



NAPM-New York

Report on Business



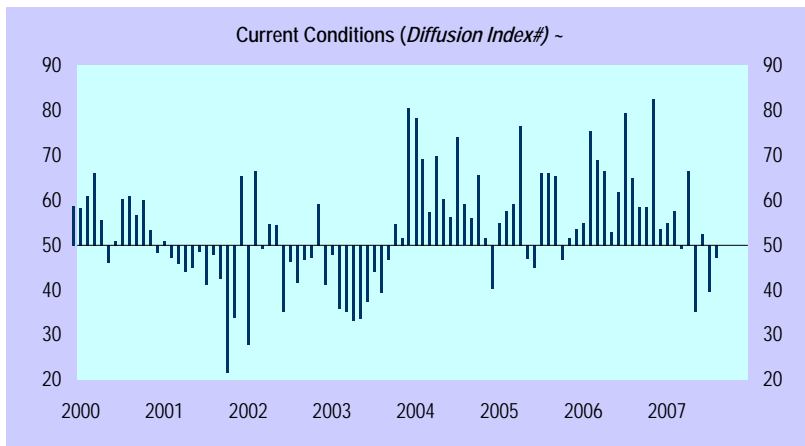
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August 31 2007

NEW YORK CITY REPORT ON BUSINESS Business Activity Runs a Bit Slower

Looking back, business activity may have slowed somewhat this summer, according to the business poll taken by the National Association of Purchasing Management-New York (NAPM-NY). That message seemed to be reinforced in the latest, the August, survey. Month-to-month readings in the Association's current conditions index are choppy. But the downswing in this index late this spring appears to have persisted late into the summer. Even so, respondents remain relatively optimistic about the business climate over the near term, the next six months.

The "business conditions index" (BCI) slipped for the second consecutive month in August, with the current conditions index remaining below the key "50 level" that marks the difference between growing and not. The BCI index is a useful leading indicator of future employment trends. In that regard, employment in the Big Apple, which has recovered 84.5% of the job losses between 2000 and summer 2003, slipped in July.



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

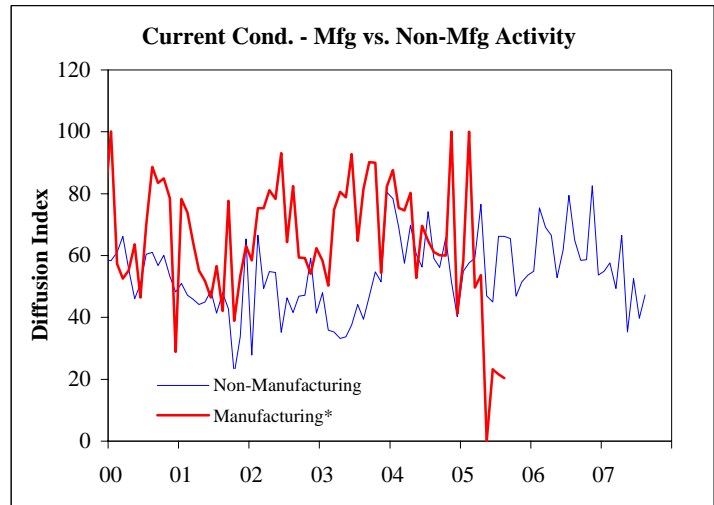
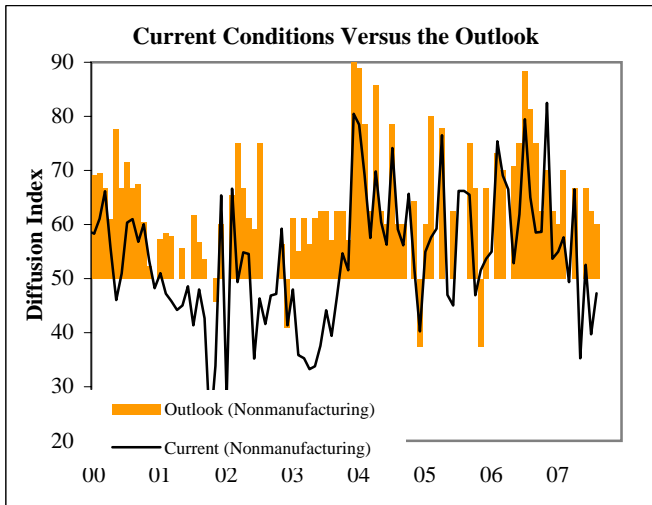
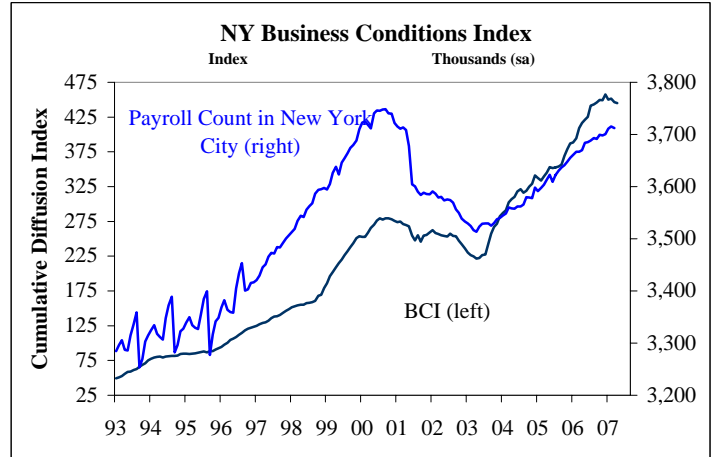
	Current conditions #,~	Outlook #,^,*	NY-BCI *
June 2005	45.0	62.5	333.7
July	66.2	50.0	339.6
August	66.2	50.0	345.4
September	65.5	75.0	353.2
October	46.9	66.7	351.6
November	51.6	37.5	352.4
December	53.6	66.7	354.2
January 2006	54.9	50.0	356.7
February	75.4	73.1	369.4
March	69.1	70.0	378.9
April	66.5	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
June	52.5	66.7	451.5
July	39.7	62.5	446.4
August	47.3	60.0	445.0

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.

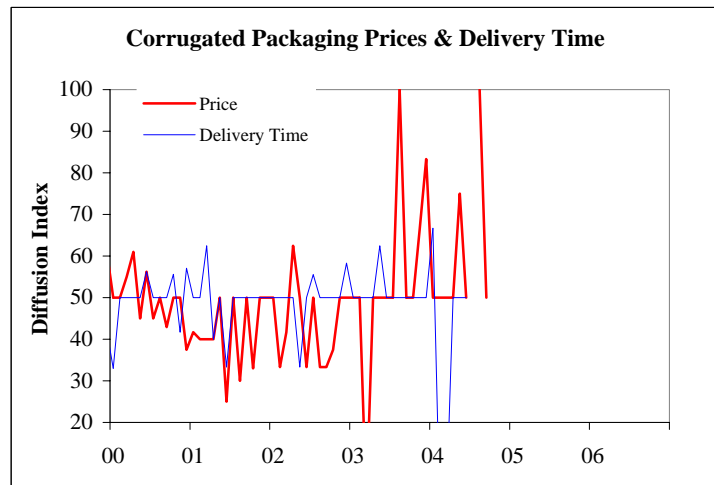
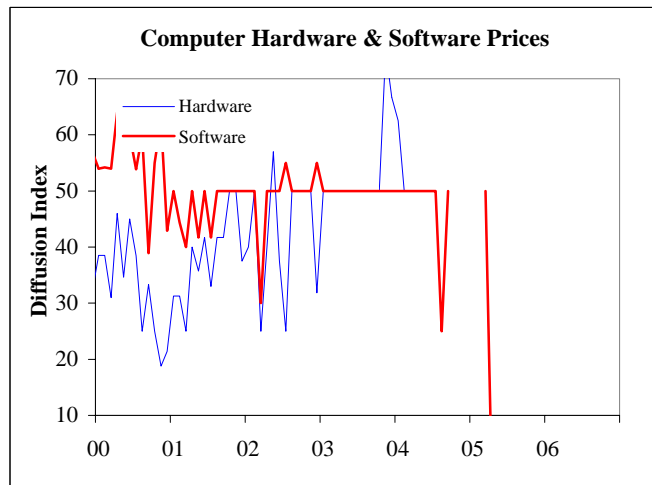
New York Business Conditions Index (NY-BCI)

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

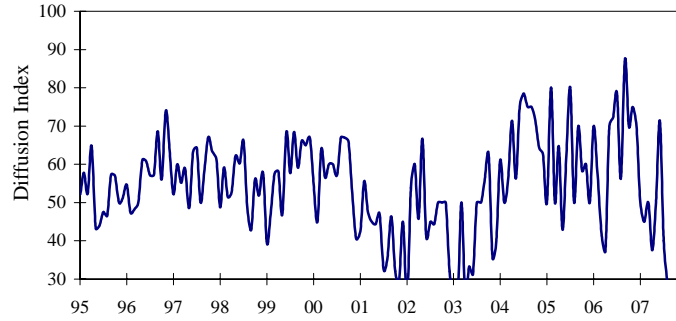


Quantity of Purchases

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

	Aug	July	June	May	Apr	Year ago Aug
Composite	28.57	40	71.43	50	37.5	56.3
Manufacturing	25	50	50	0	0	NA
Non-Mfg.	30	38	75	50	50	60

Quantity of Purchases

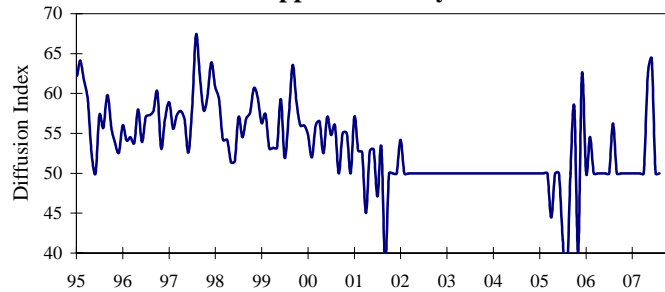


Supplier Delivery Time

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.

	Aug	July	June	May	Apr	Year ago Aug
Composite	50	50	64	63	50	56
Manufacturing	50	50	50	0	50	NA
Non-Mfg.	50	50	67	63	50	56

Supplier Delivery Time

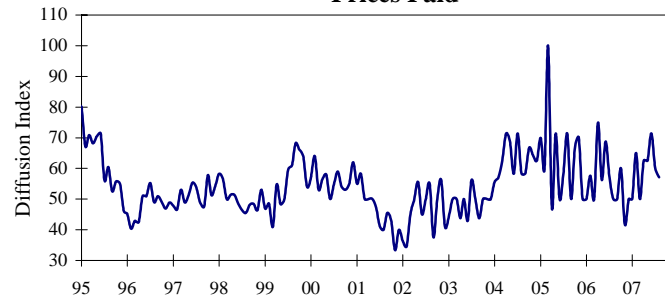


Prices Paid

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

	Aug	July	June	May	Apr	Year ago Aug
Composite	57	60	71	63	63	57
Manufacturing	50	50	100	0	50	50
Non-Mfg.	60	63	67	63	67	50

Prices Paid

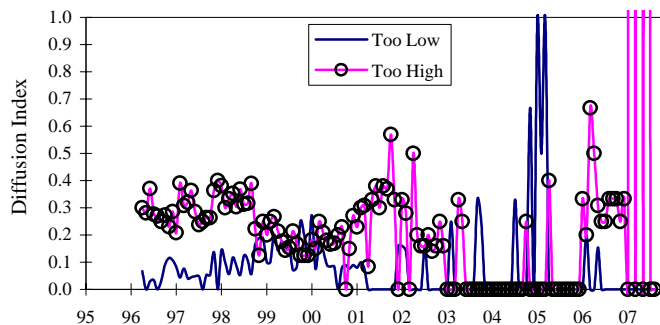


Finished Goods Inventory Relative to Use

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

	Aug	July	June	May	Apr	Year ago Aug
Composite	50	50	63	50	67	0.667
% too high	0	0	0	0	67	0
Manufacturing	50	0	50	0	50	NA
Non-Mfg.	50	50	66.7	0	75	66.67

Finished Goods Inventory vs. Expected Use

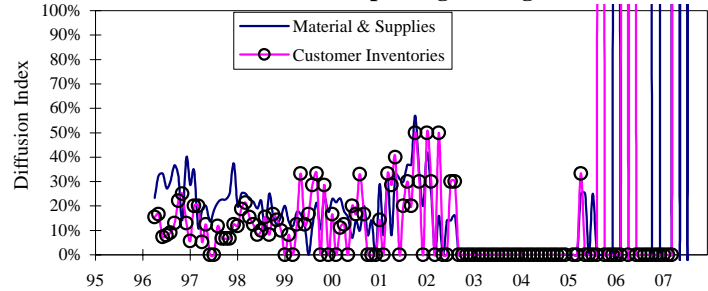


Raw Materials & Customer Inventory

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

	Year ago					
	Aug	July	June	May	Apr	Aug
Materials & Supplies	50	0	33	0	67	25
Customer Inventories	50	50	50	50	50	0

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



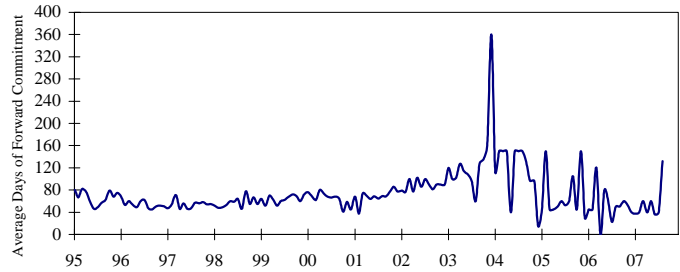
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Aug	July	June	May	Apr	Aug
Average Days	132	40	36	60	40	50

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
132	0%	40%	20%	0%	20%	20%

Production Materials



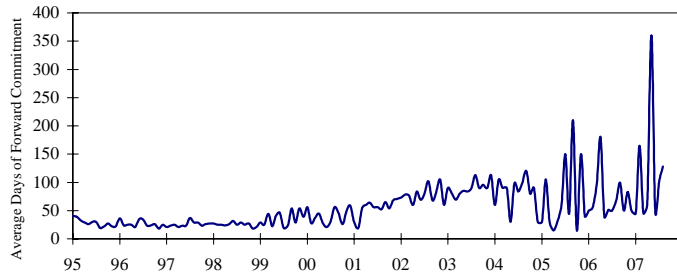
Buying Policy for MRO Supplies

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

	Year ago					
	Aug	July	June	May	Apr	Aug
Average Days	128	100	48	360	60	68

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
128	0%	25%	50%	0%	0%	0%

MRO Supplies



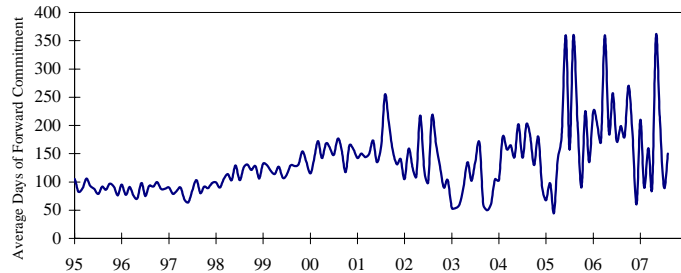
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Aug	July	June	May	Apr	Aug
Average Days	150	90	210	360	90	199

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
150	0%	0%	0%	33%	67%	0%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

		August	July	June	August	July	June
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
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 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.