FOR RELEASE:
August 1, 2007
6am EST

THE DETROIT REPORT

2007
July

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 47.0

Detroit Index: July reports reveal that the NAPM-DM composite index rose 0.1 point to 47.0.

Employment: Employment declines to 39.1.

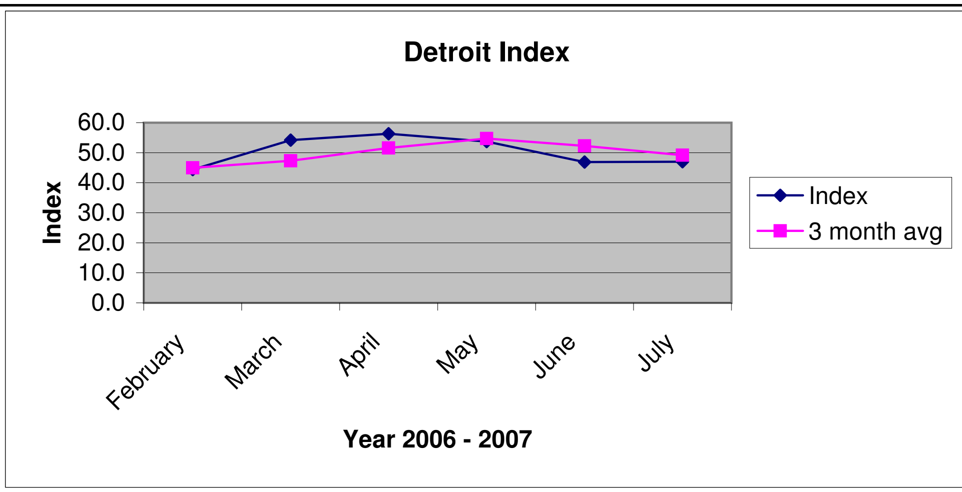
Prices: Prices change little, at 64.1.

Items up or down in price: Prices remained close to the level reported last month, with the July index standing at 64.1. Three percent of July respondents reported price declines, the largest decrease since January 2007. Respondents reported price increases for: copper, brass, plastics, aluminum, fuels, steel fabricated parts, wire, cable, electrical hardware, lease rates for technology equipment, and copy paper prices.

Economic Issues: Slow economic activity has led to reductions in sales and the need for tighter cost control. There appears to be some step-up in raw materials inventories, which may be a seasonal factor, that could reverse in August.

One respondent indicated that the engineering side of the automotive business continues to be depressed. As a result, firms are looking for alternative sources of business. The expectation is that depressed business levels will reverse in the coming months. Another respondent noted that during the month of July they saw the "worst sales week ever." Respondents note that high gas prices continue to have an adverse impact on firm performance.

When asked about their six month forward looking expectations, 62 percent responded that they believe that economic conditions would be about the same (this is up from 48 percent in June). The other respondents were split in their view of the future, with 19 percent look for less stable conditions and 19 percent looking for more stable conditions.
Overall it would appear that the July respondents believe that there is a slight tilt toward a more stable business environment in the near term. This represents a shift from the June expectations.



Next Release
4 September 2007

Detroit Index		2007					
		February	March	April	May	June	**July**
Index		44.4	54.2	56.3	53.7	46.9	47.0
Index	3 month average	45.0	47.3	51.6	54.7	52.3	49.2

Production		2007					
		February	March	April	May	June	**July**
	Higher	28.2	37.5	30.6	32.1	33.3	34.4
	Same	35.9	35.0	47.2	42.9	37.0	28.1
	Lower	35.9	27.5	22.2	25.0	29.6	37.5
Index		46.2	55.0	54.2	53.6	51.9	48.4
Index	3 month average	42.2	45.9	51.8	54.3	53.2	51.3

Production slows in July

New Orders		2007					
		February	March	April	May	June	**July**
	Higher	23.1	40.0	44.4	46.4	37.0	34.4
	Same	35.9	37.5	36.1	28.6	14.9	21.9
	Lower	41.0	22.5	19.5	25.0	48.2	43.8
Index		41.0	58.8	62.5	60.7	44.4	45.3
Index	3 month average	45.4	49.1	54.1	60.7	55.9	50.1

New orders decline in July

Inventory - Raw Materials		2007					
		February	March	April	May	June	**July**
	Higher	15.4	27.5	22.2	28.6	18.5	25.0
	Same	41.0	50.0	55.6	35.7	40.7	40.6
	Lower	43.6	22.5	22.2	35.7	40.7	34.4
Index		35.9	52.5	50.0	46.4	38.9	45.3
Index	3 month average	37.9	41.7	46.1	49.6	45.1	43.5

Raw materials decline in July

Inventory - Finished Goods		2007					
		February	March	April	May	June	**July**
	Higher	20.5	25.0	16.7	14.3	14.8	28.1
	Same	46.2	60.0	63.9	64.3	51.9	40.6
	Lower	33.3	15.0	19.4	21.4	33.3	31.3
Index		43.6	55.0	48.6	46.4	40.7	48.4
Index	3 month average	43.8	46.7	49.1	50.0	48.1	45.3

Finished goods inventories decline in July

Employment		2007					
		February	March	April	May	June	**July**
	Higher	23.1	37.5	25.0	21.4	7.4	21.9
	Same	46.2	35.0	66.7	53.6	66.7	34.4
	Lower	30.8	27.5	8.3	25.0	25.9	43.8
Index		46.2	50.0	58.3	48.2	40.7	39.1
Index	3 month average	44.2	45.1	51.5	52.2	47.5	42.7

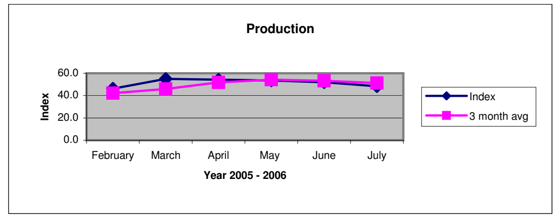
Employment drops in July

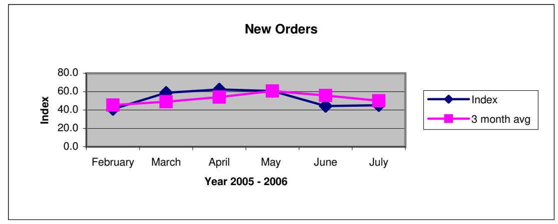
Vendor Deliveries		2007					
		February	March	April	May	June	**July**
	Faster	18.0	15.0	11.1	7.1	0.0	3.1
	Same	71.8	72.5	77.9	82.1	88.9	78.1
	Slower	10.3	12.5	11.1	10.7	11.1	18.8
Index		46.2	48.8	50.0	51.8	55.5	57.8
Index	3 month average	50.8	49.1	48.3	50.2	52.4	55.0

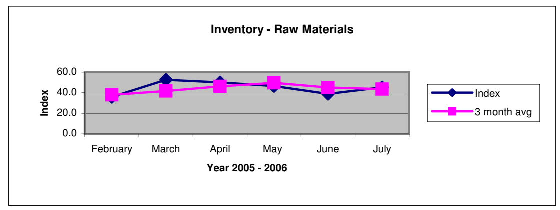
Deliveries slower in July

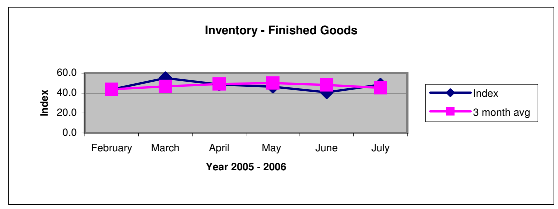
Commodity Prices		2007					
		February	March	April	May	June	**July**
	Higher	38.5	37.5	27.8	50.0	29.6	31.3
	Same	61.5	60.0	72.2	50.0	70.4	65.6
	Lower	0.0	2.5	0.0	0.0	0.0	3.1
Index		69.2	67.5	63.9	75.0	64.8	64.1
Index	3 month average	63.8	64.7	66.9	68.8	67.9	68.0

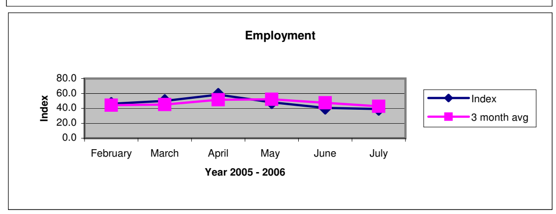
Commodity prices up in July

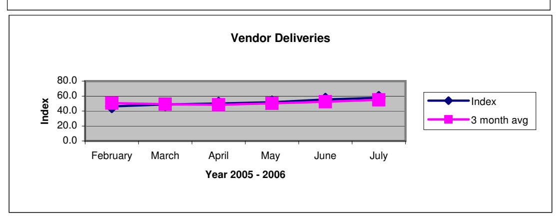


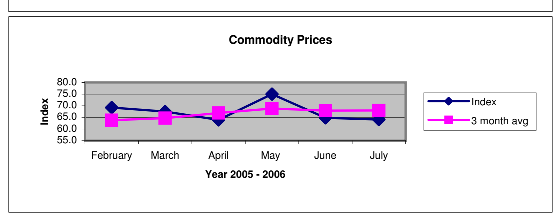








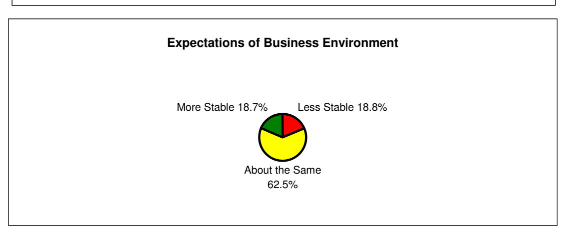




Expectations of Business Environment

6 months into the future:

Less Stable	18.8	percent
About the same	62.5	percent
More Stable	18.7	percent



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