



NAPM-New York

Report on Business



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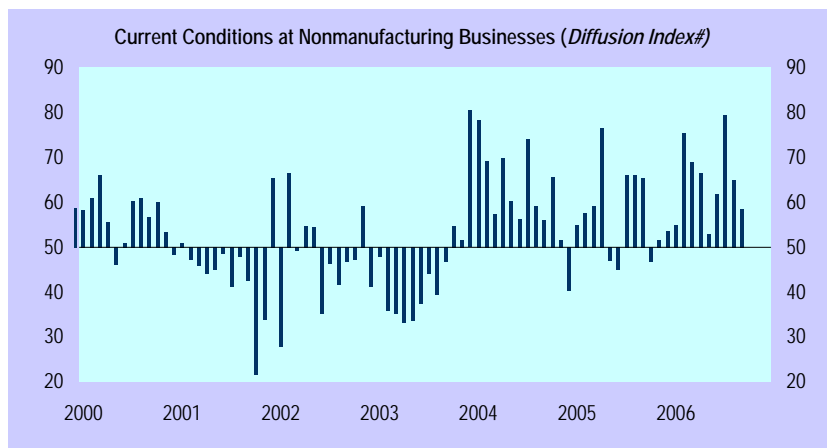
September 30th, 2006

NEW YORK CITY REPORT ON BUSINESS

Good Vibrations

Business conditions remain good in New York City, according to the September survey of local businesses conducted by the National Association of Purchasing Management-New York (NAPM-NY). Most report little change in activity, which has been favorable for some time. At the same time, most anticipate a good outcome in the months ahead, with the outlook index remaining at a high level—the outlook index is not seasonally adjusted because there is little discernible seasonality in the responses.

Given the favorable trend in current conditions, the NAPM-NY Business Conditions Index (BCI), a measure of the cumulative change in business activity over time, climbed higher. The trends in this index point the way to ongoing improvement in the city's job market. Although the number of jobs in the Big Apple remains 174,000 below the peak tally in late 2000, employment in New York City is growing faster than national trends for the first time since the late 1990s.



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

	Current conditions ~	Outlook ^ *	NY-BCI *
August 2004	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	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

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

~ Activity at nonmanufacturing businesses.

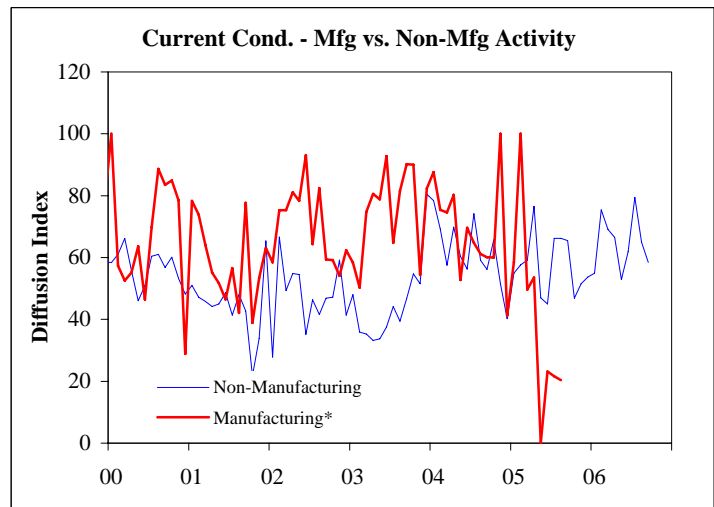
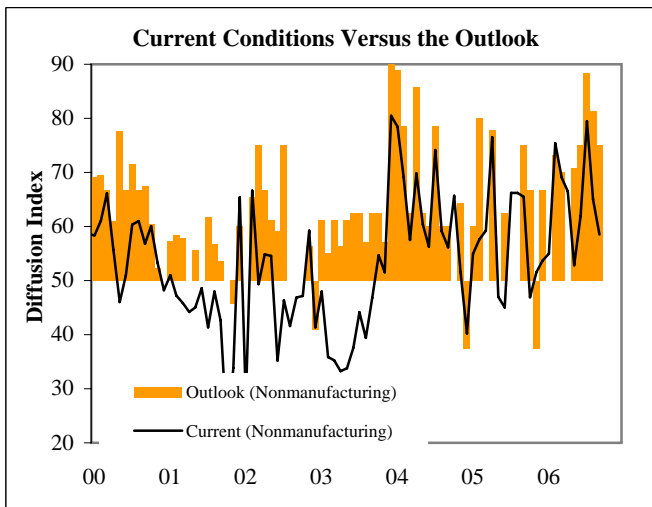
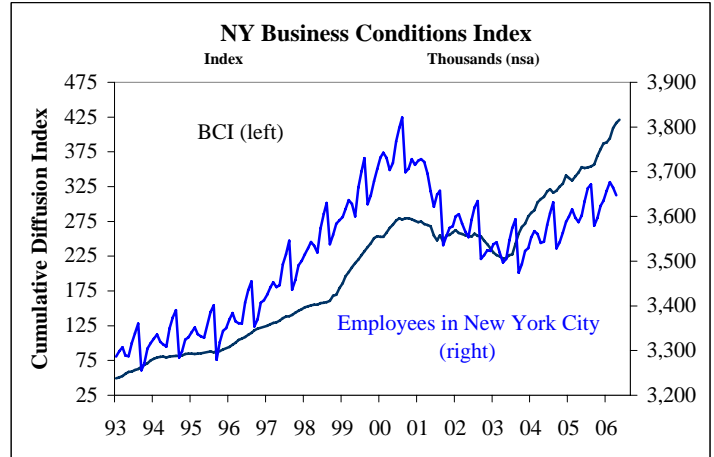
^ Not seasonally adjusted.

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

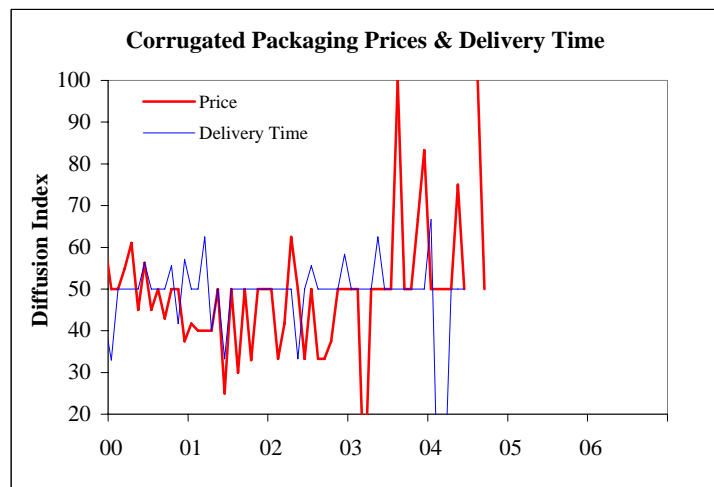
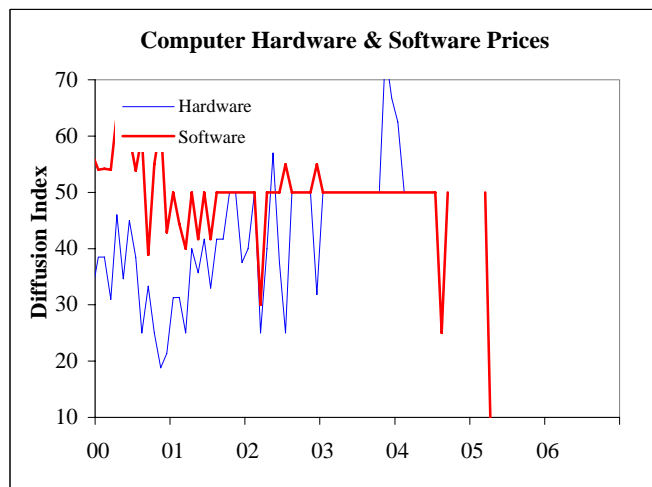
New York Business Conditions Index (NY-BCI)

The New York NAPM business conditions index (BCI) is a cumulative diffusion index 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

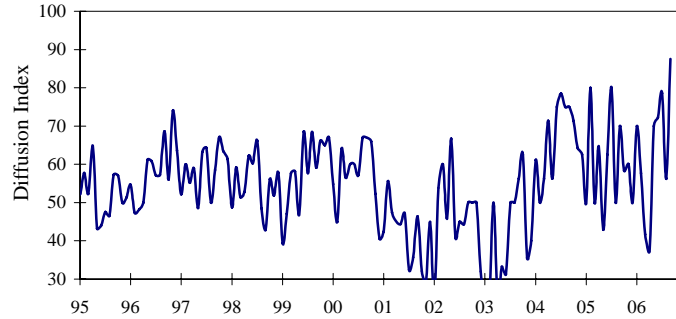


Quantity of Purchases

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

	Sept	August	July	June	May	Year ago Sept
Composite	87.5	56.25	78.57	72.22	70	70
Manufacturing	NA	NA	50	NA	50	50
Non-Mfg.	88	60	83	81	71	75

Quantity of Purchases

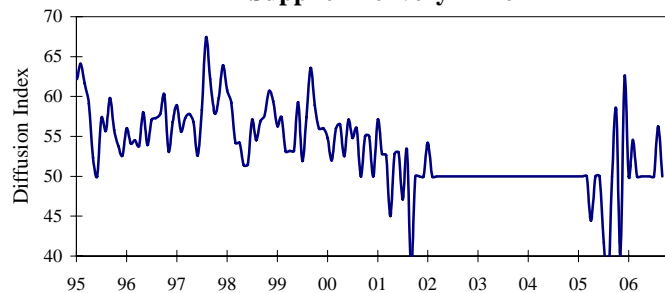


Supplier Delivery Time

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.

	Sept	August	July	June	May	Year ago Sept
Composite	50	56	50	50	50	50
Manufacturing	NA	NA	50	50	50	50
Non-Mfg.	50	56	50	50	50	50

Supplier Delivery Time

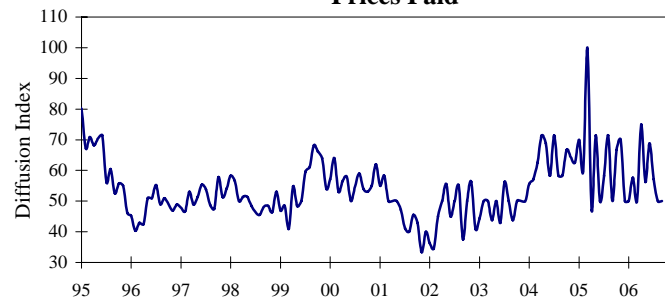


Prices Paid

The change from the prior month in prices of items -- goods and services, purchased. This is an overall evaluation weighted by quantity of purchase.

	Sept	August	July	June	May	Year ago Sept
Composite	50	50	57	69	56	50
Manufacturing	NA	NA	50	100	50	50
Non-Mfg.	50	50	58	64	57	50

Prices Paid

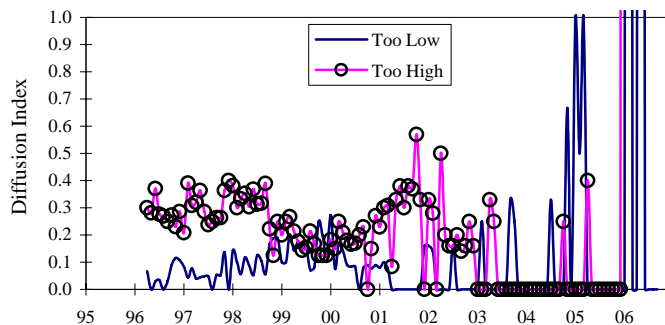


Finished Goods Inventory Relative to Use

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

	Sept	August	July	June	May	Year ago Sept
Composite	67	33	63	63	58	50
% too high	0	67	0	0	0	0
Manufacturing	NA	0	100	100	100	50
Non-Mfg.	66.67	66.67	50	62.5	54	50

Finished Goods Inventory vs. Expected Use

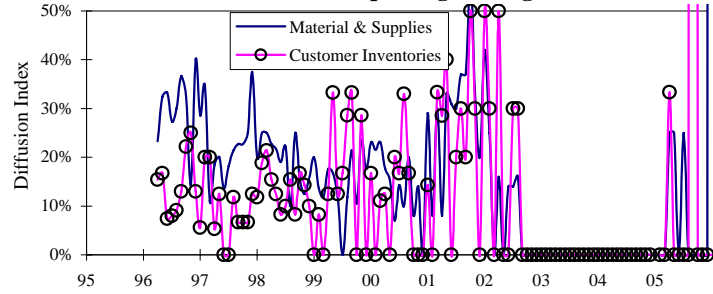


Raw Materials & Customer Inventory

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

	Year ago					
	Sept	August	July	June	May	Sept
Materials & Supplies	#####	#####	25.0	40.0	50.0	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



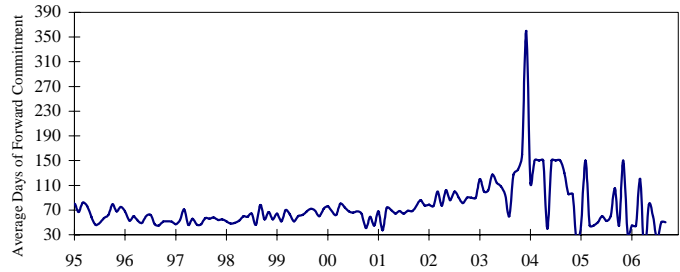
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Sept	August	July	June	May	Sept
Average Days	50	50	23	60	79	105

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
50	0%	67%	0%	33%	0%	0%

Production Materials



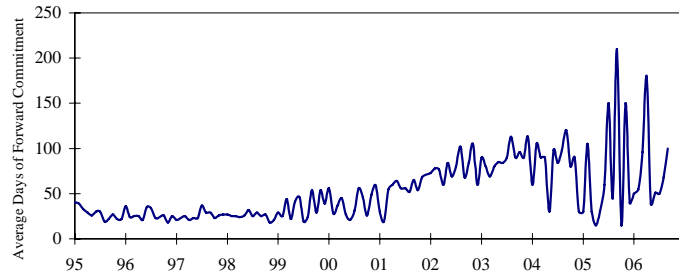
Buying Policy for MRO Supplies

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

	Year ago					
	Sept	August	July	June	May	Sept
Average Days	100	68	50	51	39	210

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
100	0%	0%	67%	0%	0%	0%

MRO Supplies



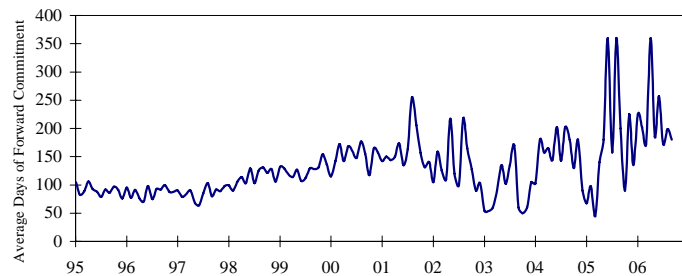
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Sept	August	July	June	May	Sept
Average Days	180	199	172.5	257	186	200

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
180	0%	0%	0%	67%	0%	33%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

		September	August	July	September	August	July
Castings						-50.00	-50.00
Chemicals			150.00				50.00
Computer Hardware	+++	150.00		150.00	-50.00		
Computer Software	+++	-100.00		50.00	200.00		
Corrugated Packaging			50.00			50.00	
Electrical Components			50.00			50.00	
Energy							
Ferrous Metals							
Food Products							
Glass							
Hydraulic Components							
Medical Supplies							50.00
Nonferrous Metals	+++						50.00
Office Equipment (non-computer)	+++	-100.00		50.00	200.00		50.00
Office Supplies	+++	-100.00		50.00	200.00		
Piping & Tubing			50.00	50.00		50.00	
Plastics			50.00			50.00	50.00
Plating							
Printing Paper	+++	-100.00		50.00	200.00		
Rubber Products							
Textile Products			50.00			50.00	
Wood & Pulp							
Services (Contracted)							
Cleaning		Index	60.00	60.00			
Construction		60.00	50.00	50.00			
Painting		50.00	50.00	50.00			
Engineering	+++	50.00	66.67	66.67			
Architectural	+++	66.67	50.00	50.00			
Temporary Personnel	+++	50.00	50.00	50.00			
Computer Consultants	+++	50.0	50.0	50.0			

+++ = Commodity or service price diffusion index above 50.00

with delivery delays (for commodities) for at least three months.
Where are the HOT SPOTS?

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.