FOR RELEASE:
March 1, 2007
6am EST

THE DETROIT REPORT

National Association of Purchasing Management - Metro Detroit

2007
February

The NAPM – Metro Detroit Purchasing Managers Index 44.4

Detroit Index: February reports reveal that the NAPM-DM composite index remained below 50, at 44.4.

Employment: Employment continues to contract at 46.2 in February.

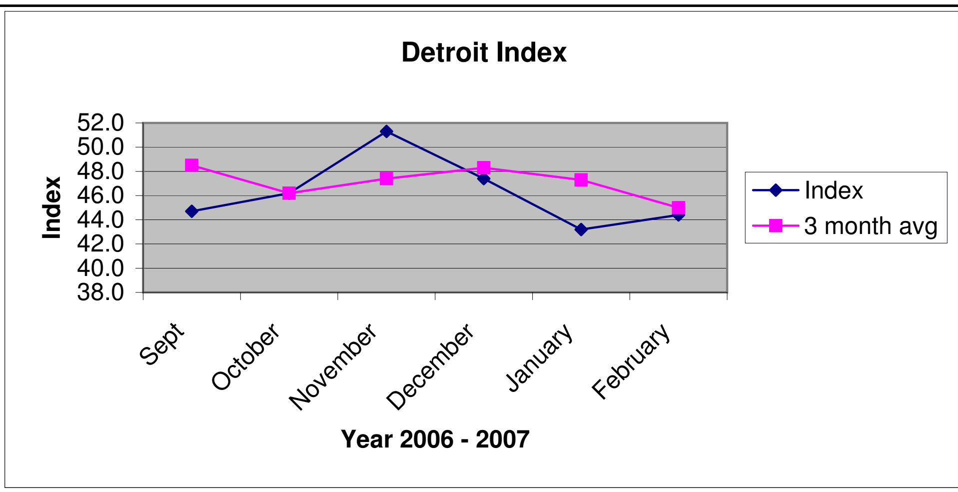
Prices: Prices continue to rise, and are up from January at 69.2.

Items up or down in price: Prices in February were reported at 69.2, up from January, and still above the 50 reading that indicates rising prices. February's respondents indicated that 38.5% saw higher prices in the month, and none reported lower prices overall. The list of items mentioned up in price include: stainless steel, aluminum, corrugated materials, chemicals/solvents, palladium, plastics, brass, tin, office supplies, structural steel, and fuel was described as being "all over the map." Items that were cited in short supply include: resins and stainless steel.

Economic Issues: The February reports indicate that the slowdown in the production plans of the automotive assembly plants and price increases are making for a challenging environment in the supply chain. Discussions in late February regarding possible sale of the Chrysler group were a concern to many suppliers. Another reporter indicated that the "American auto industry is going sour fast."

Price increases, material shortages and energy cost increases were cited as concerns in the February survey. It was noted that energy costs are starting to move back up. One respondent noted that the production problems of the Big 3 are going to trickle down to the tier 1 suppliers very shortly. Another noted that nickel price increases are impacting chrome plating costs for automotive applications, and margin squeezes for the suppliers.
Another noted that railcar congestion and changes in rail delivery hours is causing delivery delays of products.

The overall tone of the respondents to the February survey is that there seems to be a rising level of uncertainty surrounding the outlook for the supply chain during the coming months. Firms will be monitored going forward regarding changes in their employment and operating policies.

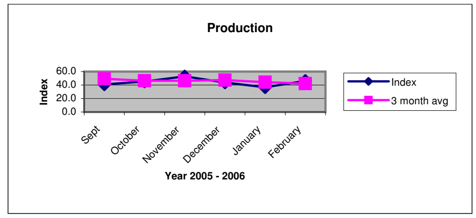


Next Release
2 April 2007

Detroit Index		2006				2007	
		Sept	October	November	December	January	**February**
Index		44.7	46.2	51.3	47.4	43.2	44.4
Index	3 month average	48.5	46.2	47.4	48.3	47.3	45.0

Production		2006				2007	
		Sept	October	November	December	January	**February**
	Higher	27.3	27.9	31.4	30.0	17.1	28.2
	Same	27.3	34.9	42.9	27.5	39.0	35.9
	Lower	45.5	37.2	25.7	42.5	43.9	35.9
Index		40.9	45.3	52.9	43.8	36.6	46.2
Index	3 month average	49.2	46.5	46.4	47.3	44.4	42.2

Production declines in February

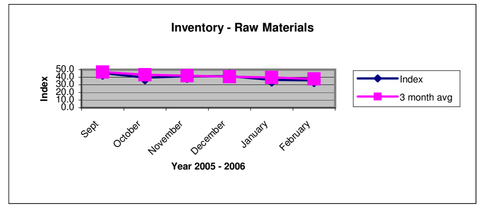


New Orders		2006				2007	
		Sept	October	November	December	January	**February**
	Higher	25.0	37.2	40.0	30.0	34.2	23.1
	Same	34.1	27.9	31.4	35.0	26.8	35.9
	Lower	40.9	34.9	28.6	35.0	39.0	41.0
Index		42.0	51.2	55.7	47.5	47.6	41.0
Index	3 month average	48.5	46.6	49.6	51.5	50.3	45.4

New orders decline in February

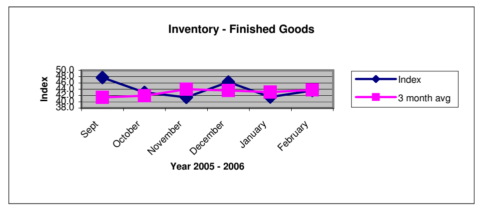
Inventory - Raw Materials		2006				2007	
		Sept	October	November	December	January	**February**
	Higher	25.0	20.9	17.1	25.0	19.5	15.4
	Same	40.9	37.2	48.6	32.5	34.2	41.0
	Lower	34.1	41.9	34.3	42.5	46.3	43.6
Index		45.5	39.5	41.4	41.3	36.6	35.9
Index	3 month average	46.8	43.3	42.1	40.7	39.8	37.9

Raw materials contract in February



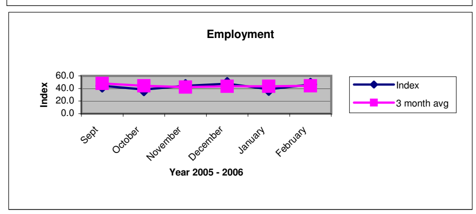
Inventory - Finished Goods		2006				2007	
		Sept	October	November	December	January	**February**
	Higher	22.7	20.9	14.3	20.0	14.6	20.5
	Same	50.0	44.2	54.3	52.5	53.7	46.2
	Lower	27.3	34.9	31.4	27.5	31.7	33.3
Index		47.7	43.0	41.4	46.3	41.5	43.6
Index	3 month average	41.4	41.9	44.0	43.6	43.1	43.8

Finished goods inventories fall in February



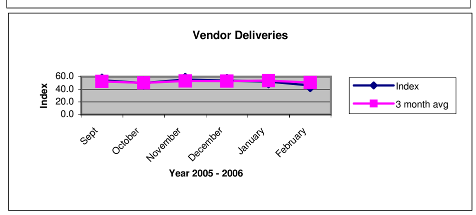
Employment		2006				2007	
		Sept	October	November	December	January	**February**
	Higher	20.5	11.6	17.1	20.0	14.6	23.1
	Same	47.7	53.5	54.3	55.0	48.8	46.2
	Lower	31.8	34.9	28.6	25.0	36.6	30.8
Index		44.3	38.4	44.3	47.5	39.0	46.2
Index	3 month average	48.1	44.2	42.3	43.4	43.6	44.2

Employment declines in February



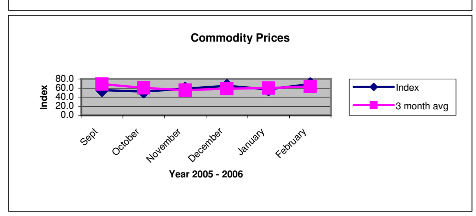
Vendor Deliveries		2006				2007	
		Sept	October	November	December	January	**February**
	Faster	6.8	7.0	2.9	10.0	7.3	18.0
	Same	77.3	7.0	82.8	72.5	80.5	71.8
	Slower	15.9	86.0	14.3	17.5	12.2	10.3
Index		54.5	50.0	55.7	53.8	52.4	46.2
Index	3 month average	52.7	50.4	53.4	53.2	54.0	50.8

Deliveries are faster



Commodity Prices		2006				2007	
		Sept	October	November	December	January	**February**
	Higher	25.0	14.0	25.7	40.0	22.0	38.5
	Same	61.4	76.7	65.7	50.0	70.7	61.5
	Lower	13.6	9.3	8.6	10.0	7.3	0.0
Index		55.7	52.3	58.6	65.0	57.3	69.2
Index	3 month average	68.9	60.4	55.5	58.6	60.3	63.8

Commodity prices up in February



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