



# NAPM-New York

## Report on Business



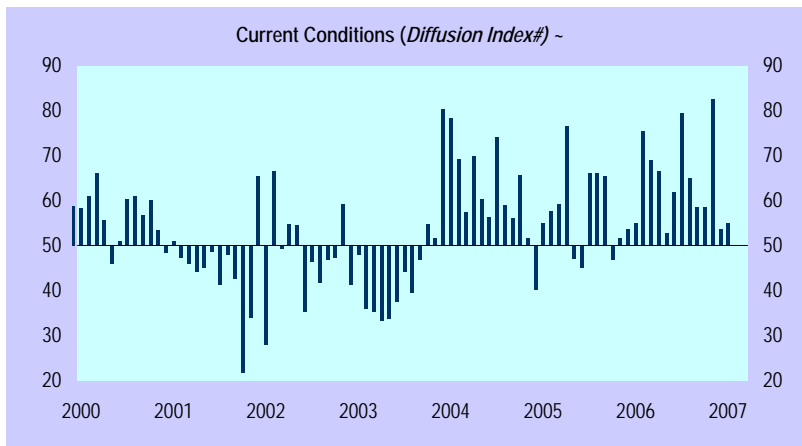
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March 30, 2007

### NEW YORK CITY REPORT ON BUSINESS Businesses Chill

Business activity cooled slightly in March, according to the latest survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). Winter's late arrival may have tempered spirits. At the same time, assessments about the outlook turned more cautious.

The business conditions index (BCI)—a measure of the cumulative change in the current conditions index—continues to point to good job trends. Still, if March businesses sentiment signals a slower pace of activity in coming months, the city's businesses will slow hiring.



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

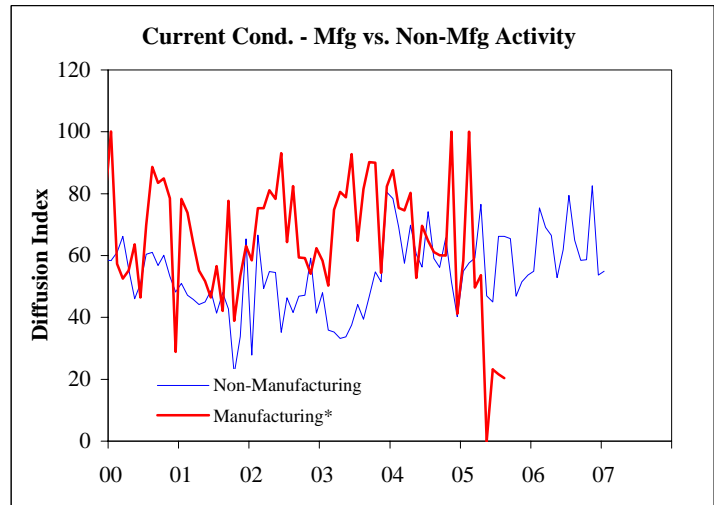
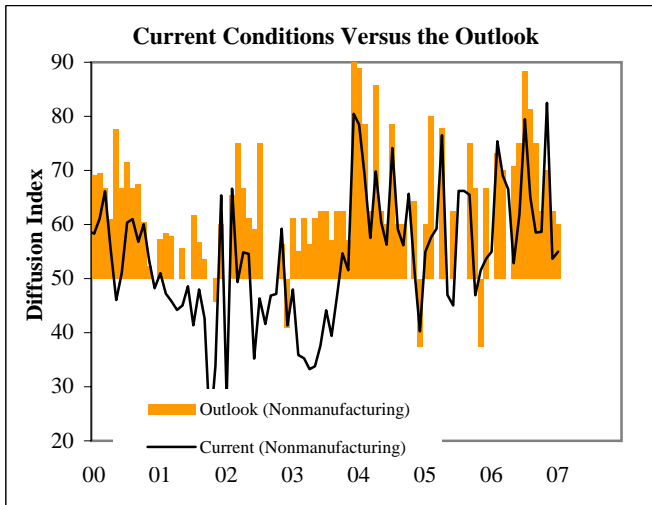
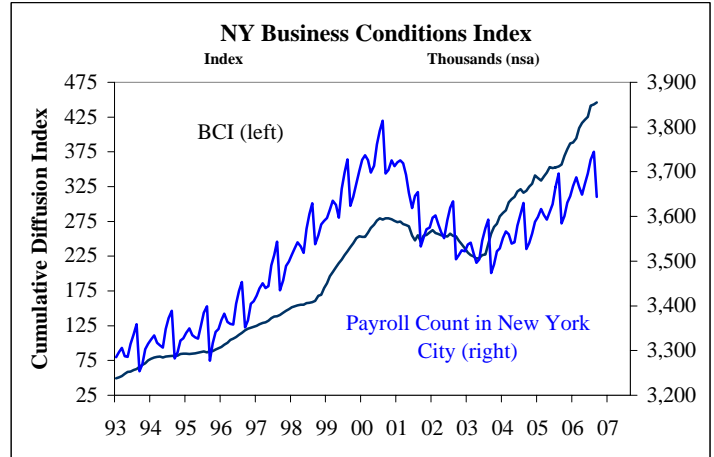
	Current conditions #,~	Outlook #,^,*	NY-BCI *
March 2005	59.2	50.0	329.1
April	76.5	77.8	341.2
May	47.0	50.0	337.3
June	45.0	62.5	333.7
July	66.2	50.0	339.6
August	66.2	50.0	345.4
September	65.5	75.0	353.2
October	46.9	66.7	351.6
November	51.6	37.5	352.4
December	53.6	66.7	354.2
January 2006	54.9	50.0	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
January 2007	54.9	60.0	445.9
February	57.6	70.0	449.7
March	49.3	50.0	449.4

# 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.

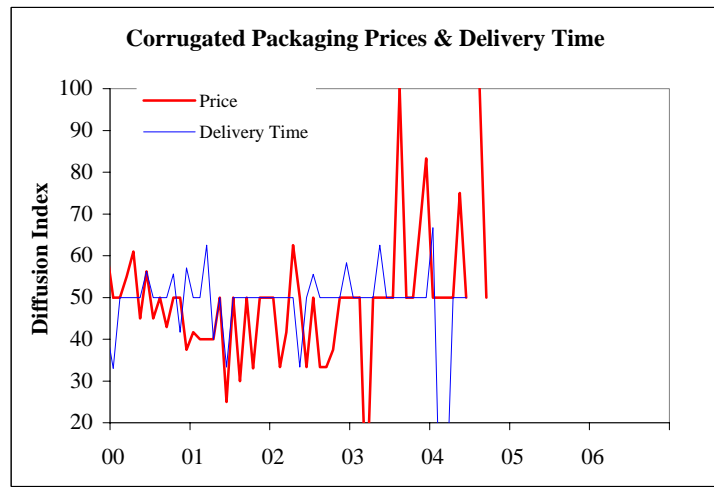
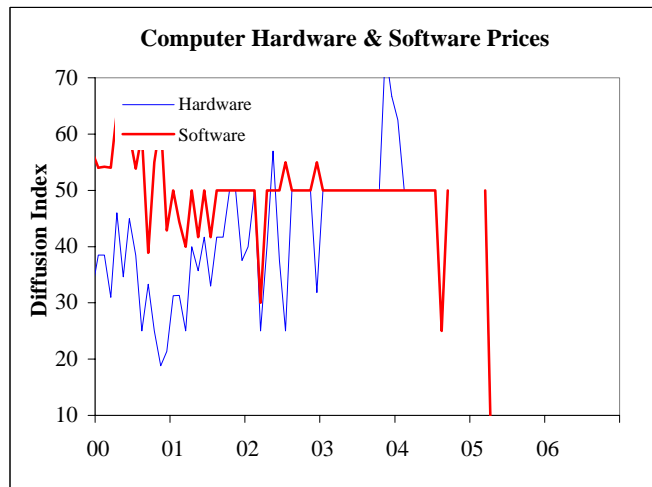
**New York Business Conditions Index (NY-BCI)**

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

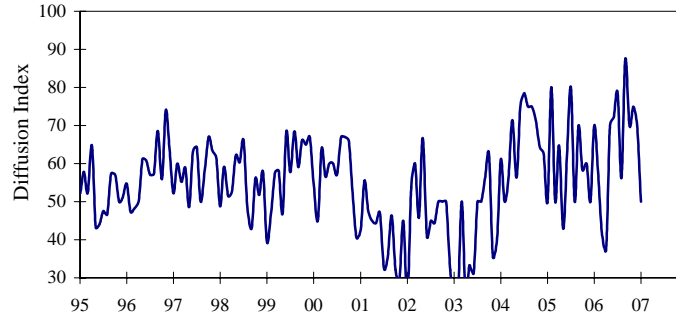


### Quantity of Purchases

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

	Mar	Feb	Jan	Dec	Nov	Year ago
						Mar
Composite	50	45	50	70	75	41.67
Manufacturing	50	50	50	50	50	0
Non-Mfg.	50	40	50	75	80	50

### Quantity of Purchases

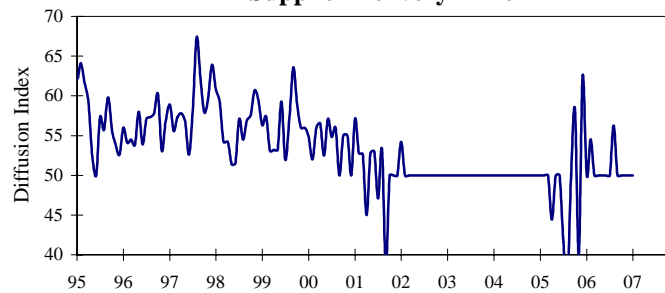


### Supplier Delivery Time

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.

	Mar	Feb	Jan	Dec	Nov	Year ago
						Mar
Composite	50	50	50	50	50	50
Manufacturing	50	50	50	50	50	50
Non-Mfg.	50	50	50	50	50	50

### Supplier Delivery Time

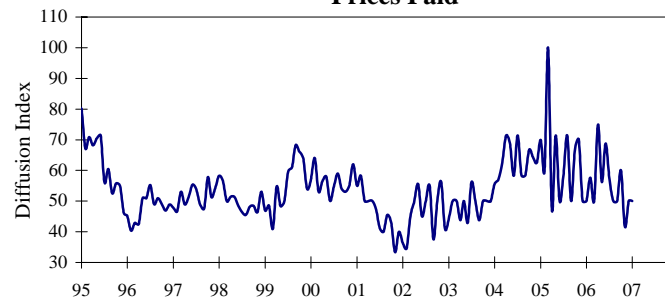


### Prices Paid

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

	Mar	Feb	Jan	Dec	Nov	Year ago
						Mar
Composite	50	65	50	50	42	50
Manufacturing	0	50	50	50	50	50
Non-Mfg.	0	80	50	50	40	50

### Prices Paid

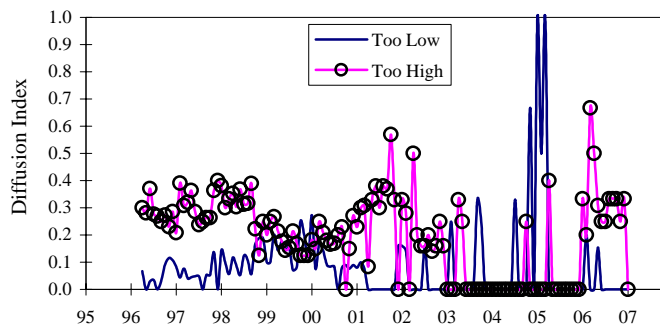


### Finished Goods Inventory Relative to Use

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

	Mar	Feb	Jan	Dec	Nov	Year ago
						Mar
Composite	67	43	50	67	25	0.833
% too high	0	57	0	0	75	0
Manufacturing	0	0	50	100	0	###
Non-Mfg.	0	71.4	50	50	62.5	75

### Finished Goods Inventory vs. Expected Use

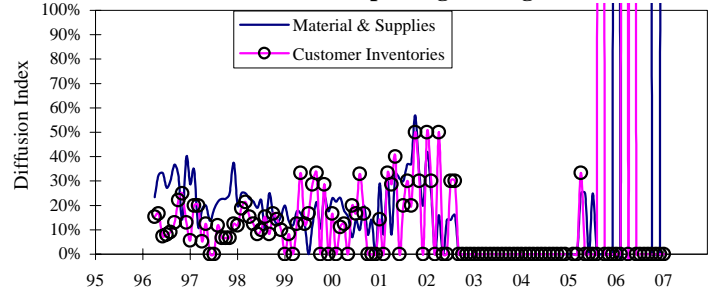


### Raw Materials & Customer Inventory

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

	Year ago					
	Mar	Feb	Jan	Dec	Nov	Mar
Materials & Supplies	0	57	50	0	0	67
Customer Inventories	0	0	0	0	0	33

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



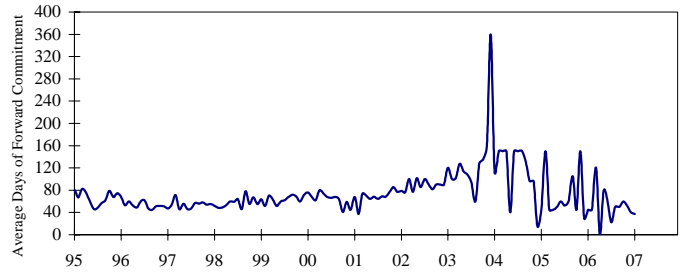
### Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Mar	Feb	Jan	Dec	Nov	Mar
Average Days	60	40	38	40	53	120

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

### Production Materials



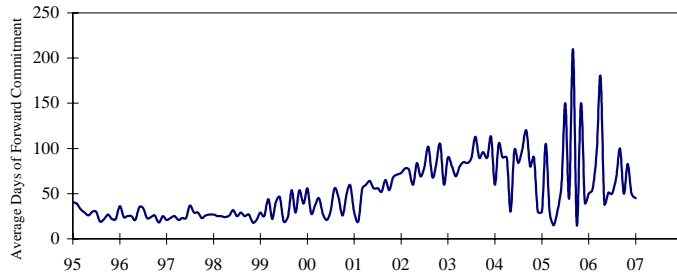
### Buying Policy for MRO Supplies

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

	Year ago					
	Mar	Feb	Jan	Dec	Nov	Mar
Average Days	45	165	45	50	83	96

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%

### MRO Supplies



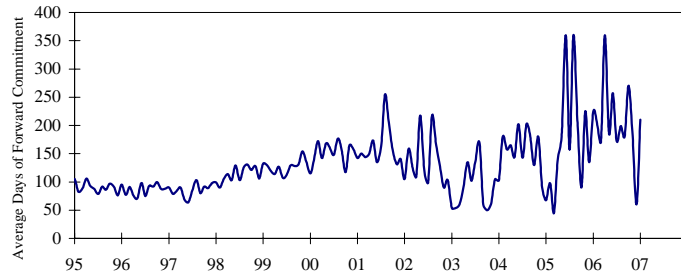
### Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Mar	Feb	Jan	Dec	Nov	Mar
Average Days	160	90	210	60	190	172.5

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
160	0%	33%	0%	33%	0%	33%

### Capital Equipment



## Specific Price Changes & Supplier Deliveries

### --- PRICE CHANGES ---

### --- VENDOR DELIVERIES ---

#### COMMODITIES

		March	February	January	March	February	January
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							
<b>Services (Contracted)</b>							
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

N/A

### Items in Short Supply

N/A

### 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.