



NAPM-New York

Report on Business



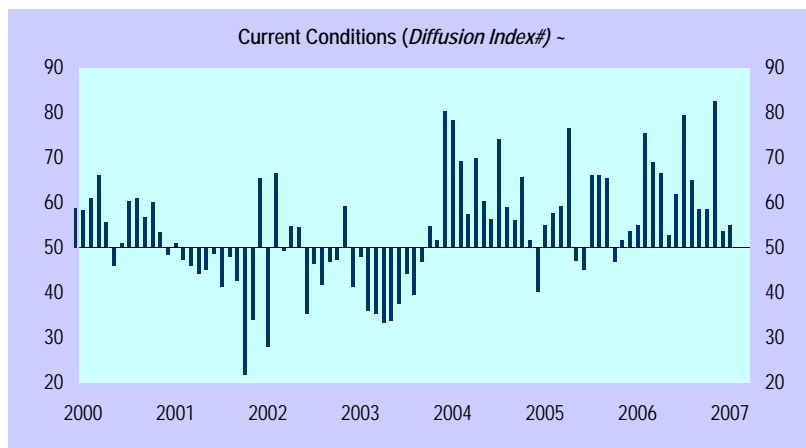
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January 31, 2007

NEW YORK CITY REPORT ON BUSINESS 2007 takes the Handoff from 2006 Smoothly

Two thousand seven picks up where 2006 left off, with the Big Apple's economy on a steady upward trajectory and businesses relatively upbeat about prospects in the months ahead. That's the finding of the latest survey conducted by the National Association of Purchasing Management-New York (NAPM-NY). All respondents report that conditions are either similar to last month or are improving. No one reports that activity is contracting.

With the business conditions index (BCI)—a measure of the cumulative change in the current conditions index—up, employment prospects continue to brighten. As encouraging as the job market picture is, employment in New York City has a long way to go to recover the jobs lost in the 2001 recession. On current trajectories, however, the Big Apple's payroll count could reach the 2000 peak by the end of this year.



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

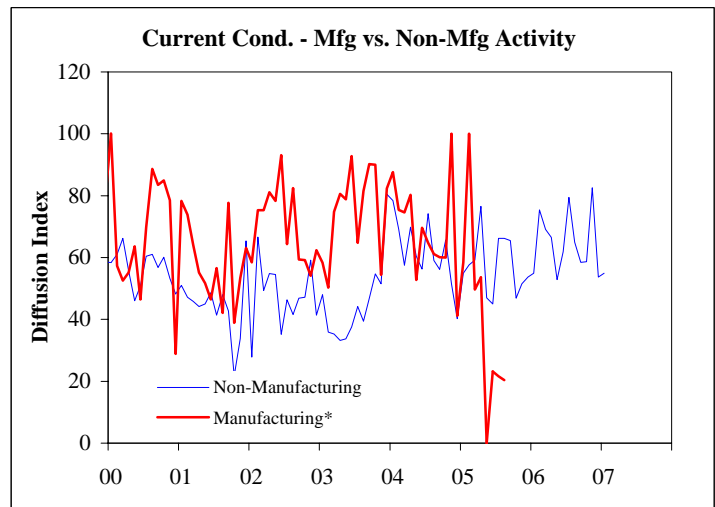
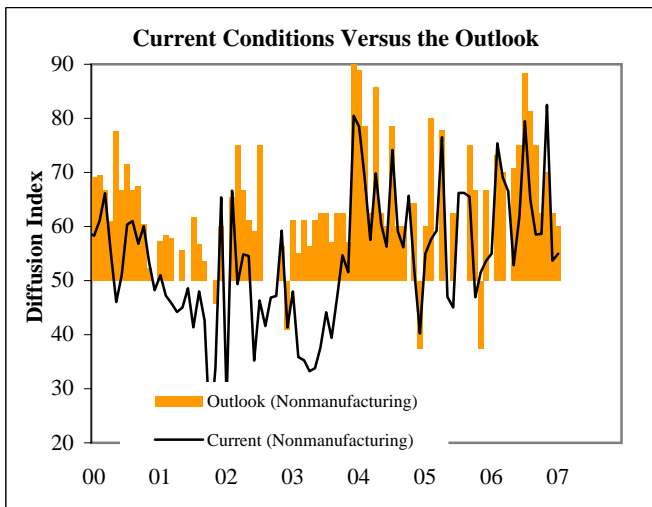
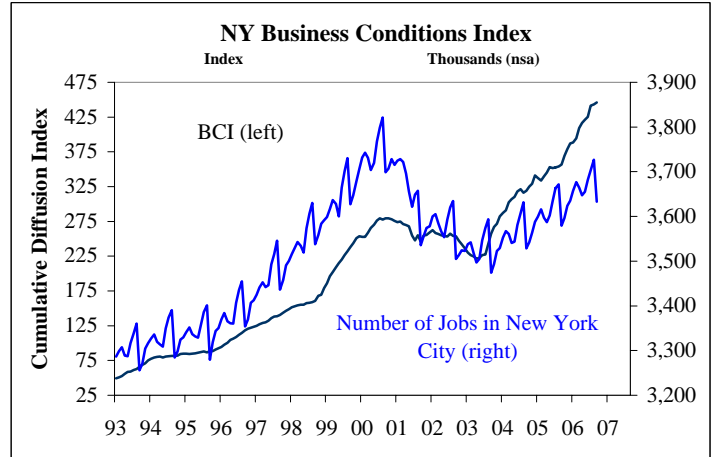
	Current conditions #,~	Outlook #,^,*	NY-BCI *
January 2005	54.9	60.0	319.0
February	57.6	80.0	324.9
March	59.2	50.0	329.1
April	76.5	77.8	341.2
May	47.0	50.0	337.3
June	45.0	62.5	333.7
July	66.2	50.0	339.6
August	66.2	50.0	345.4
September	65.5	75.0	353.2
October	46.9	66.7	351.6
November	51.6	37.5	352.4
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
November	82.5	70.0	441.6
December	53.6	62.5	443.4
January 2007	54.9	60.0	445.9

Half the percentage reporting unchanged conditions plus the percentage reporting improving activity.
 ~ Activity at nonmanufacturing businesses.
 ^ Not seasonally adjusted.
 * After August 2005, the "Outlook" index reflects activity at nonmanufacturing businesses.

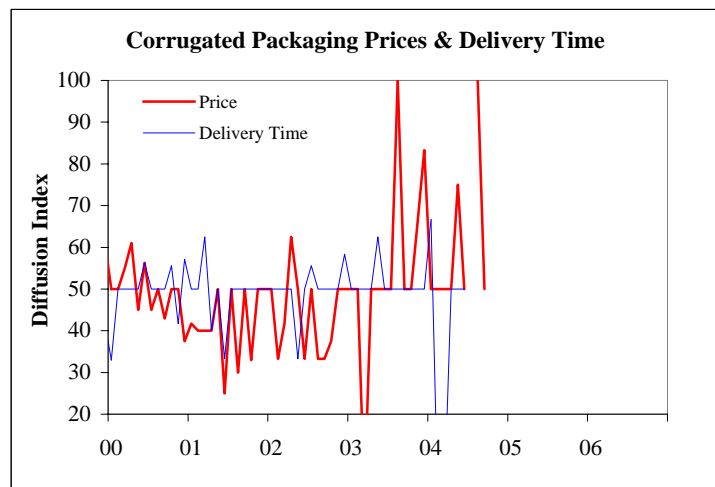
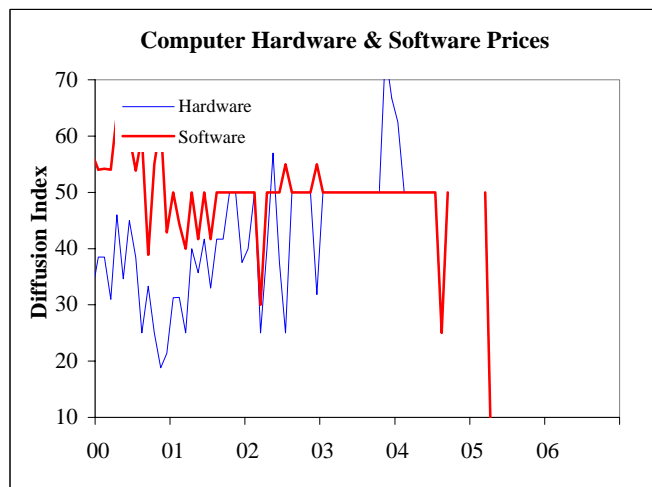
New York Business Conditions Index (NY-BCI)

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

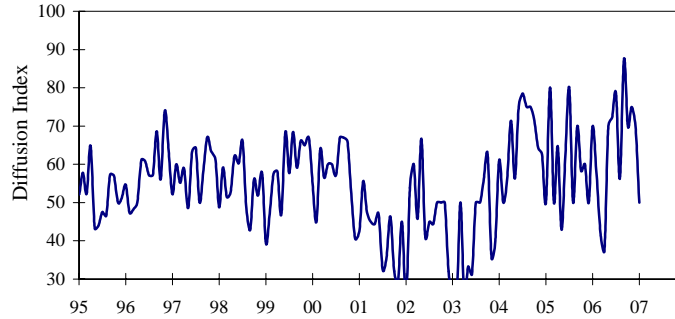


Quantity of Purchases

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

						Year ago
	Jan	Dec	Nov	Oct	Sept	Jan
Composite	50	70	75	70	87.5	70
Manufacturing	50	50	50	50	NA	50
Non-Mfg.	50	75	80	75	88	75

Quantity of Purchases

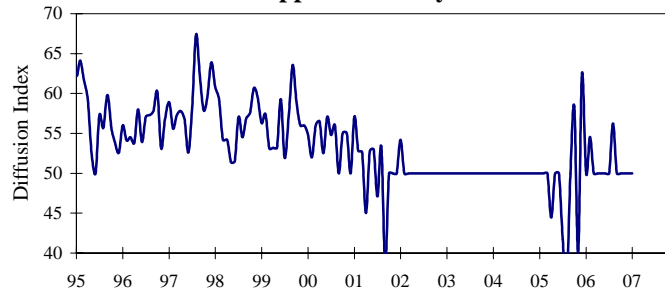


Supplier Delivery Time

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.

						Year ago
	Jan	Dec	Nov	Oct	Sept	Jan
Composite	50	50	50	50	50	50
Manufacturing	50	50	50	50	NA	50
Non-Mfg.	50	50	50	50	50	50

Supplier Delivery Time

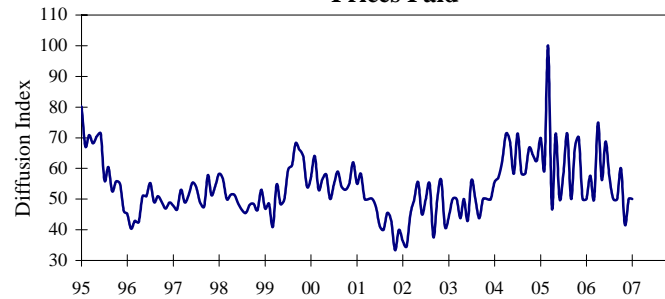


Prices Paid

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

						Year ago
	Jan	Dec	Nov	Oct	Sept	Jan
Composite	50	50	42	60	50	50
Manufacturing	50	50	50	50	NA	50
Non-Mfg.	50	50	40	63	50	50

Prices Paid

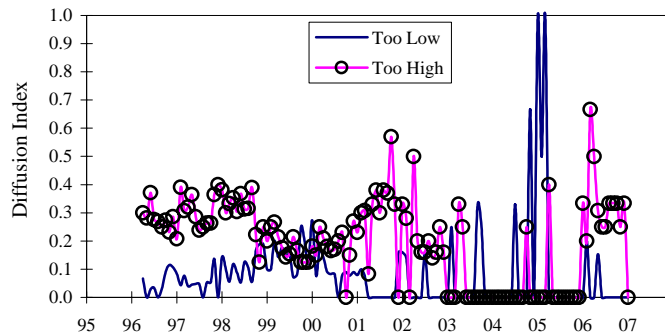


Finished Goods Inventory Relative to Use

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

						Year ago
	Jan	Dec	Nov	Oct	Sept	Jan
Composite	50	67	25	67	67	66.67
% too high	0	0	75	33	0	0
Manufacturing	50	100	0	50	NA	###
Non-Mfg.	50	50	62.5	75	66.67	50

Finished Goods Inventory vs. Expected Use

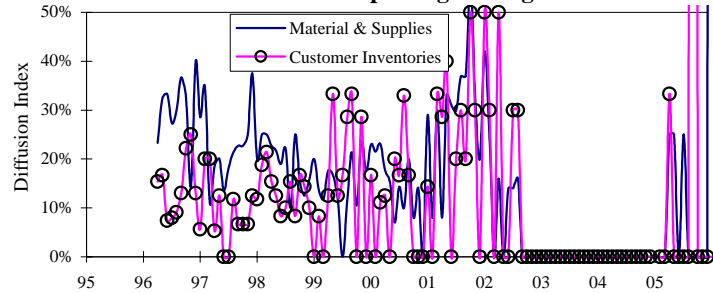


Raw Materials & Customer Inventory

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

	Year ago					
	Jan	Dec	Nov	Oct	Sept	Jan
Materials & Supplies	50	0	0	0	33	33
Customer Inventories	0	0	0	0	0	0

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



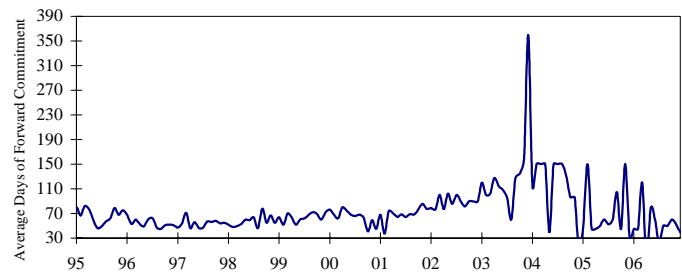
Buying Policy for Production Materials

The period of forward commitment for production materials.

	Year ago					
	Jan	Dec	Nov	Oct	Sept	Jan
Average Days	38	40	53	60	50	45

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
38	0%	75%	25%	0%	0%	0%

Production Materials



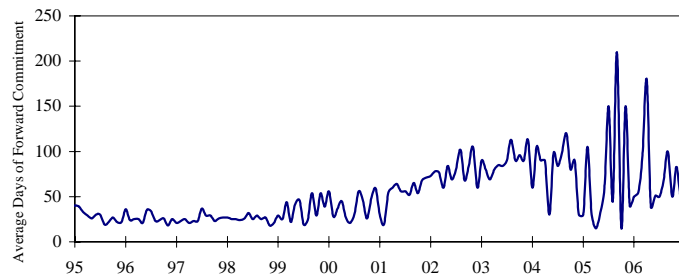
Buying Policy for MRO Supplies

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

	Year ago					
	Jan	Dec	Nov	Oct	Sept	Jan
Average Days	45	50	83	50	100	50

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
45	0%	50%	50%	0%	0%	0%

MRO Supplies



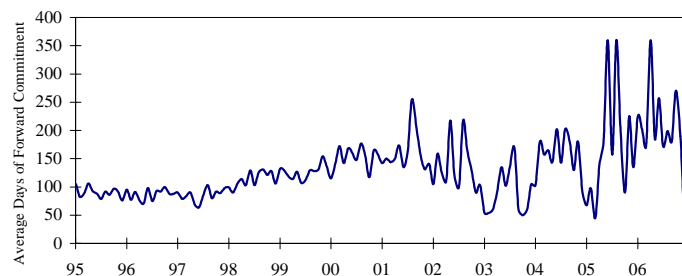
Buying Policy for Capital Expenditures

The period of forward commitment for capital goods.

	Year ago					
	Jan	Dec	Nov	Oct	Sept	Jan
Average Days	210	60	190	270	180	225

Weighted Average Number of Days	Hand to Mouth	30 Days	60 Days	90 Days	6 Months	1 Year or More
210	0%	25%	0%	25%	0%	50%

Capital Equipment



Specific Price Changes & Supplier Deliveries

--- PRICE CHANGES ---

--- VENDOR DELIVERIES ---

COMMODITIES

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

0.00 **in Short Supply** N/A

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.