



NAPM-New York

Report on Business



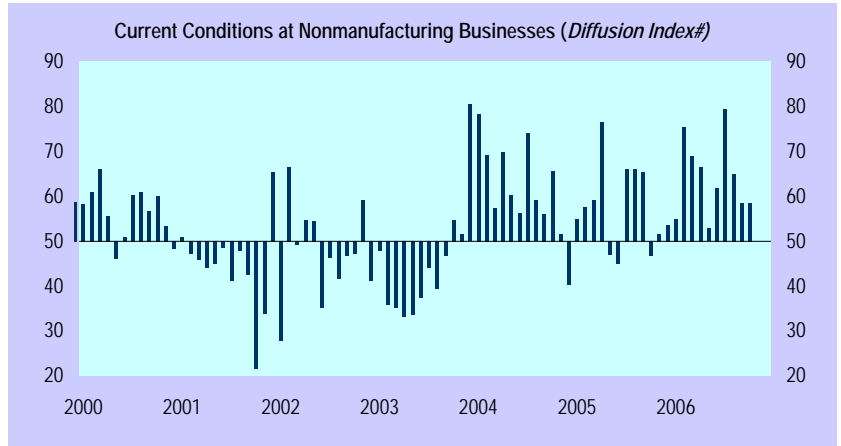
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October 31, 2006

NEW YORK CITY REPORT ON BUSINESS Steady Business Trends Into the Fall

New York City's economy is doing well, based on the October survey of local businesses conducted by the National Association of Purchasing Management-New York (NAPM-NY). Most respondents report that conditions are the same as in September or better. At the same time, the outlook remains favorable, with only one respondent downgrading the assessment of the outlook.

As a result, the NAPM-NY current conditions index, a measure of the cumulative change in business activity over time, continues to march higher. This bodes well for future hiring trends in the city.



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

	Current conditions ~	Outlook ^ *	NY-BCI *
July 2004	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	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
October	58.6	62.5	425.3

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

~ Activity at nonmanufacturing businesses.

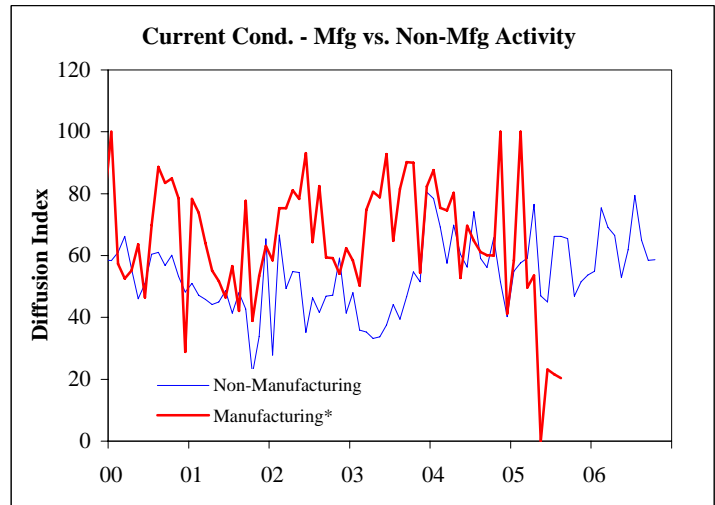
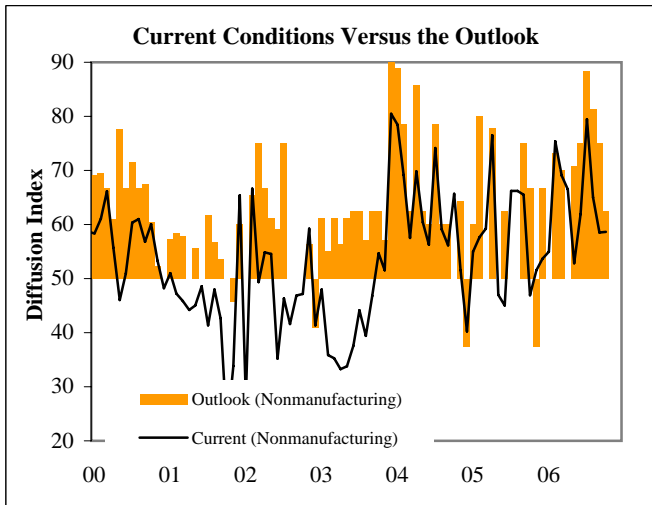
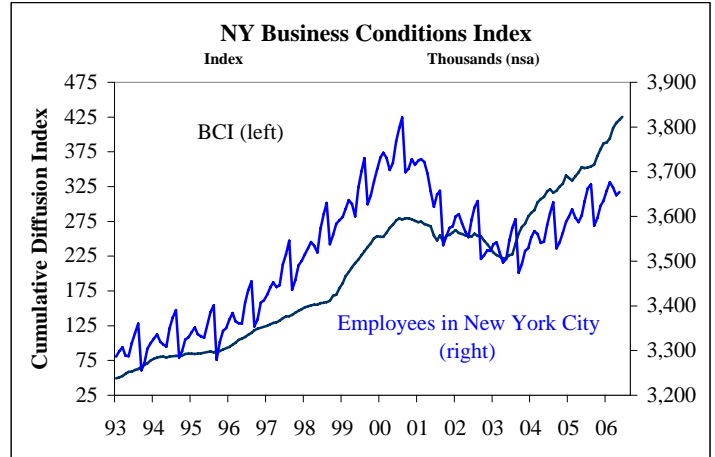
^ Not seasonally adjusted.

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

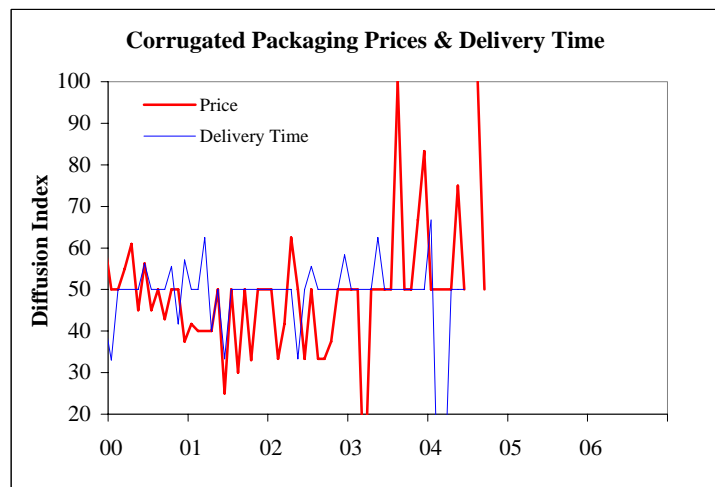
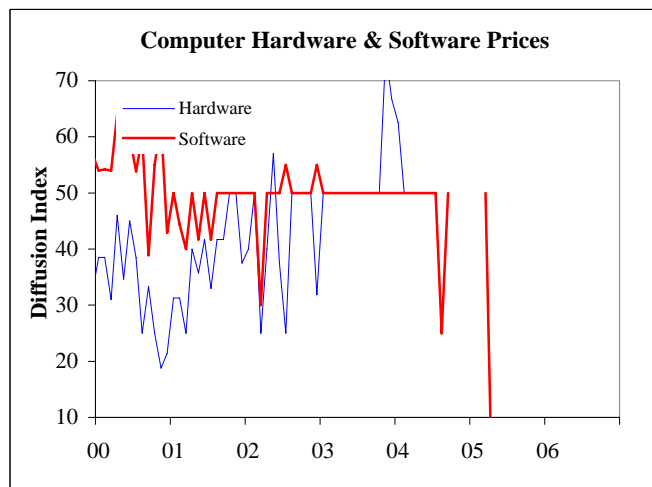
New York Business Conditions Index (NY-BCI)

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

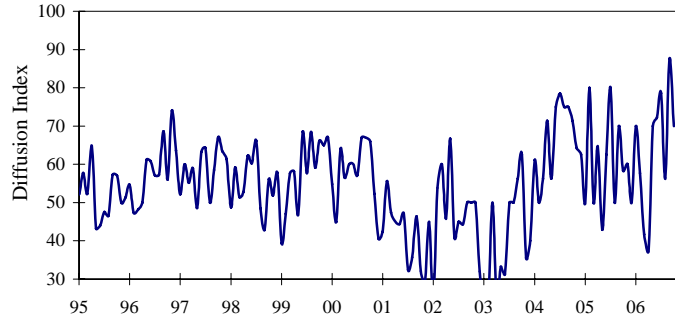


Quantity of Purchases

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

	Year ago					
	Oct	Sept	August	July	June	Oct
Composite	70	87.5	56.25	78.57	72.22	58.33
Manufacturing	50	NA	NA	50	NA	NA
Non-Mfg.	75	88	60	83	81	58

Quantity of Purchases

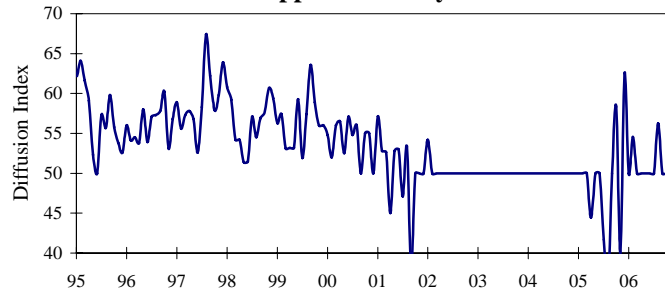


Supplier Delivery Time

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.

	Year ago					
	Oct	Sept	August	July	June	Oct
Composite	50	50	56	50	50	58
Manufacturing	50	NA	NA	50	50	50
Non-Mfg.	50	50	56	50	50	58

Supplier Delivery Time

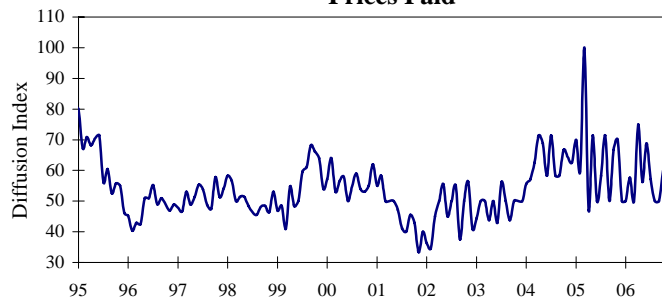


Prices Paid

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

	Year ago					
	Oct	Sept	August	July	June	Oct
Composite	60	50	50	57	69	67
Manufacturing	50	NA	NA	50	100	50
Non-Mfg.	63	50	50	58	64	67

Prices Paid

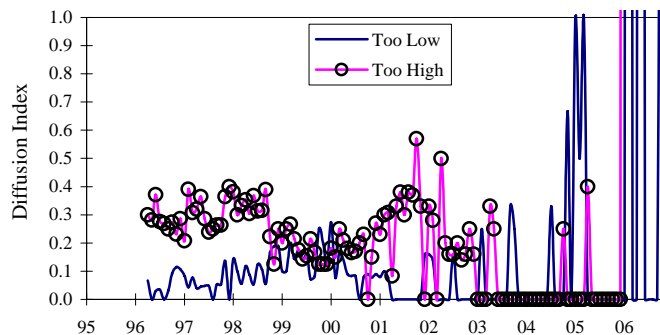


Finished Goods Inventory Relative to Use

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

	Year ago					
	Oct	Sept	August	July	June	Oct
Composite	67	67	33	63	63	50
% too high	33	0	67	0	0	100
Manufacturing	50	NA	0	100	100	###
Non-Mfg.	75	66.67	66.67	50	62.5	50

Finished Goods Inventory vs. Expected Use

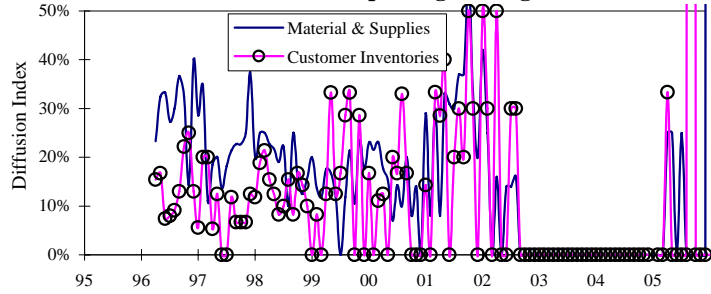


Raw Materials & Customer Inventory

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

	Year ago					
	Oct	Sept	August	July	June	Oct
Materials & Supplies	0	33	25	25	40	0
Customer Inventories	0	0	0	0	0	0

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



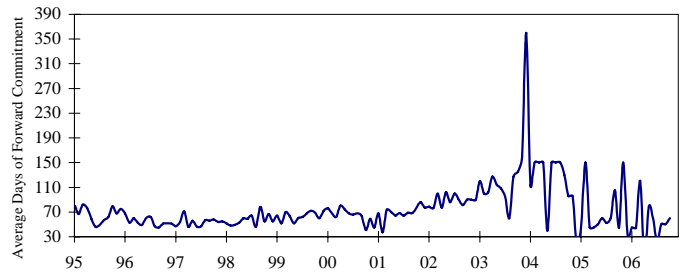
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Oct	Sept	August	July	June	Oct
Average Days	60	50	50	23	60	45

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

Production Materials



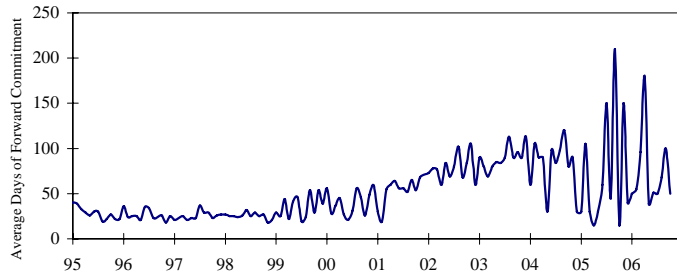
Buying Policy for MRO Supplies

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

	Year ago					
	Oct	Sept	August	July	June	Oct
Average Days	50	100	68	50	51	15

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

MRO Supplies



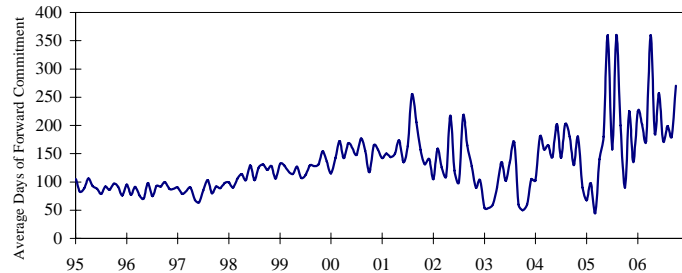
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Oct	Sept	August	July	June	Oct
Average Days	270	180	199	172.5	257	90

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

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

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

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

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.