

FOR
RELEASE:
December 3,
2007
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THE DETROIT REPORT

2007
November

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 43.6

Detroit Index: November reports reveal that the NAPM-DM composite index fell 6.5 points to 43.6.

Employment: Employment falls to 34.5.

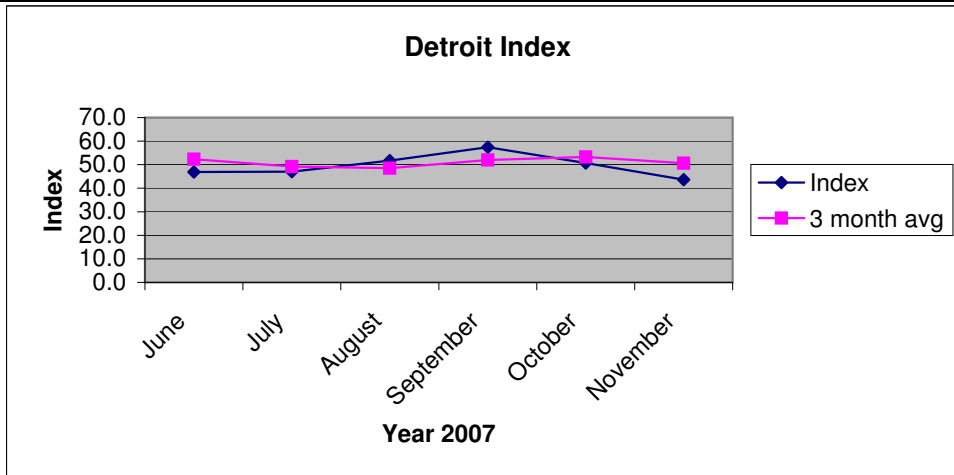
Prices: Prices continue to rise at 70.2 in November.

Items up or down in price: Respondents to the November survey indicate increasing price pressure for material inputs. In particular they cited higher prices for: resin, steel, sodium hydroxide, most acids, aromatics, oxygenated solvents, aluminum, corrugated products, brass, and methane. Petroleum price increases continue spill over into numerous product and service areas, such as transportation.

Economic Issues: Respondents cited the unstable situation in the automotive and housing sectors as driving forces behind the slowdown in current economic activity. In addition, these uncertainties are leading to expectations of slowing economic activity looking forward into 2008. These concerns are reflected in the November survey data where the respondents cited declines in production (47.6), declines in new orders (42.9), reductions in both raw (40.5) and finished goods inventories (40.5), and declines in employment (34.5).

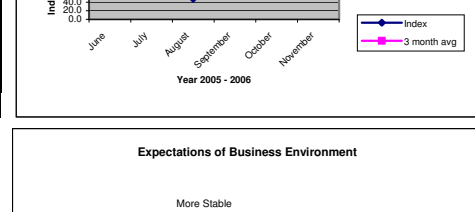
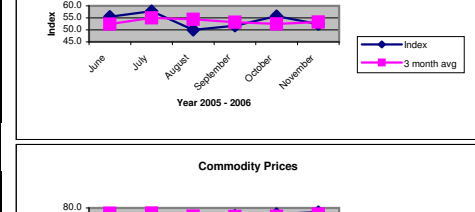
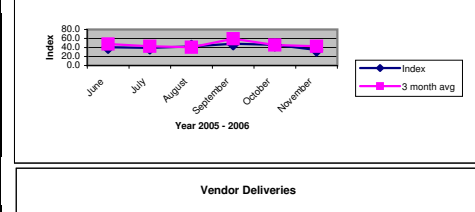
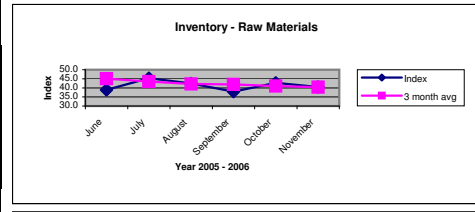
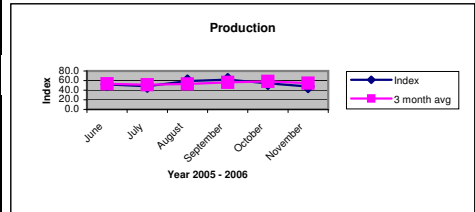
With the uncertainties in the automotive sector, many respondents stated that they expect lower production schedules and more reductions in employment. These impacts coupled with the housing problems led some respondents to forecast that the Michigan economy will not start to improve until the 3rd quarter of 2008. The low value of the dollar appears to be having a more broad based impact. Many respondents cited that Canadian products were less price competitive (read, higher priced), and that more European products are quoted at higher prices. Some of these price increases will impact suppliers when new contracts are negotiated.

When asked about their expectations of business conditions 6 months into the future, 46 percent answered "less stable", and 42 percent answered "about the same". Only 12 percent of the respondents felt that business conditions would be "more stable."



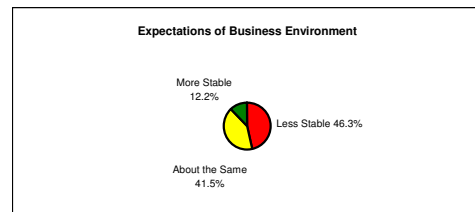
Next Release
2 January 2008

Detroit Index		2007					
		June	July	August	September	October	November
Index		46.9	47.0	51.7	57.4	50.7	43.6
Index	3 month average	52.3	49.2	48.5	52.0	53.3	50.6
Production		2007					
		June	July	August	September	October	November
Higher		33.3	34.4	45.5	41.4	34.3	21.4
Same		37.0	28.1	27.3	41.4	40.0	52.4
Lower		29.6	37.5	27.3	17.2	25.7	26.2
Index		51.9	48.4	59.1	62.1	54.3	47.6
Index	3 month average	53.2	51.3	53.1	56.5	58.5	54.7
Production declines in November							
New Orders		2007					
		May	June	July	September	October	November
Higher		46.4	37.0	34.4	48.3	28.6	21.4
Same		28.6	14.9	21.9	31.0	40.0	42.9
Lower		25.0	48.2	43.8	20.7	31.4	35.7
Index		60.7	44.4	45.3	63.8	48.6	42.9
Index	3 month average	60.7	55.9	50.1	55.1	52.6	51.8
New orders fall in November							
Inventory - Raw Materials		2007					
		June	July	August	September	October	November
Higher		18.5	25.0	18.2	17.2	17.1	16.7
Same		40.7	40.6	48.5	41.4	51.4	47.6
Lower		40.7	34.4	33.3	41.4	31.4	35.7
Index		38.9	45.3	42.4	37.9	42.8	40.5
Index	3 month average	45.1	43.5	42.2	41.9	41.0	40.4
Raw materials decline in November							
Inventory - Finished Goods		2007					
		June	July	August	September	October	November
Higher		14.8	28.1	9.1	27.6	14.3	14.3
Same		51.9	40.6	63.6	51.7	60.0	52.4
Lower		33.3	31.3	27.3	20.7	25.7	33.3
Index		40.7	48.4	40.9	53.4	44.3	40.5
Index	3 month average	48.1	45.3	43.3	47.6	46.2	46.1
Finished goods inventories fall in November							
Employment		2007					
		June	July	August	September	October	November
Higher		7.4	21.9	6.1	13.8	17.1	9.5
Same		66.7	34.4	72.7	69.0	57.1	50.0
Lower		25.9	43.8	21.2	17.2	17.1	40.5
Index		40.7	39.1	42.4	48.3	45.7	34.5
Index	3 month average	47.5	42.7	40.7	59.4	45.5	42.8
Employment continues to contract in November							
Vendor Deliveries		2007					
		June	July	August	September	October	November
Faster		0.0	3.1	6.1	6.9	8.6	4.8
Same		88.9	78.1	87.9	82.8	71.4	85.7
Slower		11.1	18.8	6.1	10.3	20.0	9.5
Index		55.5	57.8	50.0	51.7	55.7	52.4
Index	3 month average	52.4	55.0	54.4	53.2	52.5	53.3
Vendors slow deliveries							
Commodity Prices		2007					
		June	July	August	September	October	November
Higher		29.6	31.3	29.2	27.6	40.0	42.9
Same		70.4	65.6	60.6	69.0	51.4	54.8
Lower		0.0	3.1	15.1	3.5	8.6	2.4
Index		64.8	64.1	54.5	62.1	65.7	70.2
Index	3 month average	67.9	68.0	61.1	60.2	60.8	66.0
Commodity prices on the rise at 70.2							



Expectations of Business Environment
6 months into the future:

Expectation	Index	percent
Less Stable	46.3	percent
About the same	41.5	percent
More Stable	12.2	percent



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