



# NAPM-New York

## Report on Business



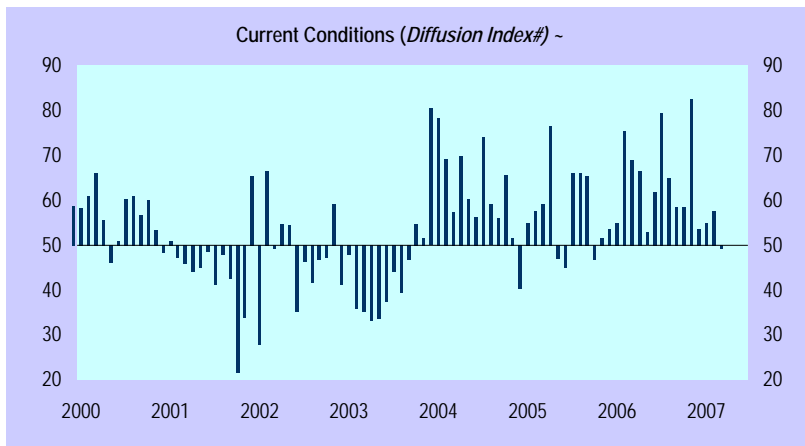
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May 31, 2007

### NEW YORK CITY REPORT ON BUSINESS Narrowly-Based Pullback

The May survey of New York City's businesses picked up a downbeat tone, according to the latest survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). The May results, which are reflected in a sizeable decline in the "current conditions" index, should be interpreted with caution, however, because the softness was narrowly concentrated. Most respondents reported that business conditions remain little changed from the positive trends of the past year. Assessments of the business outlook remain in a range that could be described as optimistic.

The "business conditions index" (BCI)—a measure of the cumulative change in the current conditions index—dropped in May, but has been on a steady ascent, consistent with the favorable employment trends since 2001.



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

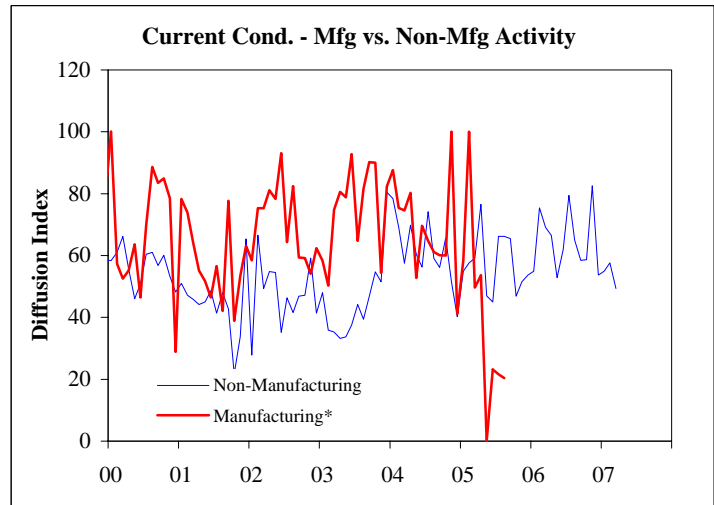
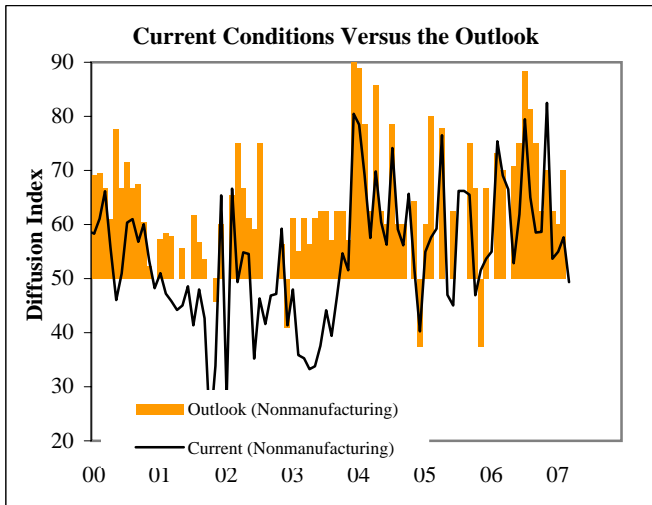
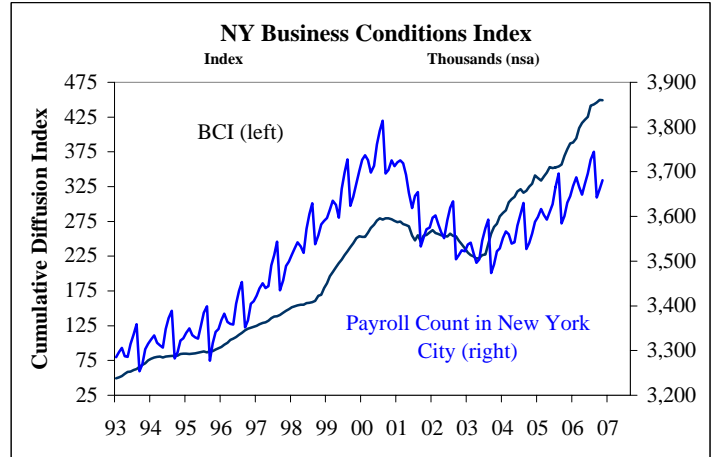
	Current conditions #,~	Outlook #,^,*	NY-BCI *
April 2005	76.5	77.8	341.2
May	47.0	50.0	337.3
June	45.0	62.5	333.7
July	66.2	50.0	339.6
August	66.2	50.0	345.4
September	65.5	75.0	353.2
October	46.9	66.7	351.6
November	51.6	37.5	352.4
December	53.6	66.7	354.2
January 2006	54.9	50.0	356.7
February	75.4	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
April	66.5	66.7	457.6
May	35.2	50.0	450.2

# 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.

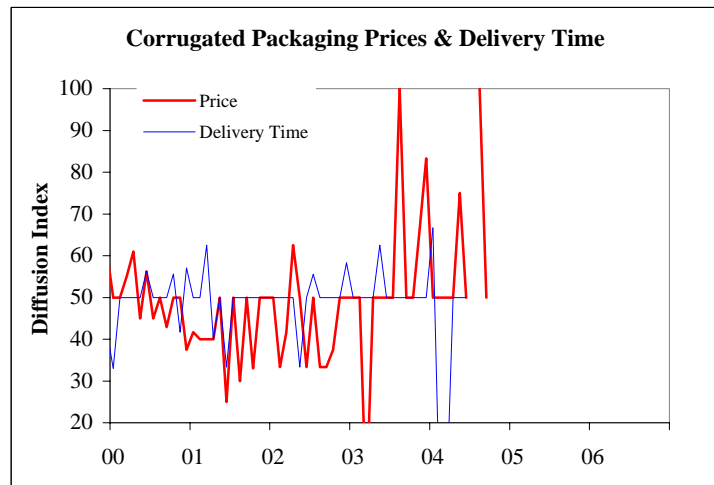
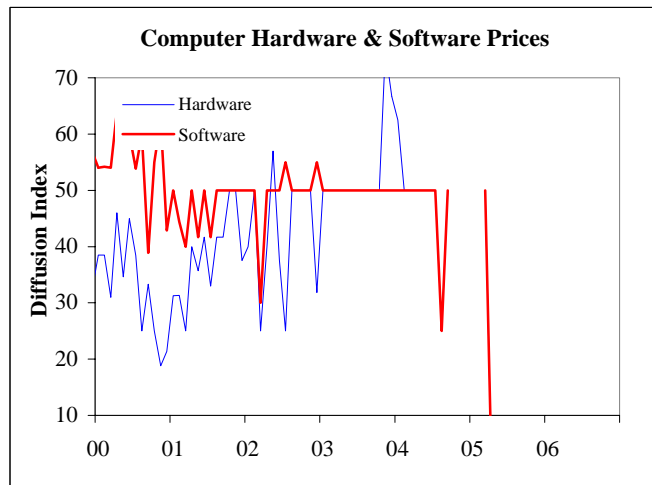
**New York Business Conditions Index (NY-BCI)**

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

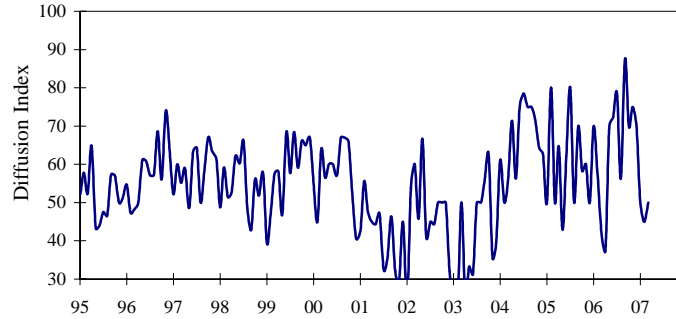


### Quantity of Purchases

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

	May	Apr	Mar	Feb	Jan	Year ago May
Composite	50	37.5	50	45	50	70
Manufacturing	0	0	50	50	50	50
Non-Mfg.	50	50	50	40	50	71

### Quantity of Purchases

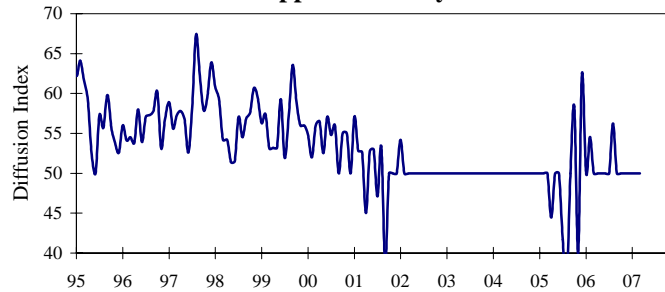


### Supplier Delivery Time

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.

	May	Apr	Mar	Feb	Jan	Year ago May
Composite	63	50	50	50	50	50
Manufacturing	0	50	50	50	50	50
Non-Mfg.	63	50	50	50	50	50

### Supplier Delivery Time

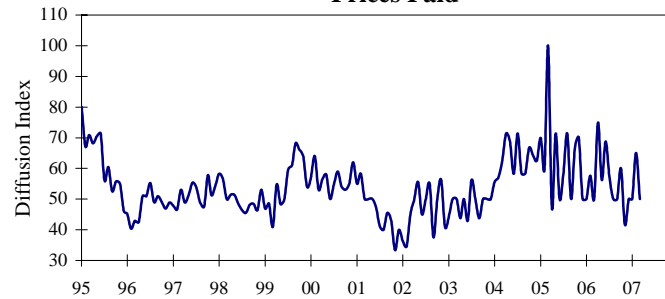


### Prices Paid

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

	May	Apr	Mar	Feb	Jan	Year ago May
Composite	63	63	50	65	50	56
Manufacturing	0	50	0	50	50	50
Non-Mfg.	63	67	0	80	50	0

### Prices Paid

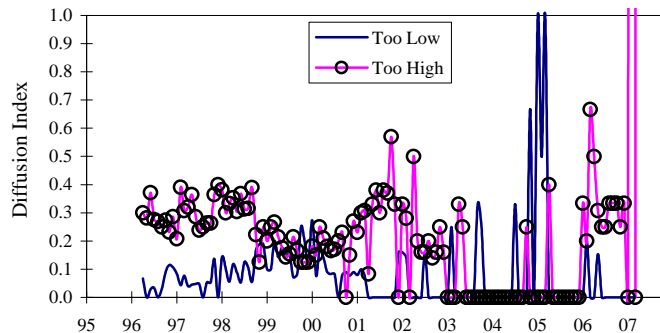


### Finished Goods Inventory Relative to Use

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

	May	Apr	Mar	Feb	Jan	Year ago May
Composite	50	67	67	43	50	0.577
% too high	0	67	0	57	0	0.154
Manufacturing	0	50	0	0	50	###
Non-Mfg.	0	75	0	71.4	50	54.17

### Finished Goods Inventory vs. Expected Use

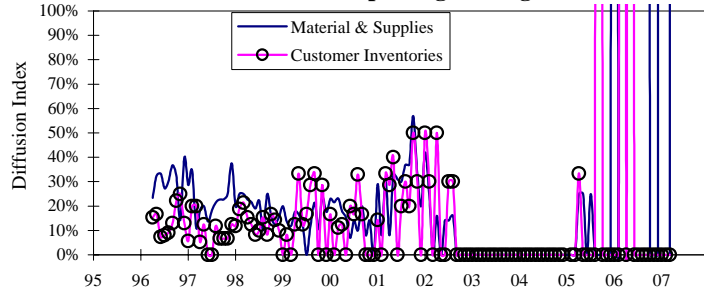


## Raw Materials & Customer Inventory

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

	Year ago					
	May	Apr	Mar	Feb	Jan	May
Materials & Supplies	0	67	0	57	50	17
Customer Inventories	50	50	0	0	0	20

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



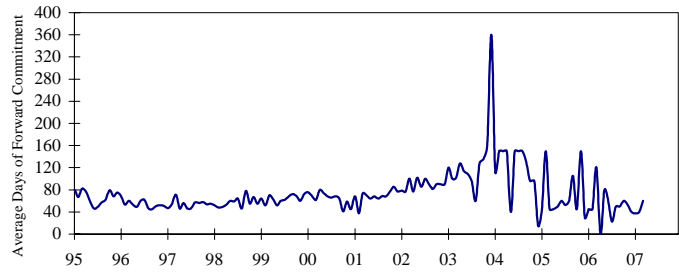
## Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	May	Apr	Mar	Feb	Jan	May
Average Days	60	40	60	40	38	78.8

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
60	0%	0%	0%	100%	0%	0%

## Production Materials



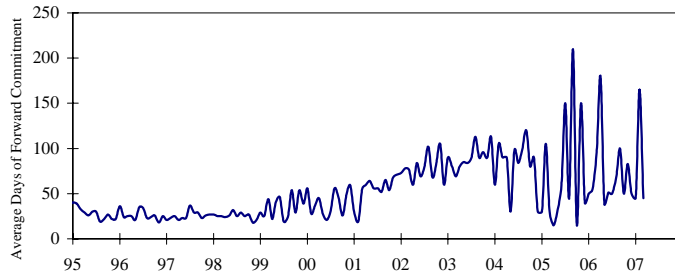
## Buying Policy for MRO Supplies

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

	Year ago					
	May	Apr	Mar	Feb	Jan	May
Average Days	360	60	45	165	45	39

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
360	0%	0%	0%	0%	0%	1%

## MRO Supplies



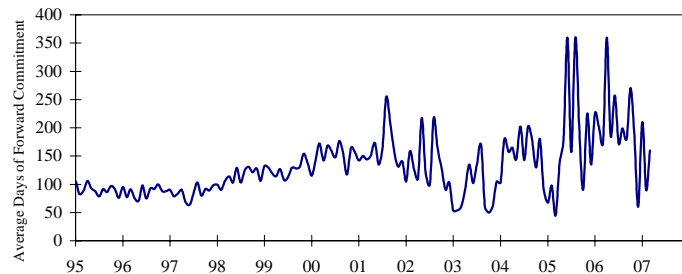
## Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	May	Apr	Mar	Feb	Jan	May
Average Days	360	90	160	90	210	185.625

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
360	0%	0%	0%	0%	0%	100%

## Capital Equipment



## Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

**COMMODITIES**

May      April      March      May      April      March

Castings						
Chemicals						
Computer Hardware	+++		150.00	150.00		-50.00      -50.00
Computer Software	+++		-100.00	-100.00		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		200.00      200.00
Office Supplies	+++		-100.00	-100.00		200.00      200.00
Piping & Tubing						
Plastics						
Plating						
Printing Paper	+++		-100.00	-100.00		200.00      200.00
Rubber Products						
Textile Products						
Wood & Pulp						
<b>Services (Contracted)</b>						
Cleaning			Index	Index	Index	
Construction			60.00	60.00	N/A	
Painting			50.00	50.00	N/A	
Engineering	+++		50.00	50.00	N/A	
Architectural	+++		66.67	66.67	N/A	
Temporary Personnel	+++		50.00	50.00	N/A	
Computer Consultants	+++		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.