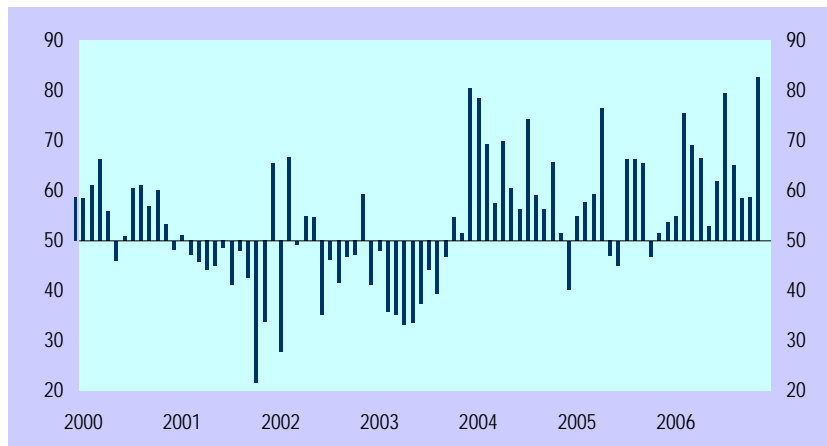
NEW YORK CITY REPORT ON BUSINESS

Fall Rise

The November survey of local businesses brings a feast of good news about the local economy. Most responding to the monthly business survey conducted by the National Association of Purchasing Management-New York (NAPM-NY) note that business activity quickened in November, compared with the previous month. Half the respondents report that in the last month, conditions have improved. Responses from manufacturing businesses are an exception, as some say that activity seems to have softened.

Respondents remain quite optimistic about future prospects. The upbeat mood no doubt echoes strong conditions in the important financial sector. Retreating energy costs likely are contributing to the improving sentiment about the outlook as well.

The NAPM-NY business conditions index (BCI), which is a cumulative measure of the change in business activity over time, continued to rise. This points to continued hiring gains in the future.



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

	Current conditions #,~	Outlook #,^,*	NY-BCI *
August 2004	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
September	58.5	75.0	421.0
October	58.6	62.5	425.3
November	82.5	70.0	441.6

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

~ Activity at nonmanufacturing businesses.

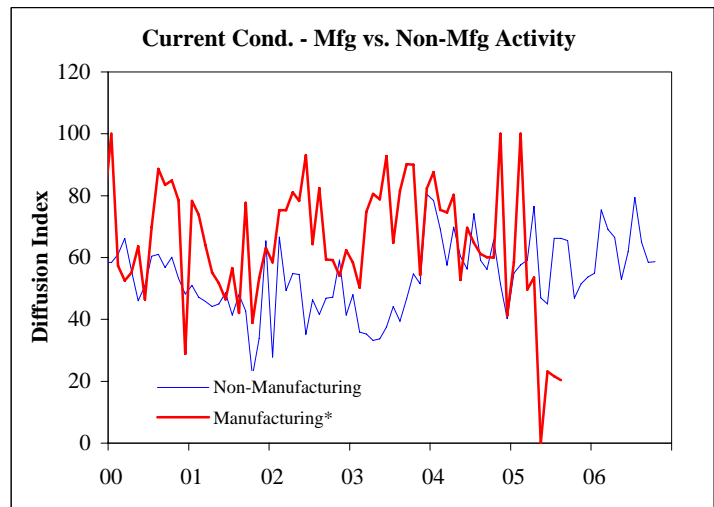
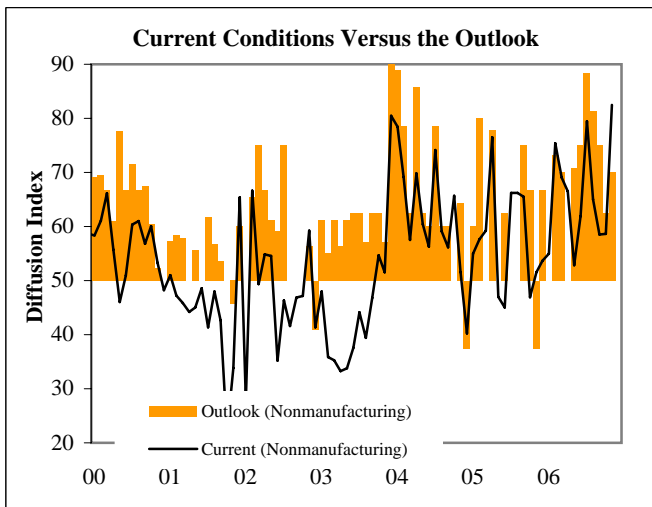
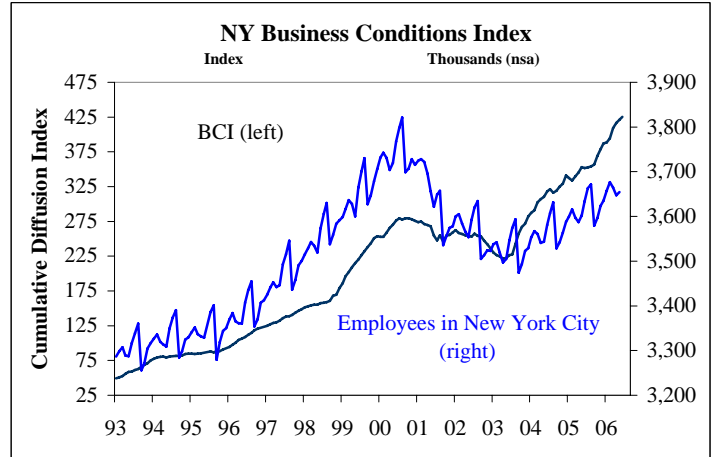
^ Not seasonally adjusted.

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

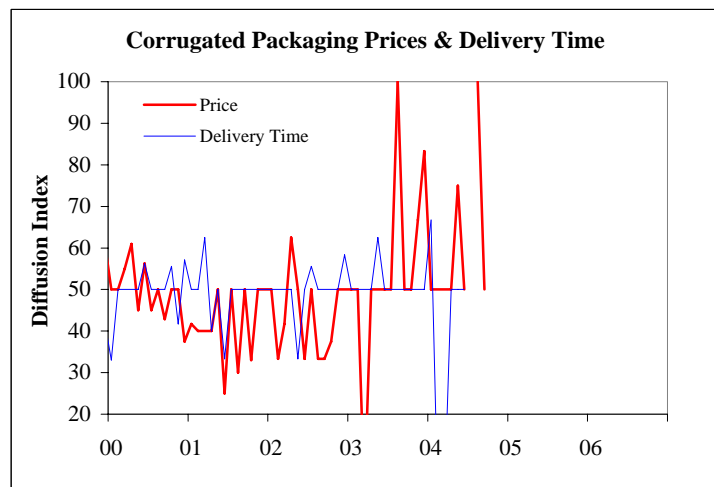
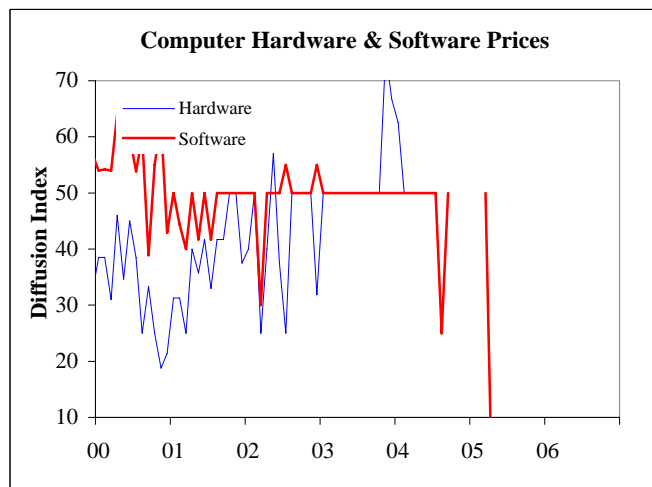
New York Business Conditions Index (NY-BCI)

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

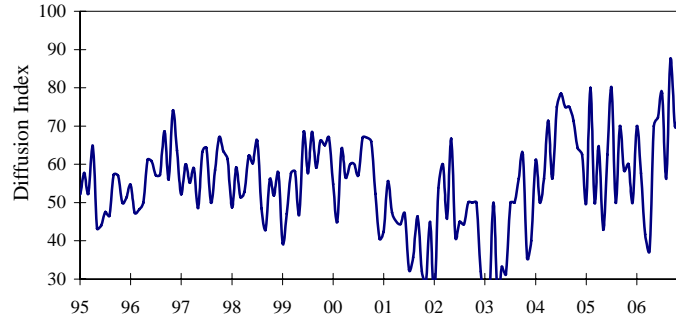


Quantity of Purchases

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

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Composite	75	70	87.5	56.25	78.57	60
Manufacturing	50	50	NA	NA	50	50
Non-Mfg.	80	75	88	60	83	63

Quantity of Purchases

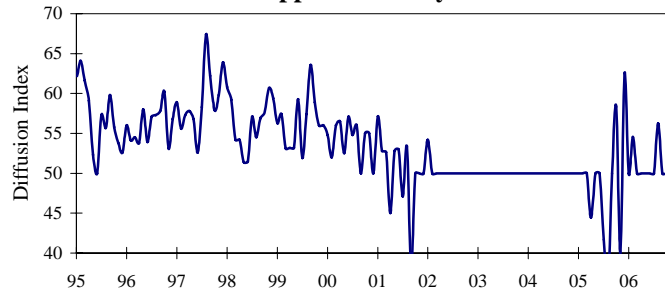


Supplier Delivery Time

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.

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Composite	50	50	50	56	50	40
Manufacturing	50	50	NA	NA	50	50
Non-Mfg.	50	50	50	56	50	50

Supplier Delivery Time

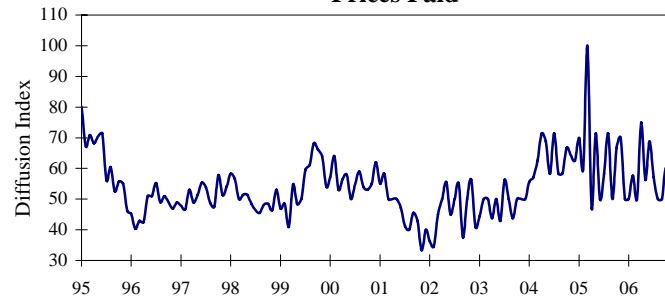


Prices Paid

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

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Composite	42	60	50	50	57	70
Manufacturing	50	50	NA	NA	50	100
Non-Mfg.	40	63	50	50	58	63

Prices Paid

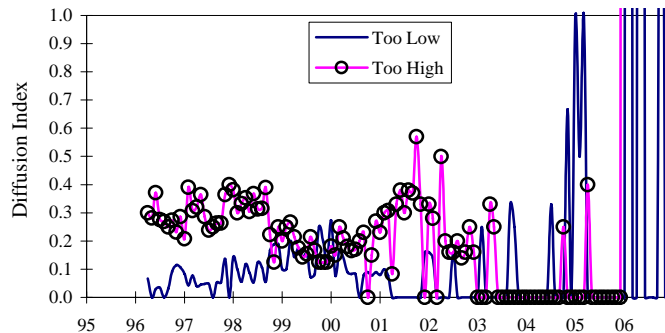


Finished Goods Inventory Relative to Use

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

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Composite	25	67	67	33	63	0
% too high	75	33	0	67	0	100
Manufacturing	0	50	NA	0	100	0.00
Non-Mfg.	62.5	75	66.67	66.67	50	50

Finished Goods Inventory vs. Expected Use

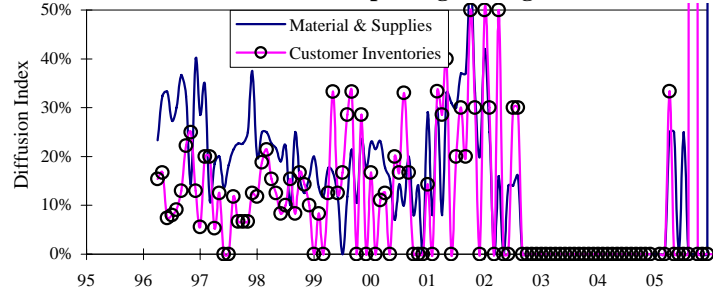


Raw Materials & Customer Inventory

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

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Materials & Supplies	0	0	33	25	25	0
Customer Inventories	0	0	0	0	0	0

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



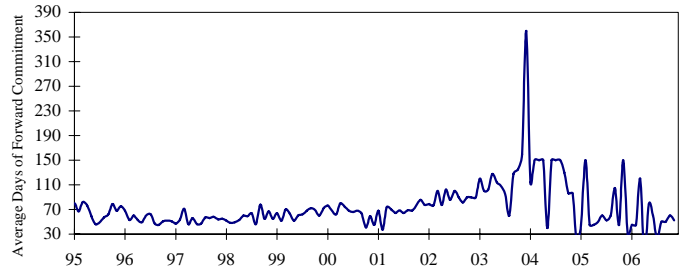
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Average Days	53	60	50	50	23	150

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
53	0%	50%	25%	25%	0%	0%

Production Materials



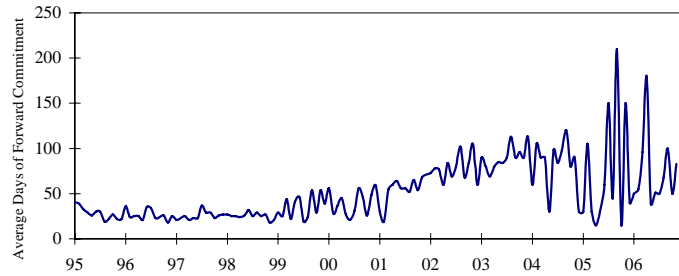
Buying Policy for MRO Supplies

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

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Average Days	83	50	100	68	50	150

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
83	0%	25%	50%	0%	25%	0%

MRO Supplies



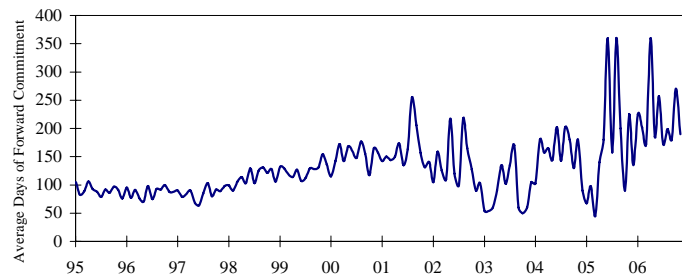
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Nov	Oct	Sept	August	July	Nov
Average Days	190	270	180	199	172.5	225

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
190	0%	33%	0%	0%	33%	33%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

		November	October	September	November	October	September
Castings							
Chemicals							
Computer Hardware	+++	150.00	150.00	150.00	-50.00	-50.00	-50.00
Computer Software	+++	-100.00	-100.00	-100.00	200.00	200.00	200.00
Corrugated Packaging							
Electrical Components							
Energy							
Ferrous Metals							
Food Products							
Glass							
Hydraulic Components							
Medical Supplies							
Nonferrous Metals	+++						
Office Equipment (non-computer)	+++	-100.00	-100.00	-100.00	200.00	200.00	200.00
Office Supplies	+++	-100.00	-100.00	-100.00	200.00	200.00	200.00
Piping & Tubing							
Plastics							
Plating							
Printing Paper	+++	-100.00	-100.00	-100.00	200.00	200.00	200.00
Rubber Products							
Textile Products							
Wood & Pulp							
Services (Contracted)							
Cleaning		Index	Index	Index	Index		
Construction		60.00	60.00	60.00	N/A		
Painting		50.00	50.00	50.00	N/A		
Engineering	+++	50.00	50.00	50.00	N/A		
Architectural	+++	66.67	66.67	66.67	N/A		
Temporary Personnel	+++	50.00	50.00	50.00	N/A		
Computer Consultants	+++	50.0	50.0	50.0	N/A		

+++ = Commodity or service price diffusion index above 50.00

0.00 **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.