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NEW YORK CITY REPORT ON BUSINESS
Pause, Then...

New York City business activity was essentially unchanged in December after falling sharply last month, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index rose to 50.1 in December.

Purchasing managers were less pessimistic about the outlook. The Six-Month Outlook index rose to 40.7 in December from last month's record low.

Purchasing volume stayed at a depressed level, and cost pressures fell for a third straight month. The Quantity of Purchases index came in at 22.2, while the Prices Paid index was 44.4.

The Employment index, a measure of current trends by area firms, rose to 27.8 in December, still indicative of sizable job cuts.

Business impediments: The economy continued to be an issue in "other" difficulties, while working capital shortages were an even bigger concern.

	Dec	Nov	Oct
Skilled labor shortage:	0%	3%	8%
Unskilled labor shortage:	0%	0%	4%
Working capital shortage:	30%	23%	29%
Raw material shortage:	0%	6%	6%
Security concerns:	15%	0%	8%
Abnormal weather:	15%	6%	6%
"Other" difficulties:	30%	26%	21%
No difficulties:	19%	9%	33%

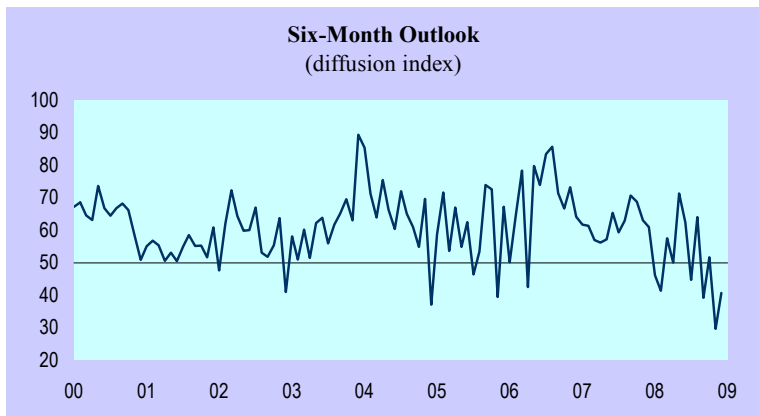
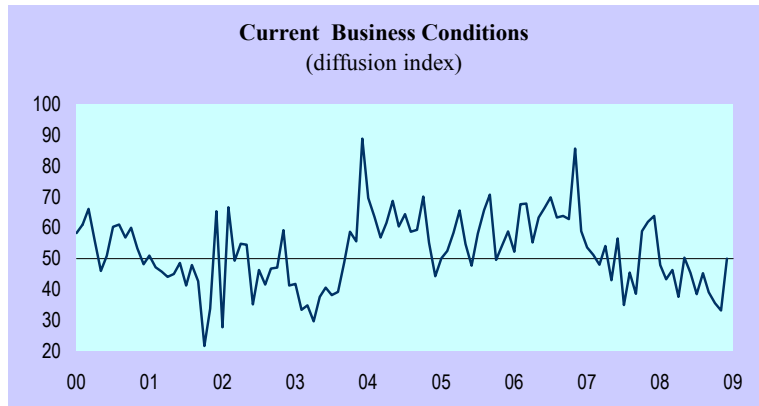
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December's question of the month: How long will it take the New York City economy to recover from the current downturn? Respondents thought that recovery was a year or more away by a 3 to 1 margin.

0 to 6 months	4%
6 to 12 months	20%
12 to 18 months	48%
18 to 24 months	24%
More than 24 months	4%

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2009 Report on Business release schedule			
Jan 30	Apr 30	Jul 31	Oct 30
Feb 27	May 29	Aug 31	Nov 30
Mar 31	Jun 30	Sep 30	Dec 31
(release time – 9:00am Eastern)			



Business Conditions in New York City
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
December 2007	63.9	61.0	432.1
January 2008	47.9	46.1	431.0
February	43.4	41.4	427.7
March	46.3	57.5	425.8
April	37.6	50.0	419.6
May	50.4	71.4	419.8
June	45.4	62.4	417.5
July	38.5	44.8	411.8
August	45.3	64.1	409.5
September	39.1	39.3	404.0
October	35.6	51.6	396.8
November	33.3	29.7	388.4
December	50.1	40.7	388.5

*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.

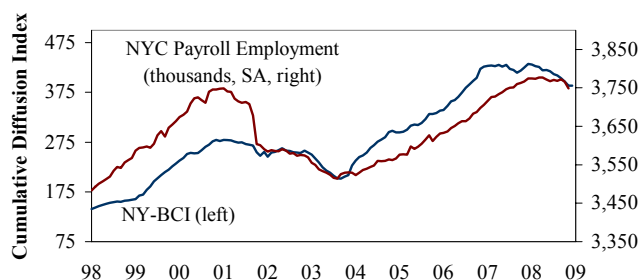
New York City Labor Market

Employment

Current employment trends compared to the previous month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	27.8	16.2	26.1	28.4	37.0	50.0

NY-BCI vs. NYC Employment



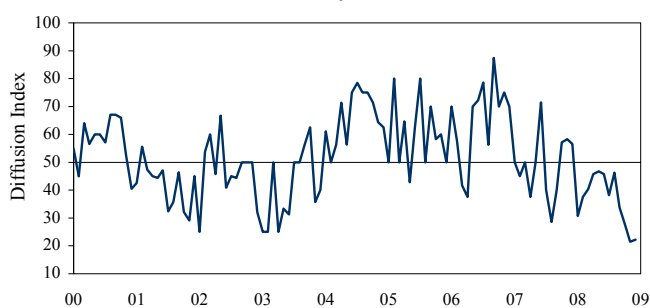
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

Quantity of Purchases

The current month's level of expenditures (units, not dollars) compared to the previous month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	22.2	21.4	27.7	33.8	46.3	56.5

Quantity of Purchases

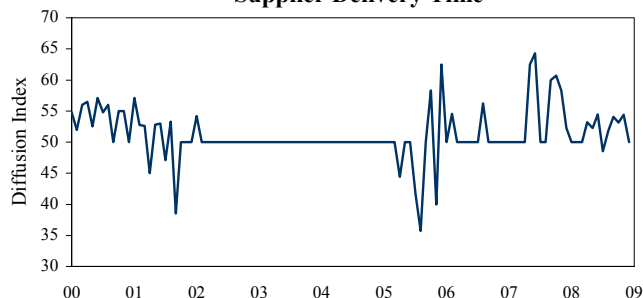


Supplier Delivery Time

The current month's overall delivery performance compared to the previous month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	50.0	54.4	53.1	54.1	51.9	52.3

Supplier Delivery Time

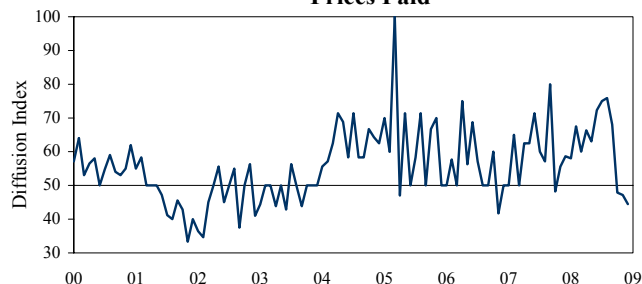


Prices Paid

The current month's overall change in prices paid for goods and services compared to the previous month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	44.4	47.1	47.8	68.1	75.9	58.7

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 Business Conditions index, Six-Month Outlook index and NY-BCI are seasonally adjusted. All other measures are not seasonally adjusted.