



NAPM-New York

Report on Business



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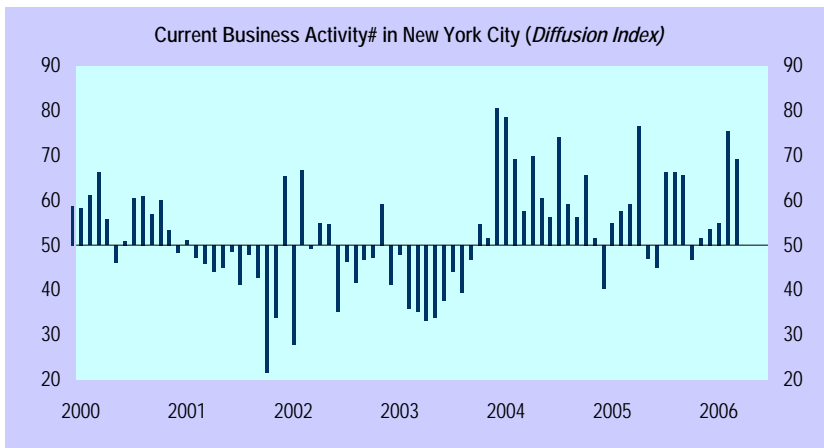
March 31, 2006

NEW YORK CITY REPORT ON BUSINESS

In Like the Proverbial Lion

The Big Apple's economy is humming, according to the March survey of the City's businesses that was conducted by the National Association of Purchasing Management-New York (NAPM-NY). March's survey is encouraging because it confirms the upswing that was reported in the February survey. It will come as no surprise that strength in the financial services businesses is an important contributor to the NAPM-NY's recent firming. Respondents remain optimistic about the outlook, although the NAPM-NY's outlook index has dropped back a bit.

The NAPM-NY Business Conditions Index (BCI), which is a measure of the cumulative strength of the New York economy, continues to advance with the latest survey result. The NAPM-NY has been a relatively good predictor of eventual employment gains. Although the City's job count has lagged the BCI index—only half the jobs lost since 2000 have been recovered—the area's job prospects look promising.



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

	Current Conditions#	Outlook [^]	NY-BCI*
January 2004	78.5	88.9	257.3
February	69.2	78.6	267.2
March	57.5	62.5	271.8
April	69.8	85.7	282.2
May	60.4	62.5	287.1
June	56.3	60.0	290.9
July	74.1	78.5	302.5
August	59.1	60.0	307.1
September	56.2	60.0	310.4
October	65.7	50.0	318.0
November	51.6	64.3	321.2
December	40.2	37.5	316.3
January 2005	54.9	60.0	319.0
February	57.6	80.0	324.9
March	59.2	50.0	329.1
April	76.5	77.8	341.2
May	47.0	50.0	337.3
June	45.0	62.5	333.7
July	66.2	50.0	339.6
August	66.2	50.0	345.4
September	65.5	70.0	353.2
October	46.9	66.7	351.6
November	51.6	40.0	352.4
December	53.6	62.5	354.2
January 2006	54.9	50.0	356.7
February	75.4	73.1	369.4
March	69.1	58.3	378.9

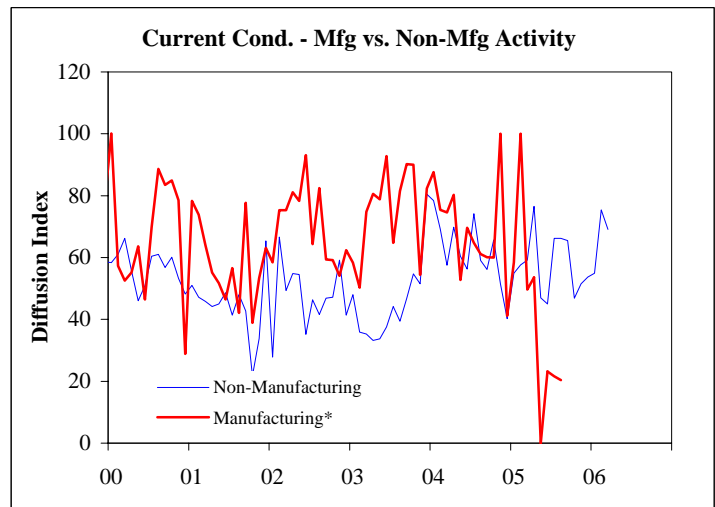
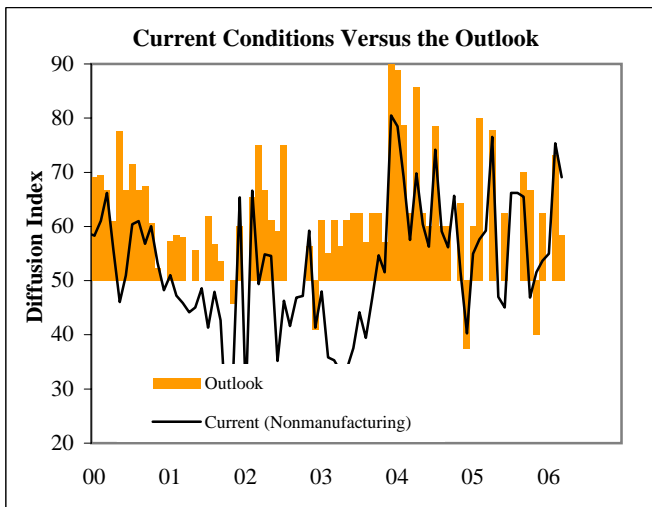
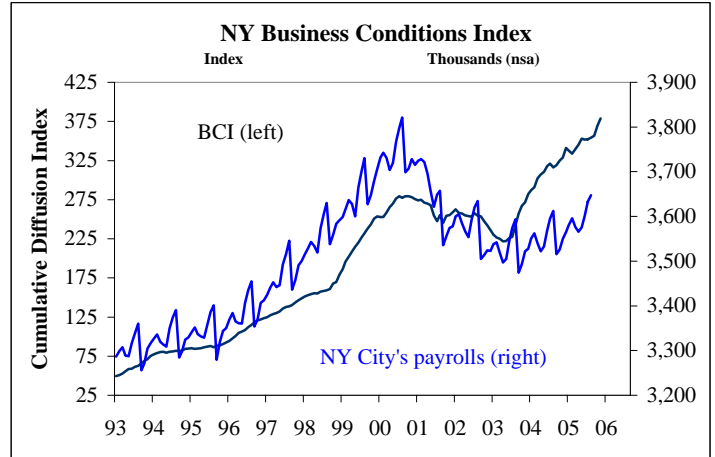
Based on responses from nonmanufacturing businesses.

[^] Not seasonally adjusted. Reflects responses from both manufacturing and nonmanufacturing businesses.

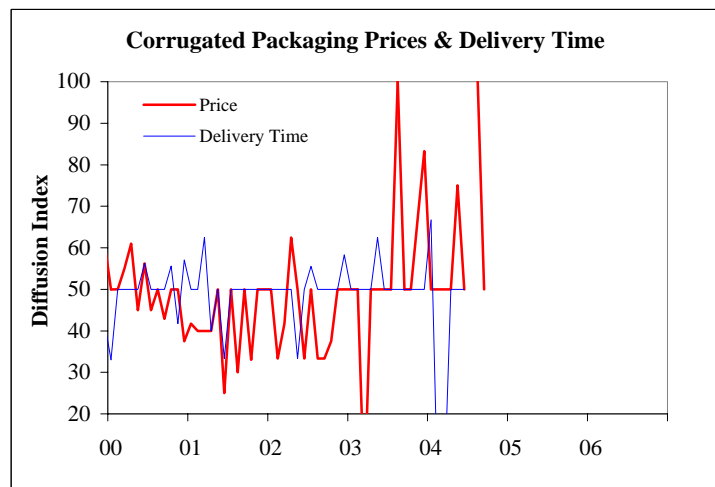
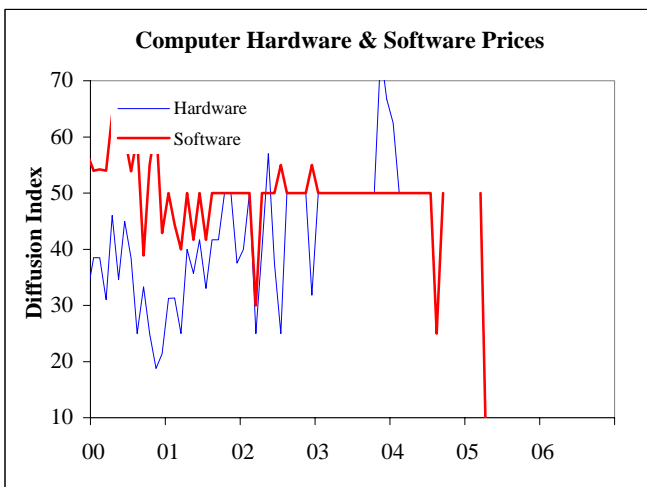
* After August 2005, the index reflects activity at nonmanufacturing businesses.

New York Business Conditions Index (NY-BCI)

The New York NAPM business conditions index (BCI) is a cumulative diffusion index of current business conditions for nonmanufacturing businesses in the New York City area. The BCI tends to precede local employment trends. Furthermore, because the count of local jobs is unavailable until one or two months later, 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.



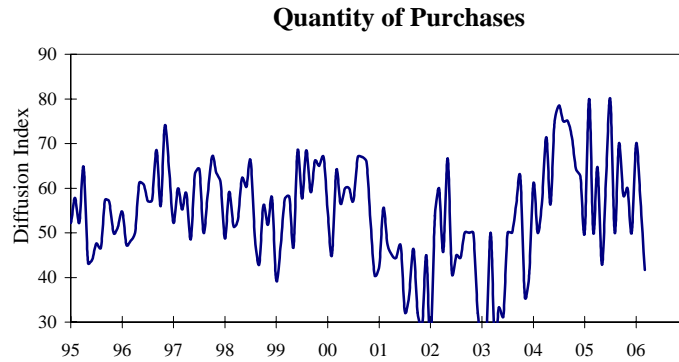
* Discontinued after August 2005



Quantity of Purchases

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

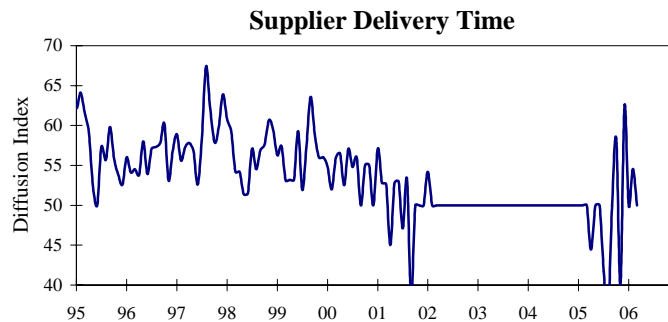
	March	Feb	Jan	Dec	Nov	Year ago March
Composite	41.67	57.69	70	50	60	56.3
Manufacturing	0	83	50	50	50	75
Non-Mfg.	50	50	75	50	63	50



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.

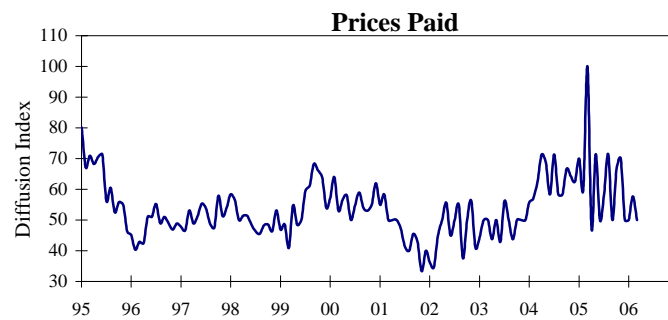
	March	Feb	Jan	Dec	Nov	Year ago March
Composite	50	55	50	63	40	50
Manufacturing	50	50	50	50	50	50
Non-Mfg.	50	56	50	50	50	50



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.

	March	Feb	Jan	Dec	Nov	Year ago March
Composite	50	58	50	50	70	100
Manufacturing	50	67	50	50	100	100
Non-Mfg.	50	56	50	50	63	100

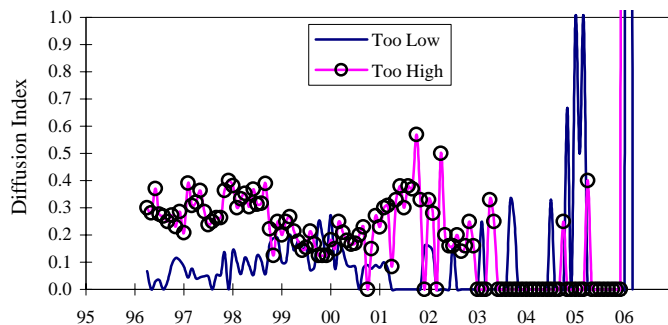


Finished Goods Inventory Relative to Use

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

	March	Feb	Jan	Dec	Nov	Year ago March
Composite	83	50	67	50	50	0
% too high	0	0	0	0	0	0
Manufacturing	100	50	100	50	50	0
Non-Mfg.	75	50	50	50	50	NA

Finished Goods Inventory vs. Expected Use

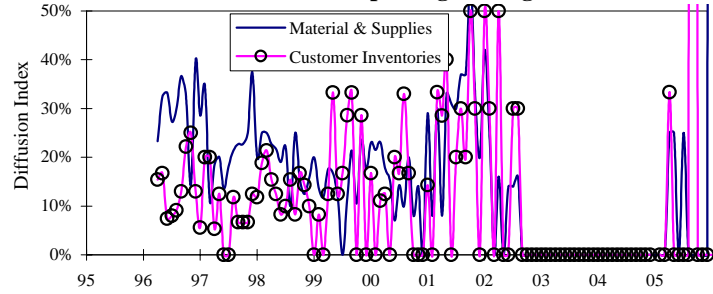


Raw Materials & Customer Inventory

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

	Year ago					
	March	Feb	Jan	Dec	Nov	March
Materials & Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Customer Inventories	0.0	0.0	0.0	0.0	0.0	0.0

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



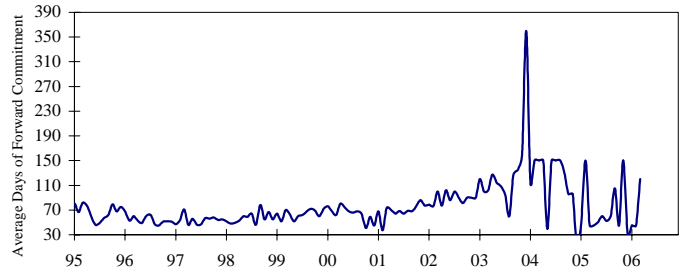
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	March	Feb	Jan	Dec	Nov	March
Average Days	120	45	45	30	150	45

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
120	0%	20%	40%	20%	0%	20%

Production Materials



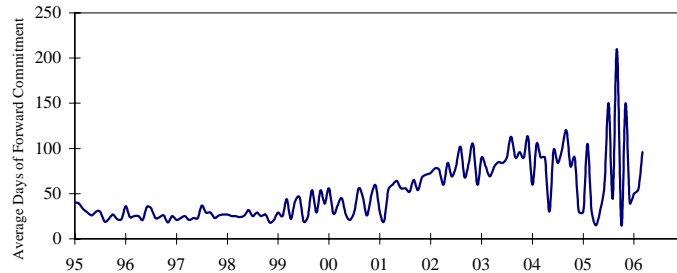
Buying Policy for MRO Supplies

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

	Year ago					
	March	Feb	Jan	Dec	Nov	March
Average Days	96	55	45	15	96	30

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

MRO Supplies



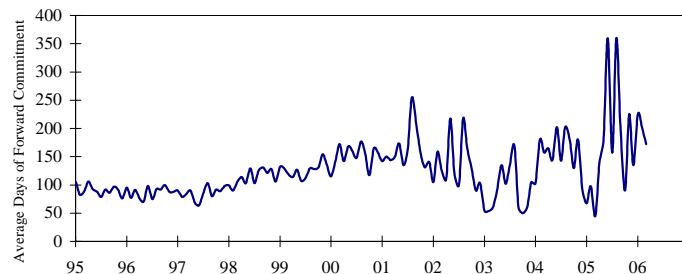
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	March	Feb	Jan	Dec	Nov	March
Average Days	172.5	202.5	225	135	225	45

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
173	0%	0%	25%	25%	25%	25%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

		March	Feb	Jan	March	Feb	Jan
Castings			100.0			100.0	
Chemicals			75.0			75.0	
Computer Hardware	+++	50.0	25.0		50.0	50.0	
Computer Software	+++	50.0	50.0		50.0	50.0	
Corrugated Packaging			75.0			50.0	
Electrical Components			50.0			100.0	
Energy			100.0			50.0	
Ferrous Metals			50.0				
Food Products			50.0				
Glass							
Hydraulic Components							
Medical Supplies							
Nonferrous Metals	+++						
Office Equipment (non-computer)	+++	50.0	50.0		50.0	50.0	
Office Supplies	+++	50.0	50.0		50.0	50.0	
Piping & Tubing			100.0			100.0	
Plastics			100.0			75.0	
Plating							
Printing Paper	+++	50.0	50.0	50.00	50.0	50.0	50.00
Rubber Products							
Textile Products							
Wood & Pulp			100.0			100.0	
Services (Contracted)					"Hot Spots" are those commodities & services that have experienced upward price pressure with delivery delays (for commodities) for at least three months. Where are the HOT SPOTS?		
Cleaning		60.0	60.00	60.00			
Construction		62.5	62.50	62.50			
Painting		62.5	62.50	62.50			
Engineering	+++	50.0	50.00	50.00			
Architectural	+++	62.5	62.50	62.50			
Temporary Personnel	+++	58.3	58.33	58.33			
Computer Consultants	+++	60.0	60.00	60.00			

+++ = Commodity or service price diffusion index above 50% for at least the last three months.

Items in Short Supply

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.