

FOR
RELEASE:
May 1, 2007
6am EST

THE DETROIT REPORT

2007
April

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 56.3

Detroit Index: April reports reveal that the NAPM-DM composite index rose 2.1 points to 56.3.

Employment: Employment moves up to 58.3.

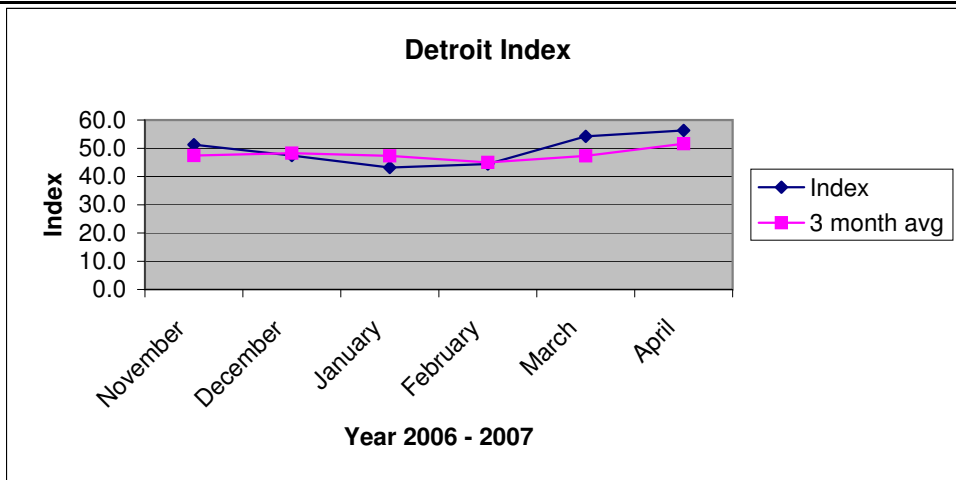
Prices: Prices continue to rise, and are down 3.6 points to 63.9, in April.

Items up or down in price: Prices continued to increase in April, but fell back slightly from the March level. Items cited as being up in price include: stainless steel, chrome plating, electricity, propane, labor services, aluminum, zinc, steel, and leather. One respondent noted that carbon steel plate prices rose 4% in April, and are expected to rise 6% in May.

Economic issues: For two months in a row (March and April) the PMI overall index has been above 50, indicating an expansion in manufacturing activity. This growth has been driven by rising new orders, higher production, and expanding employment. In April raw material inventories were flat and finished good inventories declined slightly for the month. The furniture industry reporter indicates that this sector continues to struggle with the slow down in new home starts and unemployment. One respondent indicated that the tightness in business financing is slowing the pace of prototype vehicle development. One program was reported at a standstill due the lack of financing. One respondent indicated that the Detroit area is still heavily impacted by the changes in the automotive industry and its cutbacks. On the positive side, one respondent indicated their business was showing good growth, with a planned expansion of 60-70 employees in the coming year.

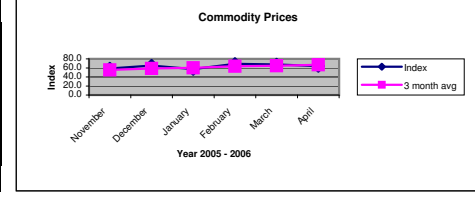
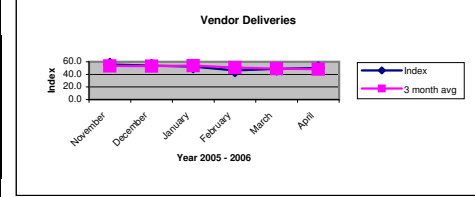
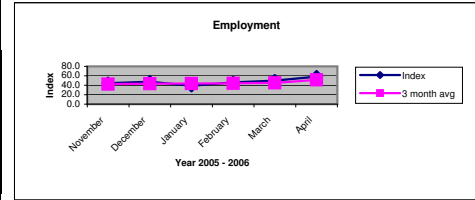
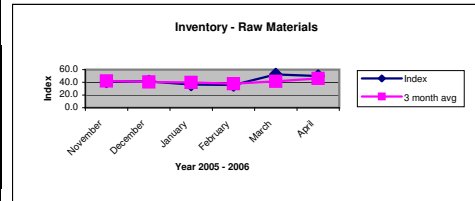
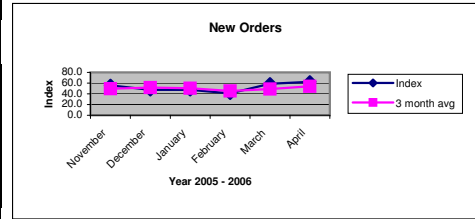
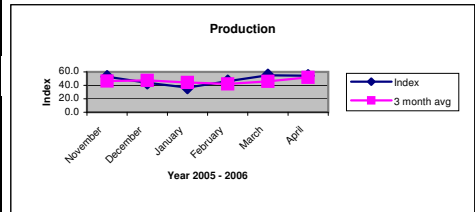
Prices were reported as continuing to rise. Comments from respondents indicate that concerns remain over high and fluctuating petroleum prices. This fluctuation is creating uncertainty on the part of purchasing managers.

When asked about the six month forward looking expectations, fifty-eight percent of the respondents believed conditions would be about the same (this is up 5 percentage points from March). Thirty-three percent are of the opinion that conditions will be less stable (up 11 percentage points from March). And eight percent believe that conditions will be more stable (a drop of 17 percentage points from March). It appears that there is a shift in attitude toward a less stable economic environment looking six months into the future.



Next Release
1 June 2007

Detroit Index		2006		2007			
		November	December	January	February	March	April
Index		51.3	47.4	43.2	44.4	54.2	56.3
Index	3 month average	47.4	48.3	47.3	45.0	47.3	51.6
Production		2006		2007			
		November	December	January	February	March	April
	Higher	31.4	30.0	17.1	28.2	37.5	30.6
	Same	42.9	27.5	39.0	35.9	35.0	47.2
	Lower	25.7	42.5	43.9	35.9	27.5	22.2
Index		52.9	43.8	36.6	46.2	55.0	54.2
Index	3 month average	46.4	47.3	44.4	42.2	45.9	51.8
Production expands in April							
New Orders		2006		2007			
		November	December	January	February	March	April
	Higher	40.0	30.0	34.2	23.1	40.0	44.4
	Same	31.4	35.0	26.8	35.9	37.5	36.1
	Lower	28.6	35.0	39.0	41.0	22.5	19.5
Index		55.7	47.5	47.6	41.0	58.8	62.5
Index	3 month average	49.6	51.5	50.3	45.4	49.1	54.1
New orders increase in April							
Inventory - Raw Materials		2006		2007			
		November	December	January	February	March	April
	Higher	17.1	25.0	19.5	15.4	27.5	22.2
	Same	48.6	32.5	34.2	41.0	50.0	55.6
	Lower	34.3	42.5	46.3	43.6	22.5	22.2
Index		41.4	41.3	36.6	35.9	52.5	50.0
Index	3 month average	42.1	40.7	39.8	37.9	41.7	46.1
Raw materials flat in April							
Inventory - Finished Goods		2006		2007			
		November	December	January	February	March	April
	Higher	14.3	20.0	14.6	20.5	25.0	16.7
	Same	54.3	52.5	53.7	46.2	60.0	63.9
	Lower	31.4	27.5	31.7	33.3	15.0	19.4
Index		41.4	46.3	41.5	43.6	55.0	48.6
Index	3 month average	44.0	43.6	43.1	43.8	46.7	49.1
Finished goods inventories decline in April							
Employment		2006		2007			
		November	December	January	February	March	April
	Higher	17.1	20.0	14.6	23.1	37.5	25.0
	Same	54.3	55.0	48.8	46.2	35.0	66.7
	Lower	28.6	25.0	36.6	30.8	27.5	8.3
Index		44.3	47.5	39.0	46.2	50.0	58.3
Index	3 month average	42.3	43.4	43.6	44.2	45.1	51.5
Employment moves up in April							
Vendor Deliveries		2006		2007			
		November	December	January	February	March	April
	Faster	2.9	10.0	7.3	18.0	15.0	11.1
	Same	82.8	72.5	80.5	71.8	72.5	77.9
	Slower	14.3	17.5	12.2	10.3	12.5	11.1
Index		55.7	53.8	52.4	46.2	48.8	50.0
Index	3 month average	53.4	53.2	54.0	50.8	49.1	48.3
Deliveries flat in April							
Commodity Prices		2006		2007			
		November	December	January	February	March	April
	Higher	25.7	40.0	22.0	38.5	37.5	27.8
	Same	65.7	50.0	70.7	61.5	60.0	72.2
	Lower	8.6	10.0	7.3	0.0	2.5	0.0
Index		58.6	65.0	57.3	69.2	67.5	63.9
Index	3 month average	55.5	58.6	60.3	63.8	64.7	66.9
Commodity prices up in April							



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