



NAPM-New York

Report on Business



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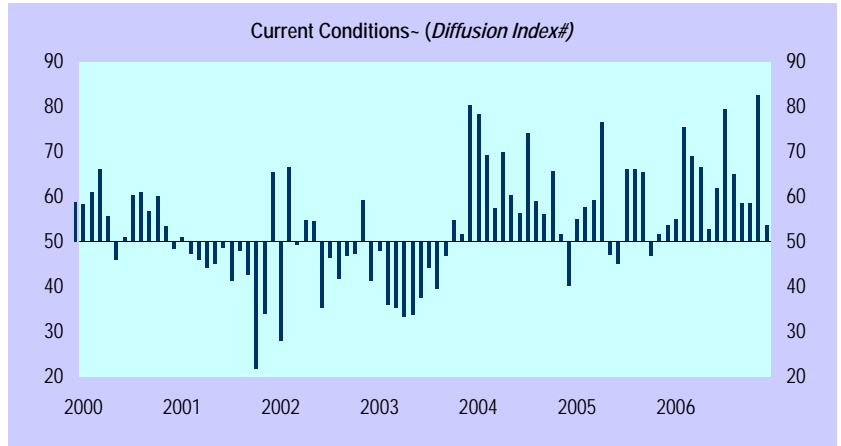
December 31 2006

NEW YORK CITY REPORT ON BUSINESS 2006 ... A Year to Remember

As the year winds down, business remains good in New York City, even if the December survey conducted by the National Association of Purchasing Management-New York (NAPM-NY) finds some moderation. It was a good year for the Big Apple, with job growth catching up and surpassing the national pace of hiring. That is a first since the late 1990s. This outcome was long foreshadowed by the NAPM-NY business conditions index (BCI), a leading indicator of employment trends in the City, which has been rising steadily since spring 2003.

The moderation in the NAPM-NY current conditions business index is less downbeat than it may seem. Virtually all survey respondents indicated little change in business activity.

Respondents are optimistic about future economic prospects. The Big Apple no doubt is benefiting from the boom in the financial services industry.



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

	Current conditions #,~	Outlook #,^,*	NY-BCI *
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
December	53.6	62.5	443.4

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

~ Activity at nonmanufacturing businesses.

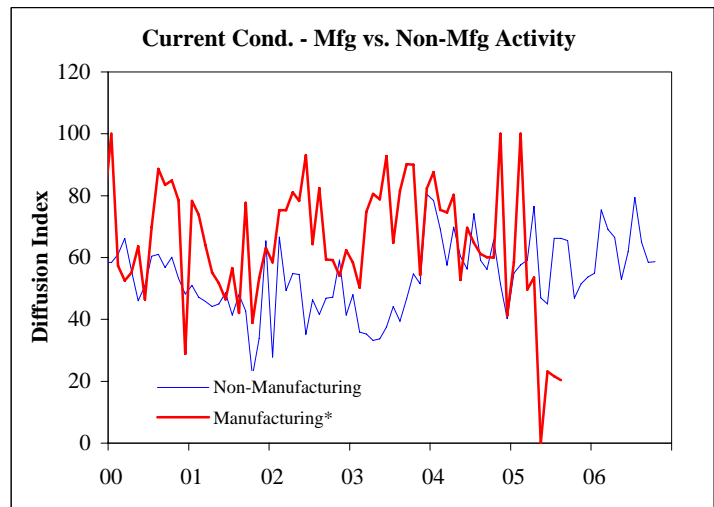
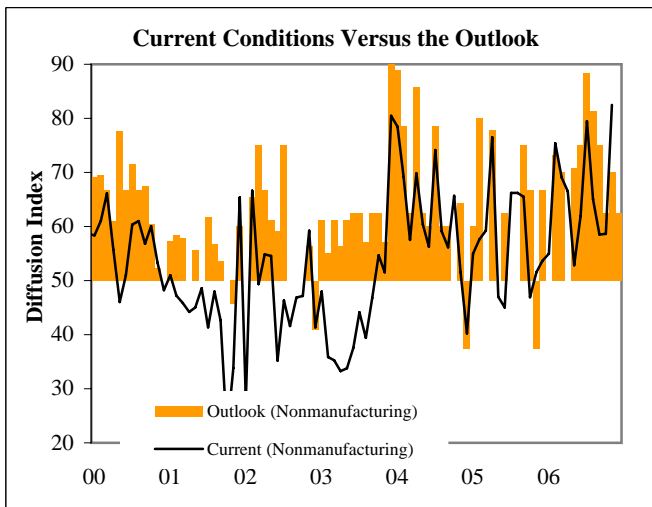
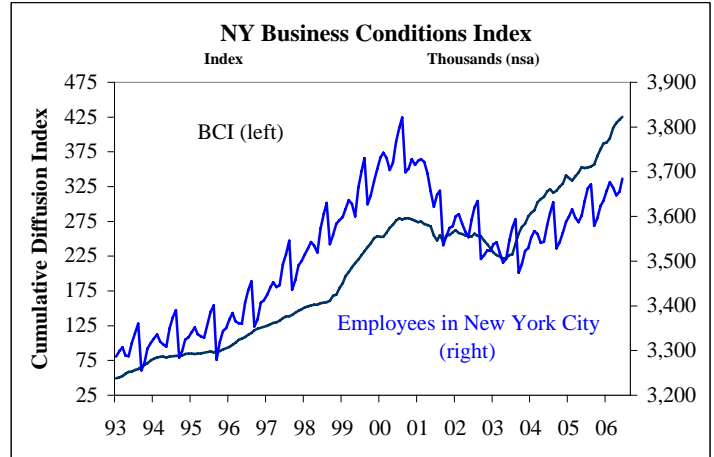
^ Not seasonally adjusted.

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

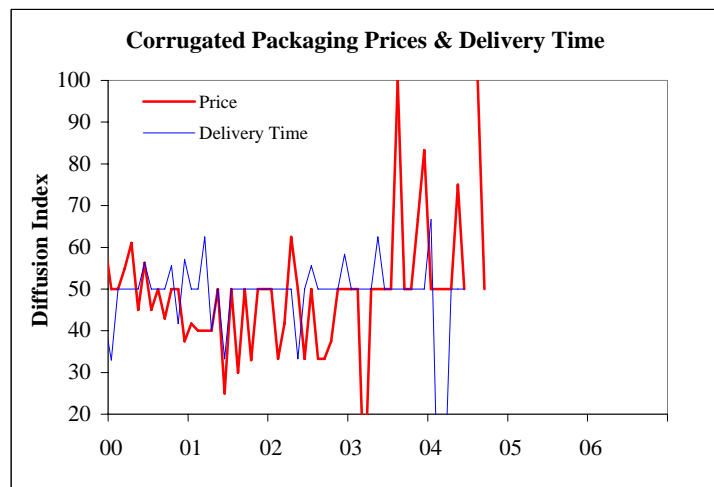
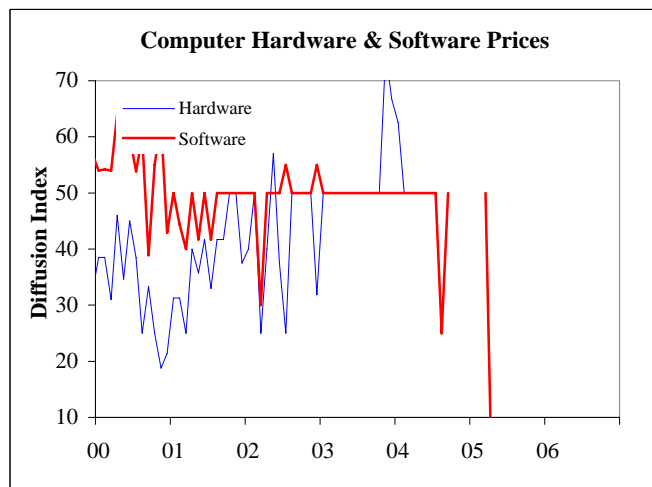
New York Business Conditions Index (NY-BCI)

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

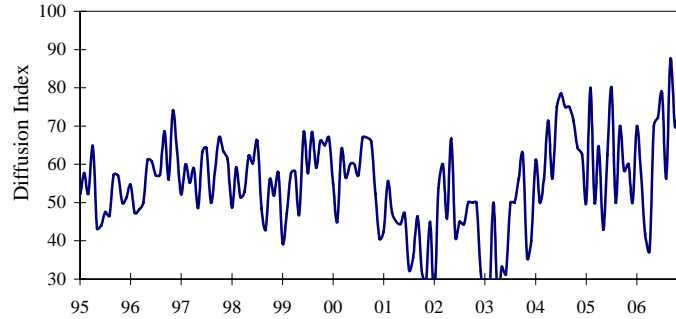


Quantity of Purchases

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

	Year ago					
	Dec	Nov	Oct	Sept	Aug	Dec
Composite	70	75	70	87.5	56.25	50
Manufacturing	50	50	50	NA	NA	50
Non-Mfg.	75	80	75	88	60	50

Quantity of Purchases

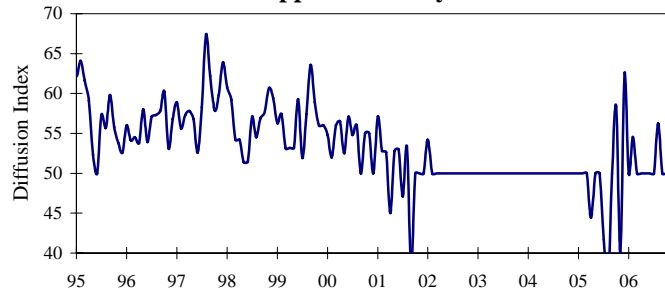


Supplier Delivery Time

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					
	Dec	Nov	Oct	Sept	Aug	Dec
Composite	50	50	50	50	56	63
Manufacturing	50	50	50	NA	NA	50
Non-Mfg.	50	50	50	50	56	50

Supplier Delivery Time

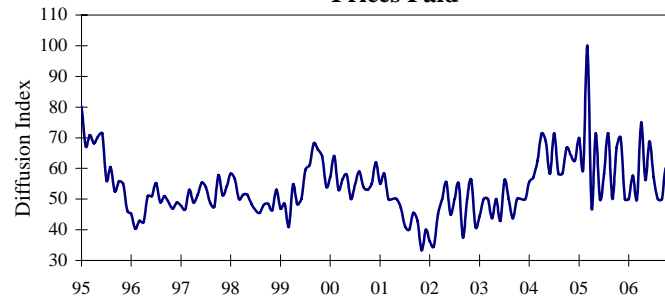


Prices Paid

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					
	Dec	Nov	Oct	Sept	Aug	Dec
Composite	50	42	60	50	50	50
Manufacturing	50	50	50	NA	NA	50
Non-Mfg.	50	40	63	50	50	50

Prices Paid

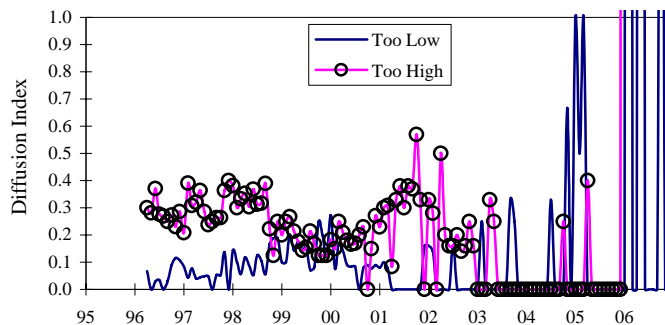


Finished Goods Inventory Relative to Use

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

	Year ago					
	Dec	Nov	Oct	Sept	Aug	Dec
Composite	67	25	67	67	33	50
% too high	0	75	33	0	67	0
Manufacturing	100	0	50	NA	0	###
Non-Mfg.	50	62.5	75	66.67	66.67	50

Finished Goods Inventory vs. Expected Use

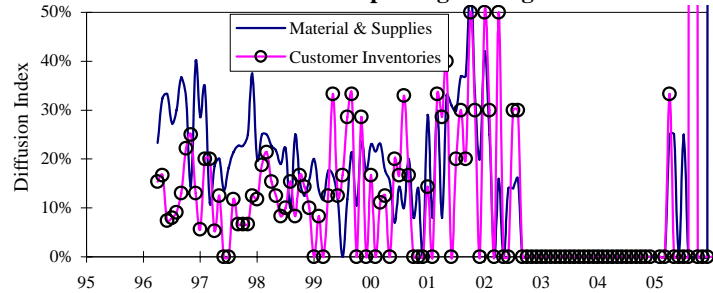


Raw Materials & Customer Inventory

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

	Year ago					
	Dec	Nov	Oct	Sept	Aug	Dec
Materials & Supplies	0	0	0	33	25	0
Customer Inventories	0	0	0	0	0	0

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



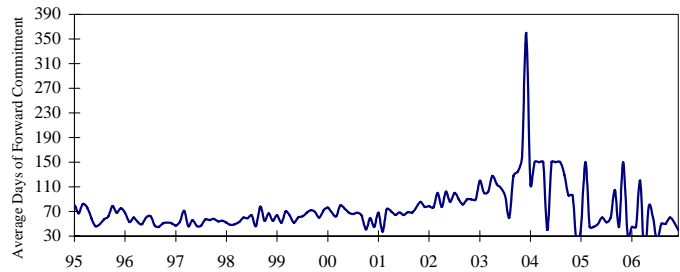
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Dec	Nov	Oct	Sept	Aug	Dec
Average Days	40	53	60	50	50	30

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
40	0%	67%	33%	0%	0%	0%

Production Materials



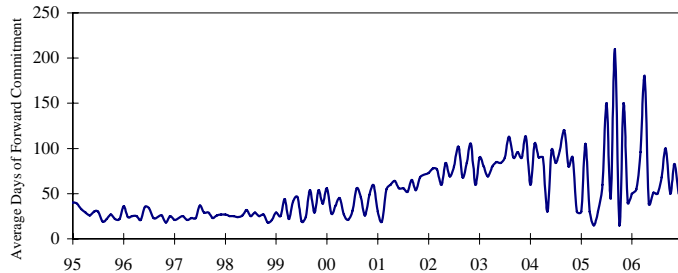
Buying Policy for MRO Supplies

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

	Year ago					
	Dec	Nov	Oct	Sept	Aug	Dec
Average Days	50	83	50	100	68	40

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%

MRO Supplies



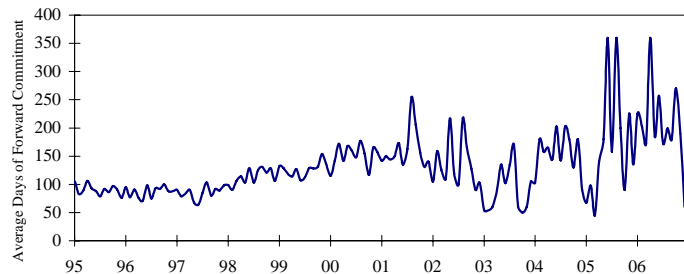
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Dec	Nov	Oct	Sept	Aug	Dec
Average Days	60	190	270	180	199	135

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

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

		December	November	October	December	November	October
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.