



NAPM-New York

Report on Business



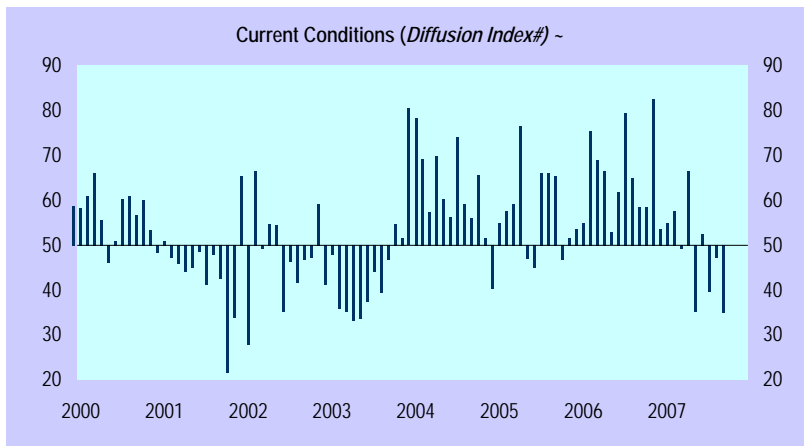
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September 30, 2007

NEW YORK CITY REPORT ON BUSINESS Business Activity Moderating

Economic activity continued to moderate after Labor Day, according to the business poll taken by the National Association of Purchasing Management-New York (NAPM-NY). Tourism remains a big driver in the Big Apple, reflecting the draw of the low value of the dollar compared with the European currency. But a slowing in the City's core financial businesses, amid the credit crunch that began late this summer, likely is taking a toll. Notwithstanding the moderation recorded in the current conditions reading, businesses remain optimistic about the outlook.

The "business conditions index" (BCI) fell again, because the current conditions index remains below the key "50 level" that is consistent with expansion. The BCI index is a useful leading indicator of future employment trends. Although employment in the City continued to expand through July, the slowing in the BCI index since the summer points to a slowing in that trend this fall.



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
September	35.1	75.0	437.6

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

~ Activity at nonmanufacturing businesses.

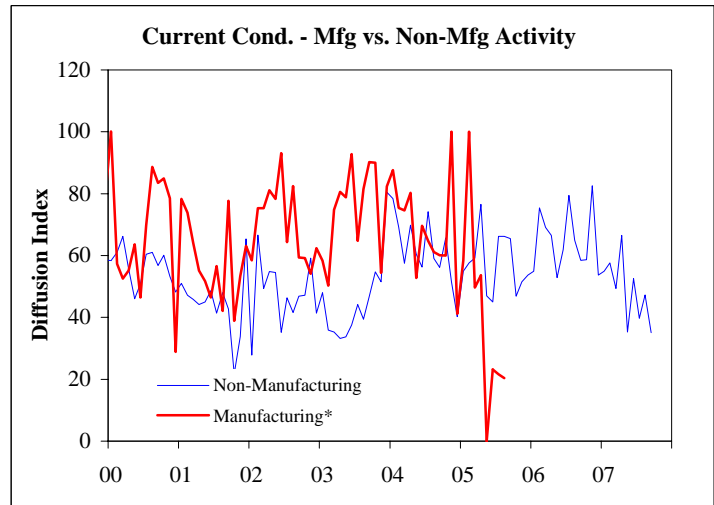
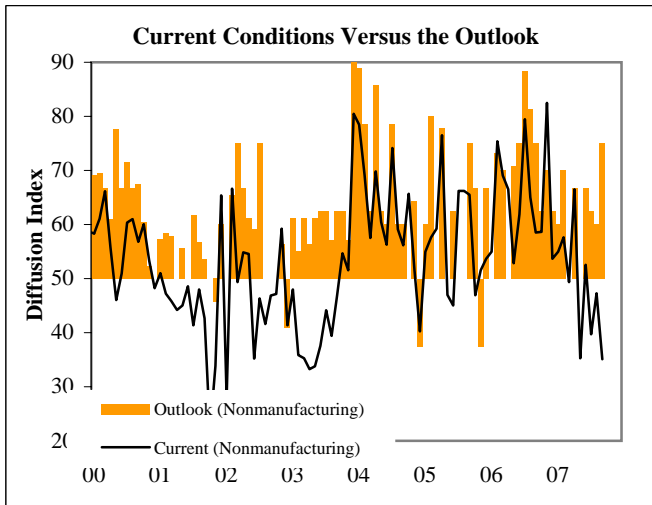
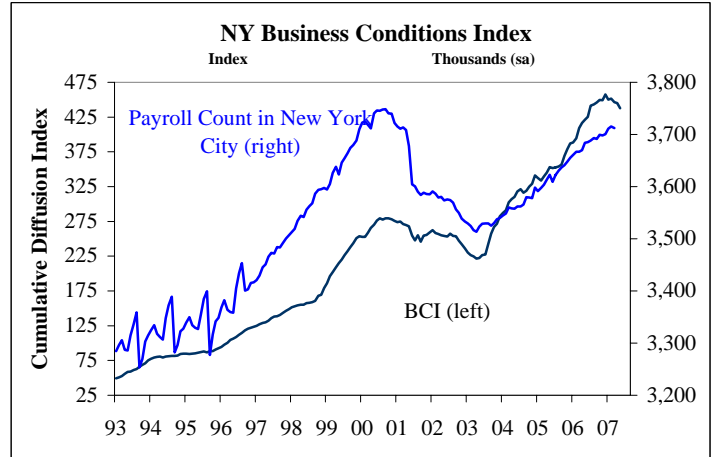
^ Not seasonally adjusted.

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

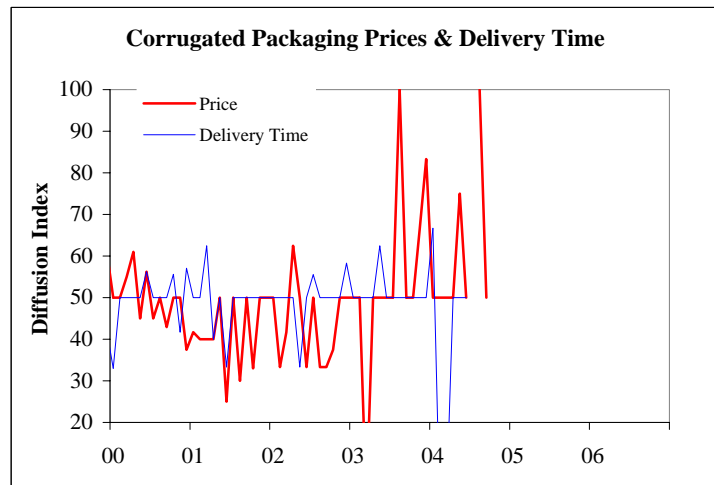
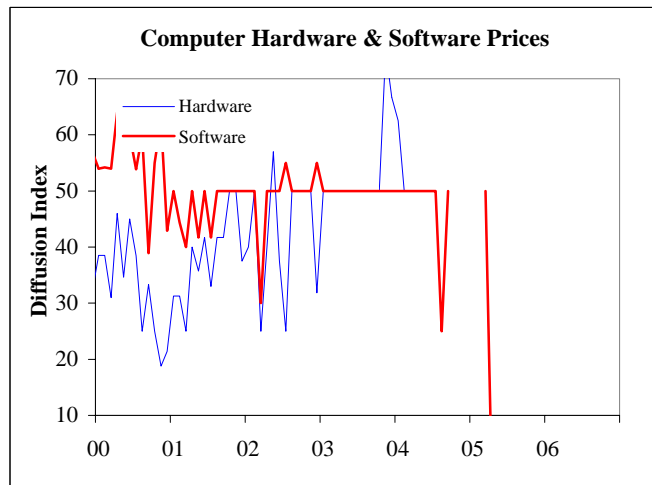
New York Business Conditions Index (NY-BCI)

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

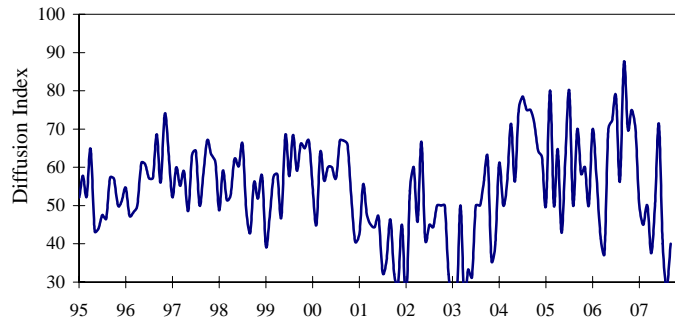


Quantity of Purchases

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

	Year ago					
	Sep	Aug	July	June	May	Sep
Composite	40	28.57	40	71.43	50	87.5
Manufacturing	0	25	50	50	0	NA
Non-Mfg.	50	30	38	75	50	88

Quantity of Purchases

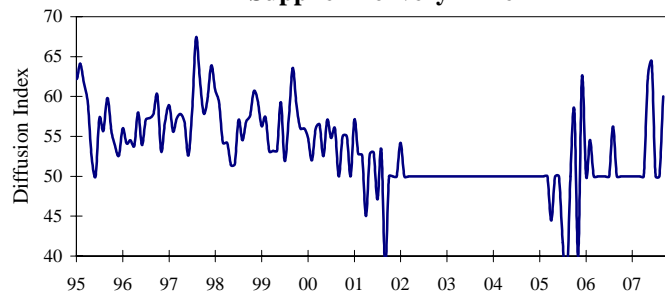


Supplier Delivery Time

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					
	Sep	Aug	July	June	May	Sep
Composite	60	50	50	64	63	50
Manufacturing	100	50	50	50	0	NA
Non-Mfg.	50	50	50	67	63	50

Supplier Delivery Time

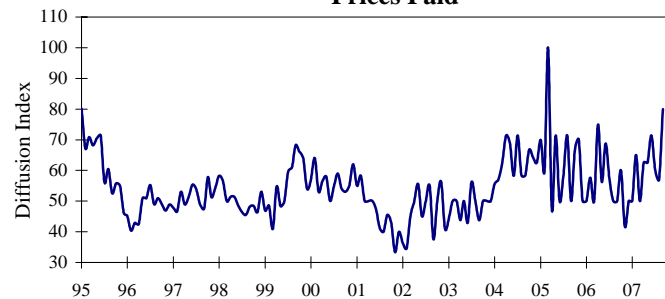


Prices Paid

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					
	Sep	Aug	July	June	May	Sep
Composite	80	57	60	71	63	50
Manufacturing	100	50	50	100	0	NA
Non-Mfg.	75	60	63	67	63	50

Prices Paid

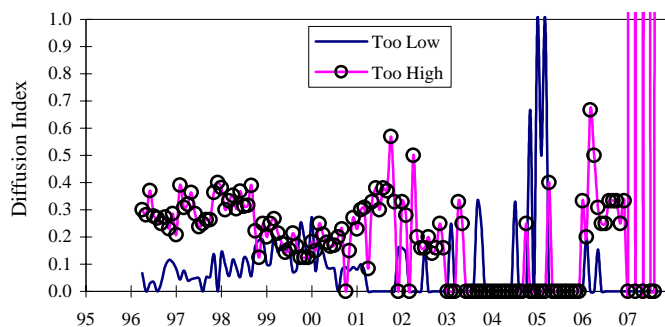


Finished Goods Inventory Relative to Use

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

	Year ago					
	Sep	Aug	July	June	May	Sep
Composite		50	50	63	50	0.333
% too high		0	0	0	0	0.667
Manufacturing		50	0	50	0	0.00
Non-Mfg.		50	50	66.7	0	0.667

Finished Goods Inventory vs. Expected Use

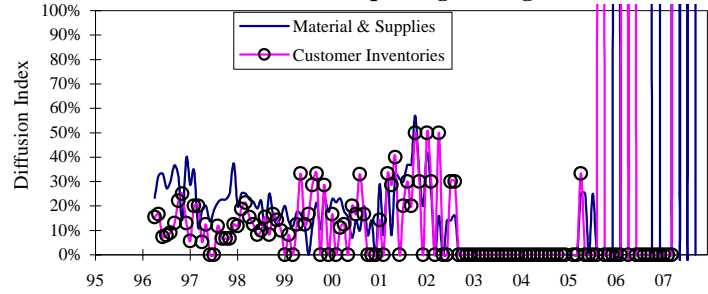


Raw Materials & Customer Inventory

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

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

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



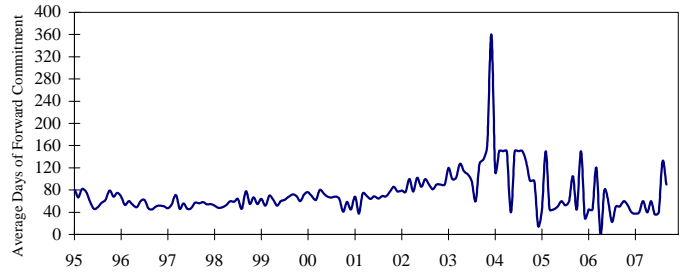
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Sep	Aug	July	June	May	Sep
Average Days	90	132	40	36	60	50

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

Production Materials



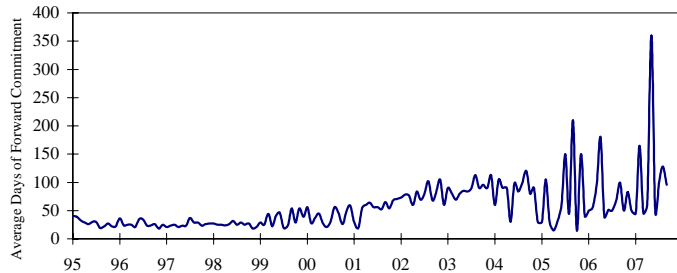
Buying Policy for MRO Supplies

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

	Year ago					
	Sep	Aug	July	June	May	Sep
Average Days	96	128	100	48	360	100

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
96	0%	40%	20%	0%	0%	0%

MRO Supplies



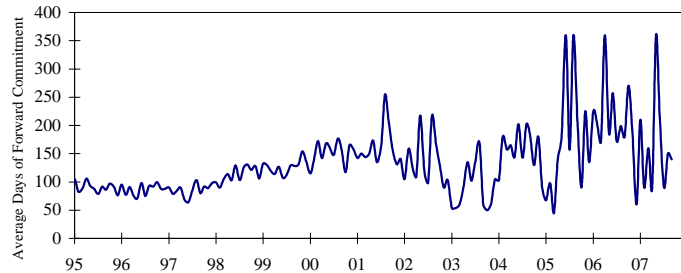
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Sep	Aug	July	June	May	Sep
Average Days	140	150	90	210	360	180

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
140	0%	67%	0%	0%	0%	33%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

			August	July	September	August	July
Castings							
Chemicals		150.00					
Computer Hardware	+++	-100.00	150.00	150.00	-50.00	-50.00	-50.00
Computer Software	+++		-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	+++	-100.00					
Office Equipment (non-computer)	+++	-100.00	-100.00	-100.00	200.00	200.00	200.00
Office Supplies	+++		-100.00	-100.00	200.00	200.00	200.00
Piping & Tubing							
Plastics							
Plating		-100.00					
Printing Paper	+++		-100.00	-100.00			200.00
Rubber Products							
Textile Products							
Wood & Pulp							
Services (Contracted)		Index					
Cleaning		60.00	Index	Index	Index		
Construction		50.00	60.00	60.00	N/A		
Painting		50.00	50.00	50.00	N/A		
Engineering	+++	66.67	50.00	50.00	N/A		
Architectural	+++	50.00	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

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.