

FOR
RELEASE:
July 2, 2007
6am EST

THE DETROIT REPORT

2007
June

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 46.9

Detroit Index: May reports reveal that the NAPM-DM composite index fell 6.8 points to 46.9.

Employment: Employment declines to 40.7.

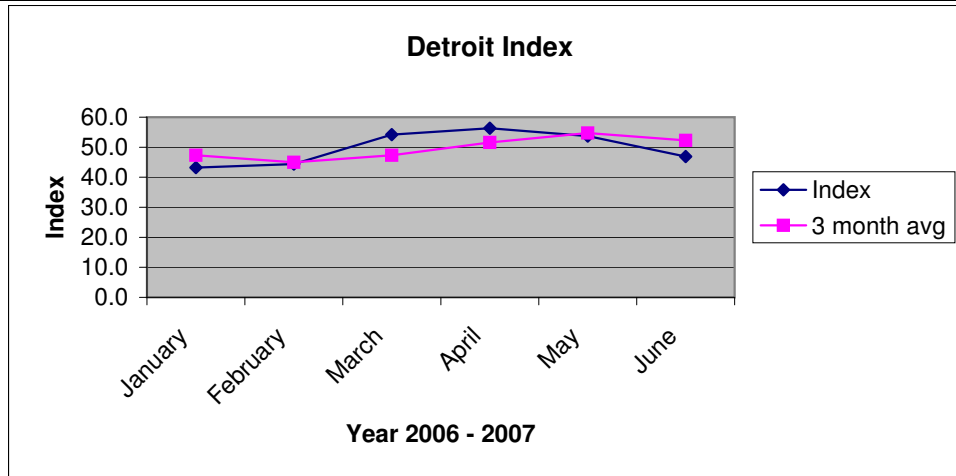
Prices: Prices continue to rise, but are down 10.2 points, to 64.8 in June.

Items up or down in price: Prices seemed to moderate slightly in June as the price index fell 10.2 points to 64.8 in June. But overall prices remain high. Those items cited as being up in price included: aluminum, plastic resins, oil, stainless steel, steel alloys, zinc, screw machine parts, brass, shipping surcharges, certain classes of labor, sodium and potassium hydroxide and heat treatment belts. A few respondents cited a small decline in nickel prices.

Economic Issues: Respondents in June continue to cite the poor economic conditions in Southeast Michigan, which is tied heavily to the automotive industry. Concerns were expressed over world commodity pricing and the impact it is having on supply chain operations. There remains continued concern over how much manufacturing will continue to move overseas.

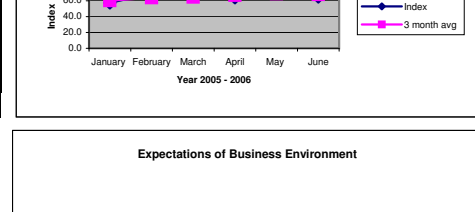
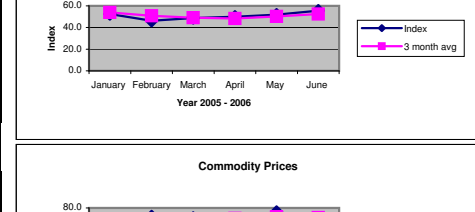
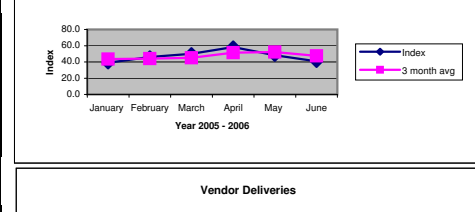
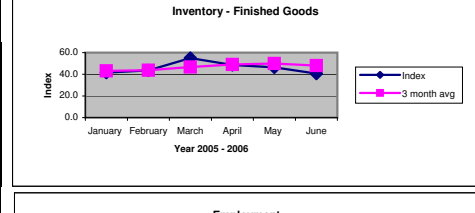
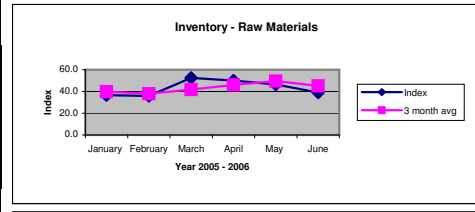
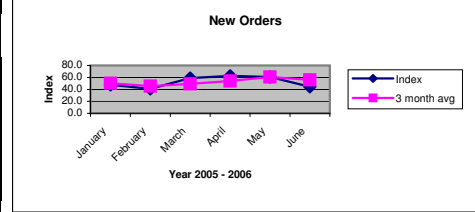
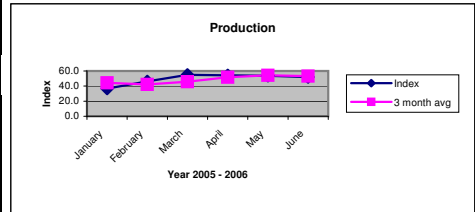
One respondent cited the growth of diesel engine manufacturing and research as a possible bright spot in an otherwise sluggish automotive industry. It was noted by one respondent that customer orders for automobiles have been lower than expected. Most continue to cite problems stemming from high energy prices.

When asked about their six month forward looking expectations, 48 percent responded that they believe that economic conditions would be about the same (this is down from 56 percent in May). Thirty-seven percent were of the opinion that conditions would be less stable six months in the future (this is up significantly from 14 percent in May). Fifteen percent of the respondents are looking for a more stable environment (which is down 3 percentage points from May). Based on the views of the respondents, it appears that the business environment is seen as being less stable over the next six months.



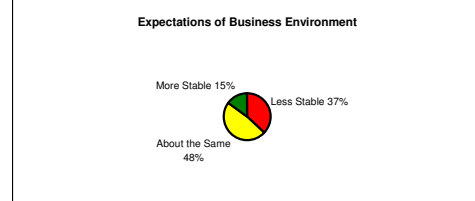
Next Release
1 August 2007

Detroit Index		2007					
		January	February	March	April	May	June
Index		43.2	44.4	54.2	56.3	53.7	46.9
Index	3 month average	47.3	45.0	47.3	51.6	54.7	52.3
Production		2007					
		January	February	March	April	May	June
	Higher	17.1	28.2	37.5	30.6	32.1	33.3
	Same	39.0	35.9	35.0	47.2	42.9	37.0
	Lower	43.9	35.9	27.5	22.2	25.0	29.6
Index		36.6	46.2	55.0	54.2	53.6	51.9
Index	3 month average	44.4	42.2	45.9	51.8	54.3	53.2
Production expands slightly in June							
New Orders		2007					
		January	February	March	April	May	June
	Higher	34.2	23.1	40.0	44.4	46.4	37.0
	Same	26.8	35.9	37.5	36.1	28.6	14.9
	Lower	39.0	41.0	22.5	19.5	25.0	48.2
Index		47.6	41.0	58.8	62.5	60.7	44.4
Index	3 month average	50.3	45.4	49.1	54.1	60.7	55.9
New orders decline in June							
Inventory - Raw Materials		2007					
		January	February	March	April	May	June
	Higher	19.5	15.4	27.5	22.2	28.6	18.5
	Same	34.2	41.0	50.0	55.6	35.7	40.7
	Lower	46.3	43.6	22.5	22.2	35.7	40.7
Index		36.6	35.9	52.5	50.0	46.4	38.9
Index	3 month average	39.8	37.9	41.7	46.1	49.6	45.1
Raw materials decline in June							
Inventory - Finished Goods		2007					
		January	February	March	April	May	June
	Higher	14.6	20.5	25.0	16.7	14.3	14.8
	Same	53.7	46.2	60.0	63.9	64.3	51.9
	Lower	31.7	33.3	15.0	19.4	21.4	33.3
Index		41.5	43.6	55.0	48.6	46.4	40.7
Index	3 month average	43.1	43.8	46.7	49.1	50.0	48.1
Finished goods inventories drop in June							
Employment		2007					
		January	February	March	April	May	June
	Higher	14.6	23.1	37.5	25.0	21.4	7.4
	Same	48.8	46.2	35.0	66.7	53.6	66.7
	Lower	36.6	30.8	27.5	8.3	25.0	25.9
Index		39.0	46.2	50.0	58.3	48.2	40.7
Index	3 month average	43.6	44.2	45.1	51.5	52.2	47.5
Employment drops in June							
Vendor Deliveries		2007					
		January	February	March	April	May	June
	Faster	7.3	18.0	15.0	11.1	7.1	0.0
	Same	80.5	71.8	72.5	77.9	82.1	88.9
	Slower	12.2	10.3	12.5	11.1	10.7	11.1
Index		52.4	46.2	48.8	50.0	51.8	55.5
Index	3 month average	54.0	50.8	49.1	48.3	50.2	52.4
Deliveries slower in June							
Commodity Prices		2007					
		January	February	March	April	May	June
	Higher	22.0	38.5	37.5	27.8	50.0	29.6
	Same	70.7	61.5	60.0	72.2	50.0	70.4
	Lower	7.3	0.0	2.5	0.0	0.0	0.0
Index		57.3	69.2	67.5	63.9	75.0	64.8
Index	3 month average	60.3	63.8	64.7	66.9	68.8	67.9
Commodity prices up in June							



Expectations of Business Environment
6 months into the future:

Less Stable	37.0	percent
About the same	48.0	percent
More Stable	15.0	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.

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