

FOR
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THE DETROIT REPORT

2007
March

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 54.2

Detroit Index: March reports reveal that the NAPM-DM composite index rose above 50, at 54.2.

Employment: Employment moves up to 50.0.

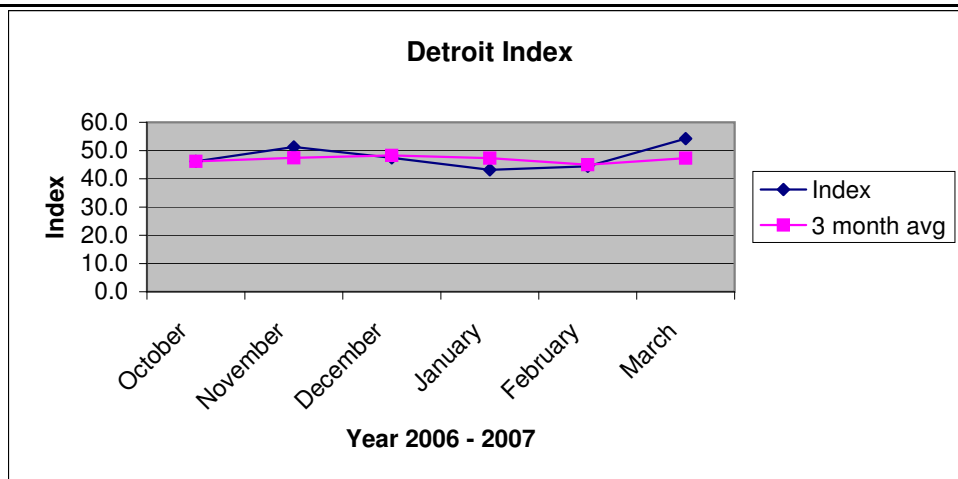
Prices: Prices continue to rise, and are at 67.5 in March.

Items up or down in price: Prices in March were reported at 67.5, down 1.7 index points since February's report. Items reported up in price include: electricity, chemicals and paper packaging, some plastic resins, fuel prices, steel, aluminum, zinc, latex, tin, steel tubing, carbon and alloy steel, and zinc electroplating. Products reported as lower in price include lumber and copper. Brass and stainless products were reported to be "bouncing back and forth". Corrugated paper price increases have been announced, however, high inventories are cited as a reason for placing a ceiling on price increases. Trade labor prices have been reported as rising.

Economic Issues: The March Index moved above 50 for the first time since July 2006. The growth was centered in new orders, higher production, and inventory growth. While the index indicated an expansion in manufacturing activity, the tone of the respondents' comments is much more cautious. One respondent noted that the ongoing production cuts by auto and truck assemblers coupled with increasing raw material costs continue to crunch the bottom line. One reported that there appears to be no end in sight to nickel price increases. Another reported that there was little automotive engineering work and that firms are looking to other sectors for smaller jobs, most with military implications. In the Michigan economy, one noted that the state was so dependant on the automotive sector that when consolidation occurred the state had nothing left to fall back on. Announcements of closing of Pfizer operations and out state movement of Comerica's headquarters has further added to the negative outlook.

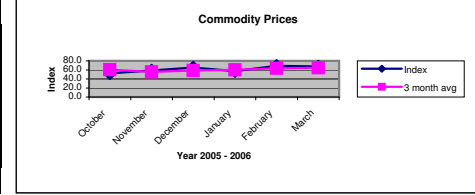
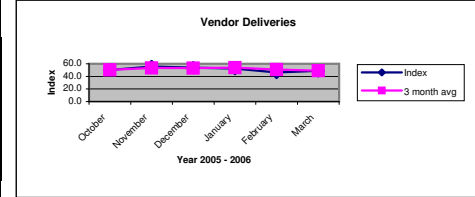
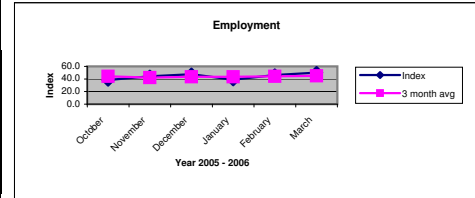
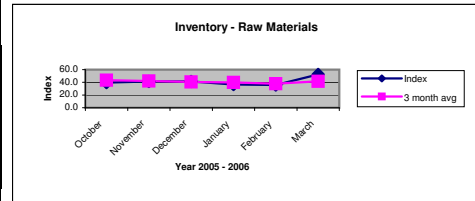
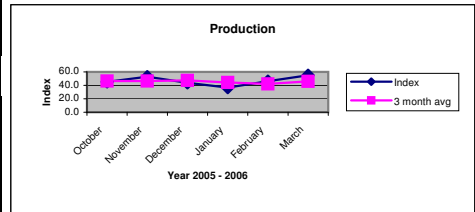
Some reporters indicated modest business improvement. One cited new activity in the power train business. One company's suppliers are reporting more quoting activity and the company's European operations are very busy.

To better understand the expectations of suppliers, the March survey asked the respondents their opinion of business conditions 6 months into the future. Fifty-three percent of the respondents believe conditions will be about the same as they are currently. Twenty-five percent believe that conditions will be more stable, and twenty-two percent believe that conditions will be less stable six months out. As of the end of the 1st quarter of 2007, it appears that the 6 month outlook for the southeast Michigan remains divided between more and less stable.



Next Release
1 May 2007

Detroit Index		2006			2007		
		October	November	December	January	February	March
Index		46.2	51.3	47.4	43.2	44.4	54.2
Index	3 month average	46.2	47.4	48.3	47.3	45.0	47.3
Production		2006			2007		
		October	November	December	January	February	March
	Higher	27.9	31.4	30.0	17.1	28.2	37.5
	Same	34.9	42.9	27.5	39.0	35.9	35.0
	Lower	37.2	25.7	42.5	43.9	35.9	27.5
Index		45.3	52.9	43.8	36.6	46.2	55.0
Index	3 month average	46.5	46.4	47.3	44.4	42.2	45.9
Production rose in March							
New Orders		2006			2007		
		October	November	December	January	February	March
	Higher	37.2	40.0	30.0	34.2	23.1	40.0
	Same	27.9	31.4	35.0	26.8	35.9	37.5
	Lower	34.9	28.6	35.0	39.0	41.0	22.5
Index		51.2	55.7	47.5	47.6	41.0	58.8
Index	3 month average	46.6	49.6	51.5	50.3	45.4	49.1
New orders increase in March							
Inventory - Raw Materials		2006			2007		
		October	November	December	January	February	March
	Higher	20.9	17.1	25.0	19.5	15.4	27.5
	Same	37.2	48.6	32.5	34.2	41.0	50.0
	Lower	41.9	34.3	42.5	46.3	43.6	22.5
Index		39.5	41.4	41.3	36.6	35.9	52.5
Index	3 month average	43.3	42.1	40.7	39.8	37.9	41.7
Raw materials expand in March							
Inventory - Finished Goods		2006			2007		
		October	November	December	January	February	March
	Higher	20.9	14.3	20.0	14.6	20.5	25.0
	Same	44.2	54.3	52.5	53.7	46.2	60.0
	Lower	34.9	31.4	27.5	31.7	33.3	15.0
Index		43.0	41.4	46.3	41.5	43.6	55.0
Index	3 month average	41.9	44.0	43.6	43.1	43.8	46.7
Finished goods inventories up in March							
Employment		2006			2007		
		October	November	December	January	February	March
	Higher	11.6	17.1	20.0	14.6	23.1	37.5
	Same	53.5	54.3	55.0	48.8	46.2	35.0
	Lower	34.9	28.6	25.0	36.6	30.8	27.5
Index		38.4	44.3	47.5	39.0	46.2	50.0
Index	3 month average	44.2	42.3	43.4	43.6	44.2	45.1
Employment moves up							
Vendor Deliveries		2006			2007		
		October	November	December	January	February	March
	Faster	7.0	2.9	10.0	7.3	18.0	15.0
	Same	7.0	82.8	72.5	80.5	71.8	72.5
	Slower	86.0	14.3	17.5	12.2	10.3	12.5
Index		50.0	55.7	53.8	52.4	46.2	48.8
Index	3 month average	50.4	53.4	53.2	54.0	50.8	49.1
Deliveries change little							
Commodity Prices		2006			2007		
		October	November	December	January	February	March
	Higher	14.0	25.7	40.0	22.0	38.5	37.5
	Same	76.7	65.7	50.0	70.7	61.5	60.0
	Lower	9.3	8.6	10.0	7.3	0.0	2.5
Index		52.3	58.6	65.0	57.3	69.2	67.5
Index	3 month average	60.4	55.5	58.6	60.3	63.8	64.7
Commodity prices up in March							



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