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NEW YORK CITY REPORT ON BUSINESS
Breaking the Surface

New York City business activity expanded for the first time since January 2008, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index rose sharply to 61.3 in May from 28.3 in April.

Future optimism persisted for the third straight month, reinforcing the belief that recovery could begin this year. The Six-Month Outlook index rose to 56.1 in May from 51.2 in April.

Purchasing volume and employment continued to contract, but by the smallest amount in months. The Quantity of Purchases index rose to an eight-month high of 32.6 in May from 27.6 in April, while the Employment index rose to a nine-month high of 33.7 in May from 30.0 in April.

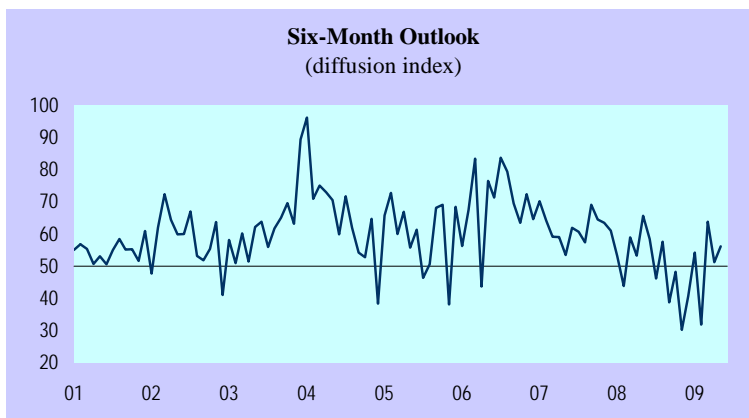
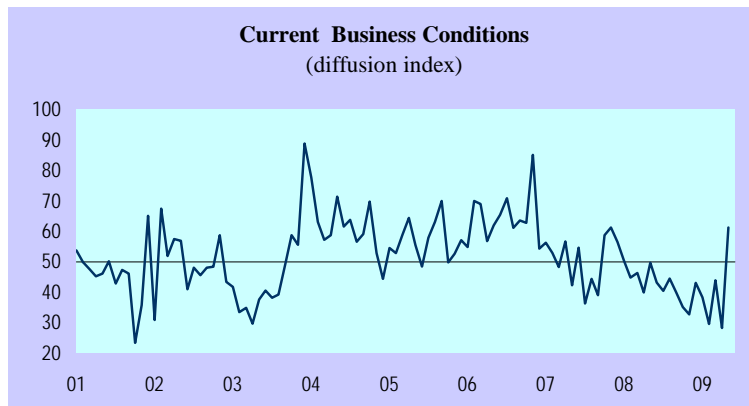
Cost pressures remained nonexistent. The Prices Paid index came in at 25.0 in May compared to 24.5 in April.

Business Impediments: Working capital shortages were still the biggest concern. Skilled labor shortages have picked up so far this year after a zero reading in December, a sign that payroll job cuts may be lessening.

	May	Apr	Mar
Skilled labor shortage	15%	12%	7%
Unskilled labor shortage	4%	4%	0%
Working capital shortage	30%	28%	33%
Raw material shortage	2%	6%	0%
Security concerns	11%	8%	7%
Abnormal weather	2%	0%	0%
"Other" difficulties	17%	22%	17%
No difficulties	15%	18%	10%
	*	*	*

May's Question of the Month: What is your organization's profit outlook for the remainder of 2009? A solid majority expects profits to grow. But one noticeable difference from respondents this May compared to last May was that three times as many firms anticipate falling profits over the balance of the year.

	May '09	May '08
Growing faster	13%	10%
Growing slower	45%	62%
No growth	25%	23%
Declining slower	8%	3%
Declining faster	10%	3%



Business Conditions in New York City
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
May 2008	49.7	65.6	421.3
June	43.2	58.4	417.9
July	40.4	46.1	413.1
August	44.5	57.6	410.4
September	40.0	38.8	405.3
October	35.3	48.3	398.0
November	32.7	30.2	389.3
December	43.1	40.7	385.9
January 2009	38.4	54.2	380.1
February	29.6	31.8	369.9
March	43.9	63.8	366.9
April	28.3	51.2	356.0
May	61.3	56.1	361.6

*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.

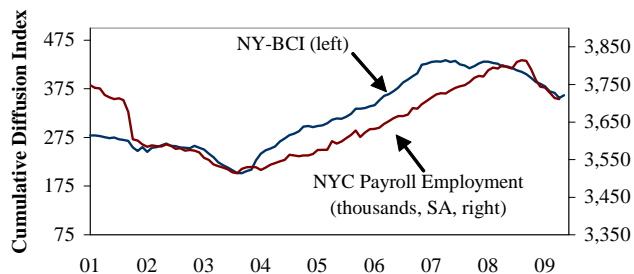
New York City Labor Market

Employment

Current employment trends compared to the previous month.

	May	Apr	Mar	Feb	Jan	Year ago May
Diffusion Index	32.9	30.0	23.6	21.9	22.2	40.0

NY-BCI vs. NYC Employment



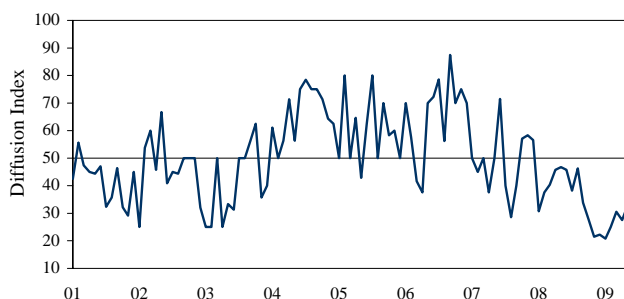
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

Quantity of Purchases

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

	May	Apr	Mar	Feb	Jan	Year ago May
Diffusion Index	32.9	27.6	30.6	25.0	20.8	46.7

Quantity of Purchases

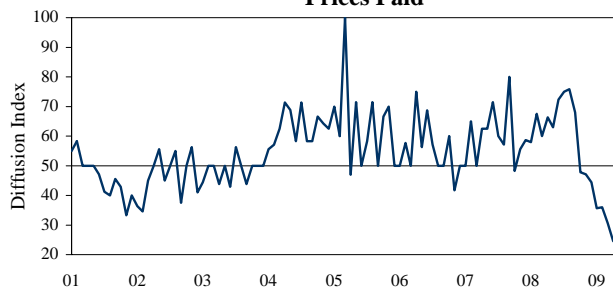


Prices Paid

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

	May	Apr	Mar	Feb	Jan	Year ago May
Diffusion Index	25.7	24.5	30.6	35.9	35.7	63.0

Prices Paid

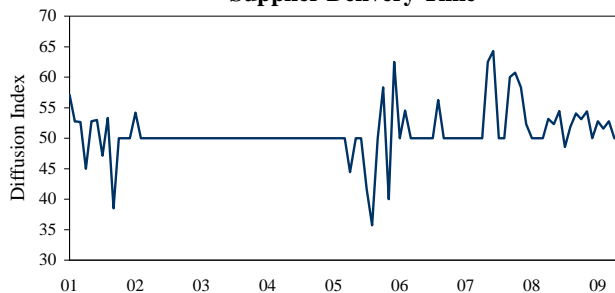


Supplier Delivery Time

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

	May	Apr	Mar	Feb	Jan	Year ago May
Diffusion Index	50.0	50.0	52.8	51.6	52.8	52.3

Supplier Delivery Time



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.