



Jonathan Basile, Business Survey Chair, NAPM-New York and Vice President/Economist, Credit Suisse, (212) 538-1436, jonathan.basile@credit-suisse.com

Peter Oppenheimer, C.P.M., Executive Director, NAPM-New York, (516) 466-9822

**January 31, 2008**

**NEW YORK CITY REPORT ON BUSINESS**  
*Activity Down, Pessimism Up*

Business activity declined in January after a strong showing in the prior three months, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index was 47.9 in January, the first reading below the expansion/contraction 50 line in four months.

Future optimism turned to pessimism at the start of 2008. The Six-Month Outlook index was 44.2 in January, the lowest level since November 2005.

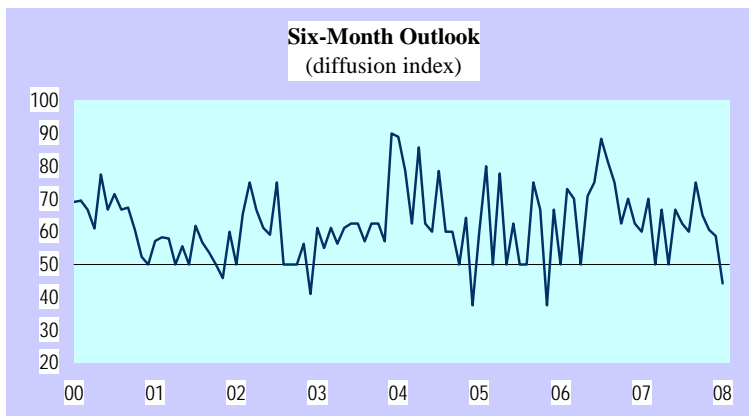
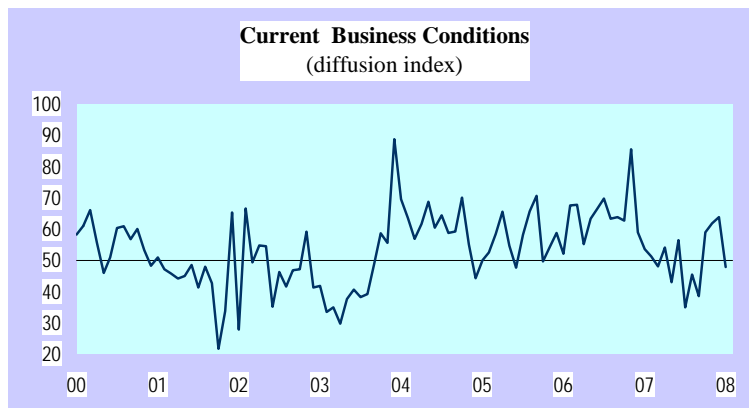
Firms did not pay as much for their goods and services as last month, while purchases slowed. The Prices Paid index eased slightly, while the Quantity of Purchases index fell sharply, in part due to a seasonal slowdown. Supplier Delivery Time eased for a third month.

**Business Impediments:** Broader economic and financial concerns were evident in responses for “other” difficulties. Survey participants specifically mentioned recession, soft demand, weak retail environment, decline in consumer discretionary spending and market downturn as concerns. Skilled labor shortages were less of an issue in January relative to December.

	Jan	Dec	Nov
Skilled labor shortage:	19%	30%	21%
Unskilled labor shortage:	0%	0%	11%
Working capital shortage:	4%	13%	6%
Raw material shortage:	0%	9%	6%
Security concerns:	4%	13%	16%
Abnormal weather:	4%	9%	16%
“Other” difficulties:	23%	22%	26%
No difficulties:	31%	22%	37%

\* \* \*

Seasonally adjusted data since January 2003 have been recalculated using updated seasonal factors. This affects the Current Business Conditions index and the NY-BCI. Please contact NAPM-NY for the new series’ history.

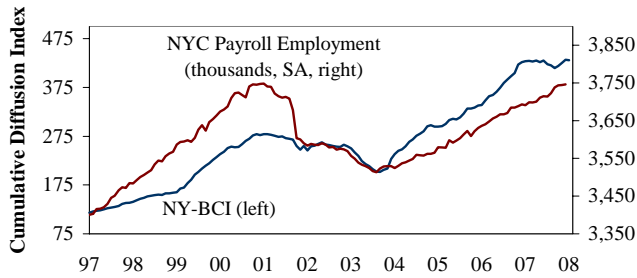


<b>Business Conditions in New York City</b> <i>(Seasonally Adjusted, Except Where Noted)</i>			
	<b>Current Business Conditions</b>	<b>Six-Month Outlook (NSA)</b>	<b>NY-BCI*</b>
January 2007	53.7	60.0	428.6
February	51.3	70.0	429.2
March	48.1	50.0	428.3
April	54.1	66.7	430.3
May	43.0	50.0	426.8
June	56.5	66.7	430.1
July	35.0	62.5	422.6
August	45.6	60.0	420.4
September	38.6	75.0	414.7
October	59.0	65.0	419.1
November	61.9	60.5	425.1
December	63.9	58.7	432.1
<b>January 2008</b>	<b>47.9</b>	<b>44.2</b>	<b>431.0</b>

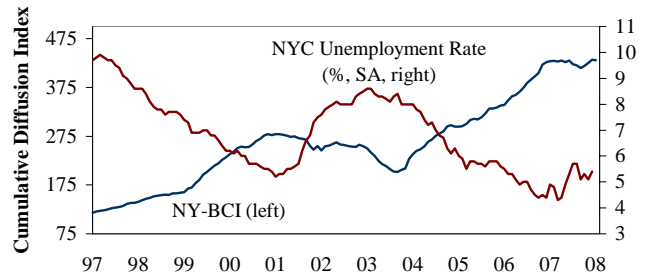
NSA = not seasonally adjusted. \*The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for non-manufacturing businesses in the New York City area.

## New York Business Conditions Index and the New York City Labor Market

### NY-BCI vs. NYC Employment



### NY-BCI vs. NYC Unemployment



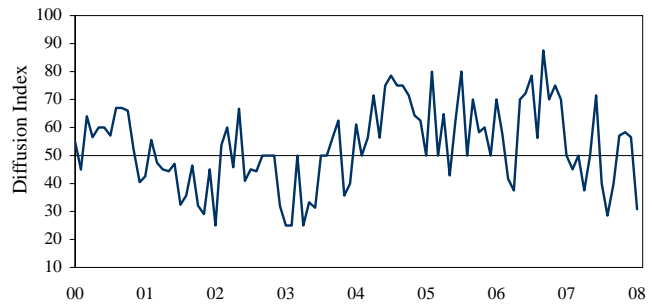
NYC Employment/Unemployment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI often precedes local employment trends. Moreover, the NY-BCI offers advance information about forthcoming local labor market conditions because the count of local jobs is not available for one or two months.

### Quantity of Purchases

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

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	30.8	56.5	58.3	57.1	40.0	50.0

### Quantity of Purchases

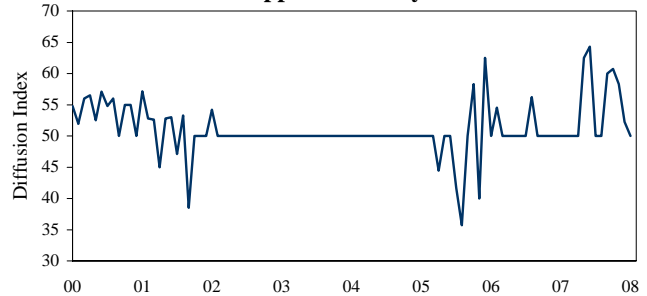


### Supplier Delivery Time

An aggregate evaluation of the current month's delivery performance (lead time) compared to the prior month.

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	50.0	52.3	58.3	60.7	60.0	50.0

### Supplier Delivery Time

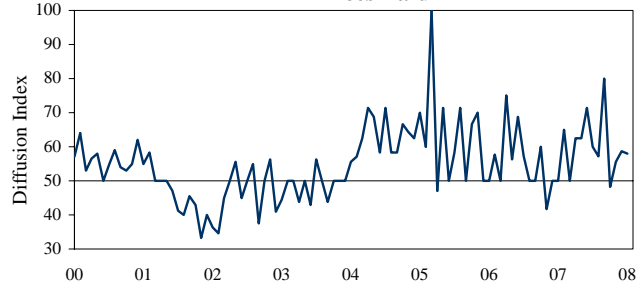


### Prices Paid

The change from the prior month in prices paid for goods and services.

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	58.0	58.7	55.6	48.2	80.0	50.0

### Prices Paid



## About the Survey

The purpose of the survey is to quickly assess business conditions among non-manufacturing firms/organizations in the New York City area. The survey results are compiled as diffusion indices - the percent of positive responses plus one-half of those responding the same (considered positive). A reading of 50% means no change from the prior month, greater than 50% indicates a faster pace of activity, and less than 50% a slower rate. The Current Conditions Index and NY-BCI are both seasonally adjusted. All other measures are not seasonally adjusted.