

FOR
RELEASE:
September 4,
2007
6am EST

THE DETROIT REPORT

2007
August

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 51.7

Detroit Index: August reports reveal that the NAPM-DM composite index rose 4.7 points to 51.7.

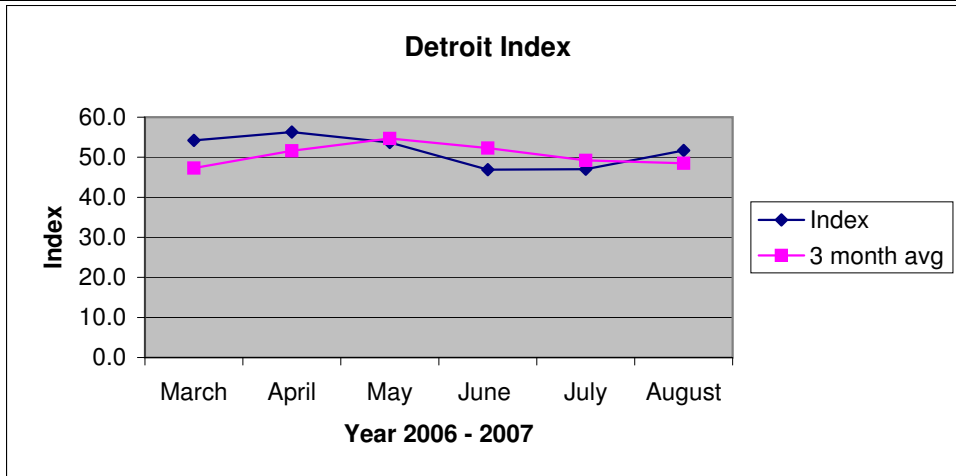
Employment: Employment remains low at 42.4.

Prices: Prices continue to rise, but are down 10.3 points, to 54.5 in August.

Items up or down in price: Prices, while still rising, have eased significantly since May 2007. Respondents indicate that chemical prices continue to rise, with polyester film suppliers announcing additional price increases effective at the end of August or early September. Items cited as up in price include: aluminum, steel, copy paper, plastic resins, benzene, and computer memory chips. Items cited as being down in price include: nickel and zinc.

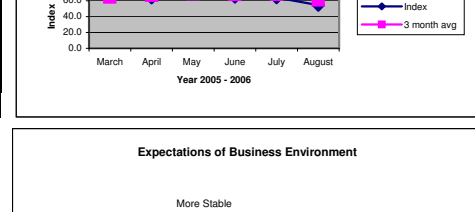
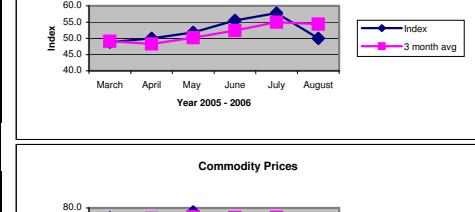
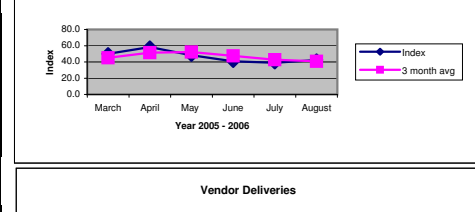
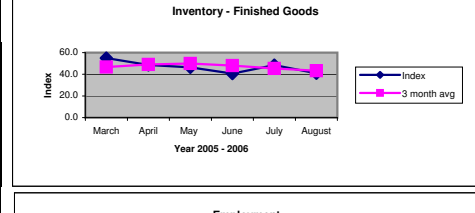
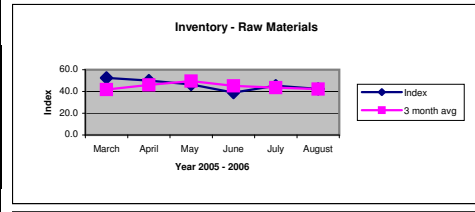
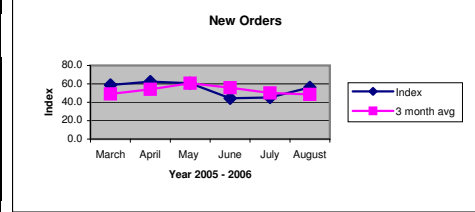
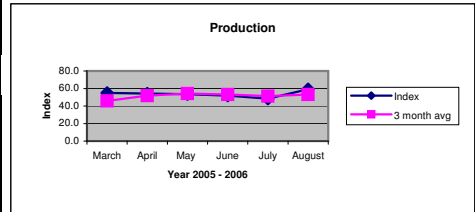
Economic Issues: Respondents to the August survey indicate that changes in the automotive sector and spillover effects from the housing market continue to act as a negative impact upon the Detroit metropolitan market. One manufacturer, not tied to the automotive sector, indicated that they were “fighting for our lives right now”, and that they had made as many cost cuts as possible. Another indicated that supplying parts to the original equipment market was down, but business is being picked up in the aftermarket, as people are keeping their cars longer. Housing market declines are having spillover impacts on the ability to attract potential job candidates, as reported by a employment search firm. Market concerns are reflected in areas such as declines in the landscaping supply business, where some report in excess of 40% business reductions.

When asked about their 6 month expectation for business, about 70% of the respondents indicated that they see things about the same over that time period (up from 62% in July). About 18% of the respondents feel their markets will be less stable, which is about the same as reported in July. Only 12 percent feel their business environment will be more stable, a drop of 7 percentage points from July. Given the high percentage of respondents looking for “more of the same”, we will watch future reports to see if this represents a turning point in market expectations.



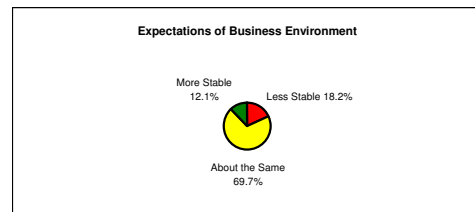
Next Release
1 October 2007

Detroit Index		2007					
		March	April	May	June	July	August
Index		54.2	56.3	53.7	46.9	47.0	51.7
Index	3 month average	47.3	51.6	54.7	52.3	49.2	48.5
Production		2007					
		March	April	May	June	July	August
	Higher	37.5	30.6	32.1	33.3	34.4	45.5
	Same	35.0	47.2	42.9	37.0	28.1	27.3
	Lower	27.5	22.2	25.0	29.6	37.5	27.3
Index		55.0	54.2	53.6	51.9	48.4	59.1
Index	3 month average	45.9	51.8	54.3	53.2	51.3	53.1
Production expands in August							
New Orders		2007					
		March	April	May	June	July	August
	Higher	40.0	44.4	46.4	37.0	34.4	42.4
	Same	37.5	36.1	28.6	14.9	21.9	27.3
	Lower	22.5	19.5	25.0	48.2	43.8	30.3
Index		58.8	62.5	60.7	44.4	45.3	56.1
Index	3 month average	49.1	54.1	60.7	55.9	50.1	48.6
New orders rise in August							
Inventory - Raw Materials		2007					
		March	April	May	June	July	August
	Higher	27.5	22.2	28.6	18.5	25.0	18.2
	Same	50.0	55.6	35.7	40.7	40.6	48.5
	Lower	22.5	22.2	35.7	40.7	34.4	33.3
Index		52.5	50.0	46.4	38.9	45.3	42.4
Index	3 month average	41.7	46.1	49.6	45.1	43.5	42.2
Raw materials decline in August							
Inventory - Finished Goods		2007					
		March	April	May	June	July	August
	Higher	25.0	16.7	14.3	14.8	28.1	9.1
	Same	60.0	63.9	64.3	51.9	40.6	63.6
	Lower	15.0	19.4	21.4	33.3	31.3	27.3
Index		55.0	48.6	46.4	40.7	48.4	40.9
Index	3 month average	46.7	49.1	50.0	48.1	45.3	43.3
Finished goods inventories contract in August							
Employment		2007					
		March	April	May	June	July	August
	Higher	37.5	25.0	21.4	7.4	21.9	6.1
	Same	35.0	66.7	53.6	66.7	34.4	72.7
	Lower	27.5	8.3	25.0	25.9	43.8	21.2
Index		50.0	58.3	48.2	40.7	39.1	42.4
Index	3 month average	45.1	51.5	52.2	47.5	42.7	40.7
Employment continues to contract							
Vendor Deliveries		2007					
		March	April	May	June	July	August
	Faster	15.0	11.1	7.1	0.0	3.1	6.1
	Same	72.5	77.9	82.1	88.9	78.1	87.9
	Slower	12.5	11.1	10.7	11.1	18.8	6.1
Index		48.8	50.0	51.8	55.5	57.8	50.0
Index	3 month average	49.1	48.3	50.2	52.4	55.0	54.4
Deliveries show little change							
Commodity Prices		2007					
		March	April	May	June	July	August
	Higher	37.5	27.8	50.0	29.6	31.3	29.2
	Same	60.0	72.2	50.0	70.4	65.6	60.6
	Lower	2.5	0.0	0.0	0.0	3.1	15.1
Index		67.5	63.9	75.0	64.8	64.1	54.5
Index	3 month average	64.7	66.9	68.8	67.9	68.0	61.1
Commodity prices showing downward trend.							



Expectations of Business Environment
6 months into the future:

Expectation	Percent
Less Stable	18.2 percent
About the same	69.7 percent
More Stable	12.1 percent



NOTICE:

No warranty, expressed or implied, is attached to these figures or their use. While the figures are compiled with professional care, no representations about appropriateness, accuracy, or suitability for specific applications are made.

Production by: Renea Liebe

**For more information, contact
NAPM-Detroit
Walsh College
Dr. David Allardice
Email: dallardice@walshcollege.edu
Tel: 248-823-1274**