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NEW YORK CITY REPORT ON BUSINESS
Slowdown Abates... For Now

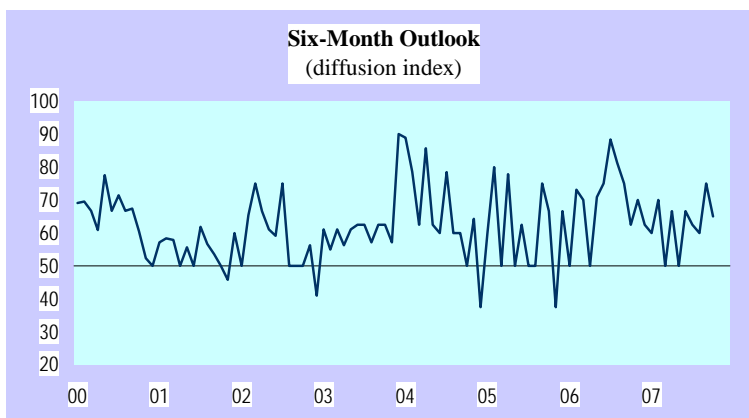
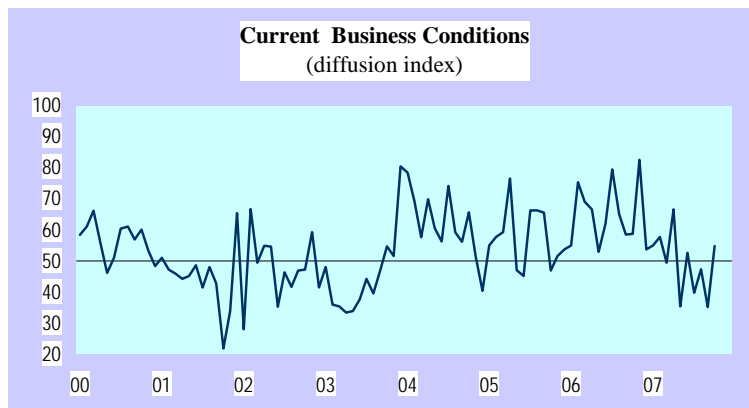
Business activity bounced back in October after slowing in the summer, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index came in at 54.7 in October, moving into expansion territory for the first time in four months.

Firms increased their Quantity of Purchases and Supplier Delivery Time lengthened. However, the Prices Paid index fell below the breakeven 50 line for the first time since November 2006.

Respondents remain optimistic about the business climate over the near term. The Six-Month Outlook index, at 65.0 in October, is above the lows seen in the spring.

City payrolls in September posted the best showing in a year. But the recent trend in the Business Conditions Index (NY-BCI) suggests that the strength in job growth might not persist. 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. The NY-BCI often precedes local employment trends. Moreover, the NY-BCI offers advance information about forthcoming local labor market conditions because the count of local jobs is not available for one or two months.

In a special question this month, firms were asked if their buying increased with the interest rate reductions by the Fed. Of those that responded, all said no.



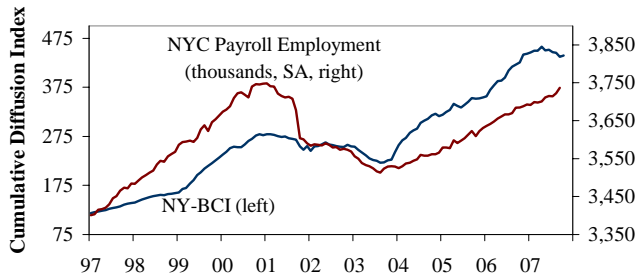
Business Conditions in New York City
(Seasonally Adjusted, Except Where Noted)

	Current Business Conditions	Six-Month Outlook (NSA)	NY-BCI
October 2006	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
February	57.6	70.0	449.7
March	49.3	50.0	449.4
April	66.5	66.7	457.6
May	35.2	50.0	450.2
June	52.5	66.7	451.5
July	39.7	62.5	446.4
August	47.3	60.0	445.0
September	35.1	75.0	437.6
October	54.7	65.0	439.9

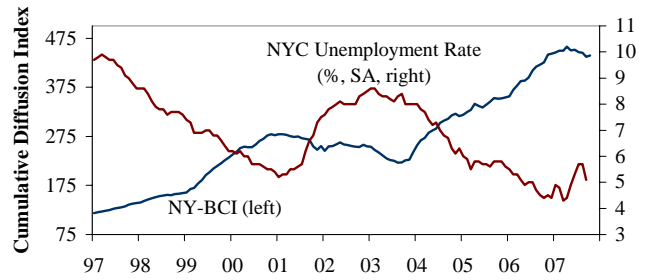
NSA = not seasonally adjusted.

New York Business Conditions Index and the New York City Labor Market

NY-BCI vs. NYC Employment



NY-BCI vs. NYC Unemployment



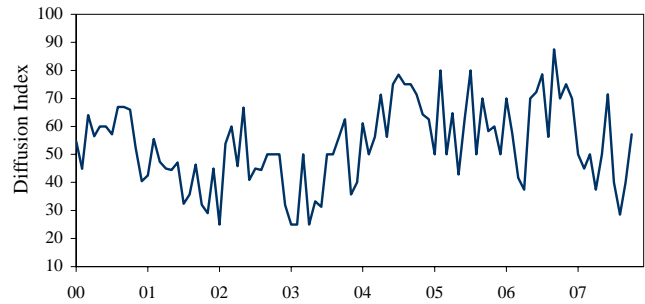
NYC Employment/Unemployment data from the Bureau of Labor Statistics. SA = seasonally adjusted.

Quantity of Purchases

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

	Oct	Sep	Aug	Jul	Jun	Year ago Oct
Diffusion Index	57.1	40.0	28.6	40.0	71.4	70.0

Quantity of Purchases

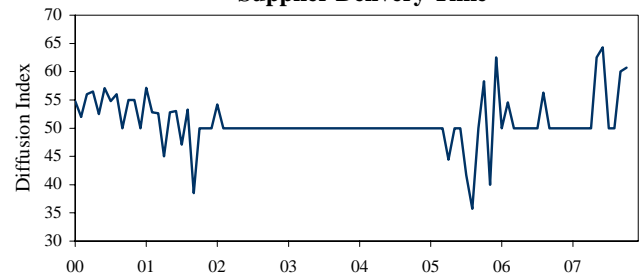


Supplier Delivery Time

An aggregate evaluation of the current month's delivery performance (lead time) compared to the prior month.

	Oct	Sep	Aug	Jul	Jun	Year ago Oct
Diffusion Index	60.7	60.0	50.0	50.0	64.3	50.0

Supplier Delivery Time

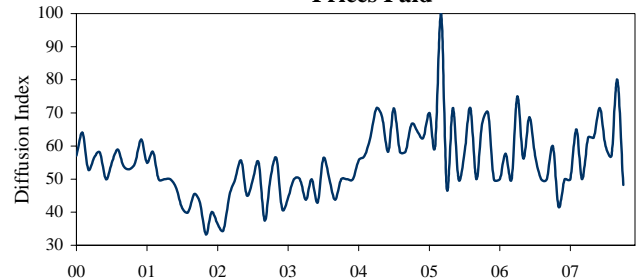


Prices Paid

The change from the prior month in prices paid for goods and services.

	Oct	Sep	Aug	Jul	Jun	Year ago Oct
Diffusion Index	48.2	80.0	57.1	60.0	71.4	60.0

Prices Paid



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 Conditions Index and NY-BCI are both seasonally adjusted. All other measures are not seasonally adjusted.