

FOR
RELEASE:
January 2,
2007
6am EST

THE DETROIT REPORT

2006
December

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 47.4

Detroit Index: December reports reveal that the NAPM-DM index moved below 50, to end the year at 47.4.

Employment: Employment continues to contract at 47.5 in December.

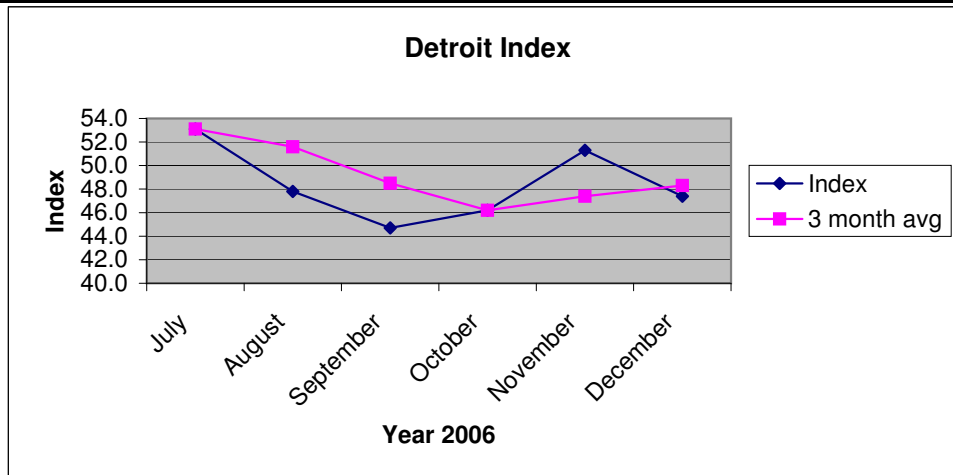
Prices: Prices continue to rise, and are up from November at 65.0.

Items up or down in price: Survey respondents indicated that prices on average have moved up in the month of December. Specific items that were cited as being up in price include: plastic resins, petro chemicals, stainless steel, computer memory chips, aluminum, paper, promotional items, equipment maintenance, mineral filler, epoxy resin, antimony oxide, zinc and nickel. A few mentioned items down in price to include: computer monitors, polypropylene resin, natural gas and copper.

Economic Issues: The December survey ended on a down note for the 2006 NAPM – Metro Detroit Purchasing Managers Index with a reading of 47.4. The year began and ended with a declining manufacturing sector. January's Index was at 48.0 and December was below that reading. Over the course of 2006 the survey results showed that 5 of the monthly index values were below 50. Four of the 5 down months occurred since August of 2006. If the November index (51.9) had not been above 50, the region would have encountered 5 consecutive down months.

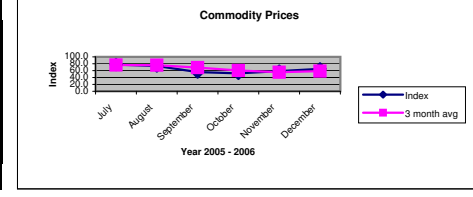
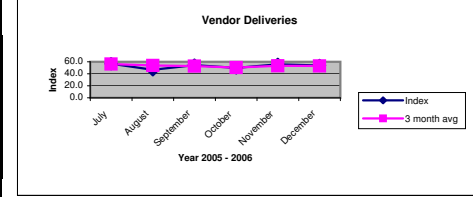
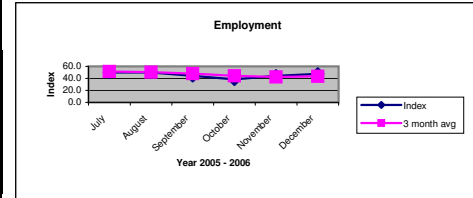
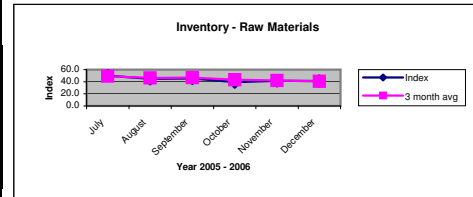
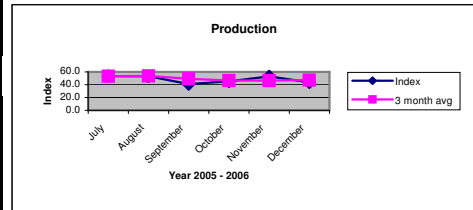
Respondents indicate in the December survey that 65% anticipate little change in the value of the dollar in 2007, while 14% anticipate a decline in the value of the dollar. Some indicate that they are looking for modifications in purchase orders to adjust for anticipated changes in currency values. Some are looking at domestic sources to replace anticipated higher cost foreign products.

For the coming year, suppliers continue to watch the Delphi bankruptcy negotiations and potential impacts of the UAW contract negotiations. Tier one suppliers see slow business with the "Big-3" and are looking to alternative sources to replace the lost business.



Next Release
1 February 2007

Detroit Index		2006					
		July	August	September	October	November	December
Index		53.1	47.8	44.7	46.2	51.3	47.4
Index	3 month average	53.1	51.6	48.5	46.2	47.4	48.3
Production		2006					
		July	August	September	October	November	December
	Higher	31.0	36.7	27.3	27.9	31.4	30.0
	Same	37.9	33.3	27.3	34.9	42.9	27.5
	Lower	31.0	30.0	45.5	37.2	25.7	42.5
Index		53.4	53.3	40.9	45.3	52.9	43.8
Index	3 month average	53.2	53.8	49.2	46.5	46.4	47.3
Production contracts in December							
New Orders		2006					
		July	August	September	October	November	December
	Higher	37.9	36.7	25.0	37.2	40.0	30.0
	Same	37.9	20.0	34.1	27.9	31.4	35.0
	Lower	24.1	43.3	40.9	34.9	28.6	35.0
Index		56.9	46.7	42.0	51.2	55.7	47.5
Index	3 month average	54.6	52.8	48.5	46.6	49.6	51.5
New orders contracts in December							
Inventory - Raw Materials		2006					
		July	August	September	October	November	December
	Higher	20.7	20.0	25.0	20.9	17.1	25.0
	Same	58.6	50.0	40.9	37.2	48.6	32.5
	Lower	20.7	30.0	34.1	41.9	34.3	42.5
Index		50.0	45.0	45.5	39.5	41.4	41.3
Index	3 month average	49.2	46.2	46.8	43.3	42.1	40.7
Raw materials contract in December							
Inventory - Finished Goods		2006					
		July	August	September	October	November	December
	Higher	6.9	6.7	22.7	20.9	14.3	20.0
	Same	69.0	56.7	50.0	44.2	54.3	52.5
	Lower	24.1	36.7	27.3	34.9	31.4	27.5
Index		41.4	35.0	47.7	43.0	41.4	46.3
Index	3 month average	46.4	41.1	41.4	41.9	44.0	43.6
Finished goods inventories fall in December							
Employment		2006					
		July	August	September	October	November	December
	Higher	17.2	23.3	20.5	11.6	17.1	20.0
	Same	65.5	53.3	47.7	53.5	54.3	55.0
	Lower	17.2	23.3	31.8	34.9	28.6	25.0
Index		50.0	50.0	44.3	38.4	44.3	47.5
Index	3 month average	51.4	50.5	48.1	44.2	42.3	43.4
Employment is contracting							
Vendor Deliveries		2006					
		July	August	September	October	November	December
	Faster	6.9	16.7	6.8	7.0	2.9	10.0
	Same	72.4	73.3	77.3	7.0	82.8	72.5
	Slower	20.7	10.0	15.9	86.0	14.3	17.5
Index		56.9	46.7	54.5	50.0	55.7	53.8
Index	3 month average	56.4	53.9	52.7	50.4	53.4	53.2
Deliveries are slow							
Commodity Prices		2006					
		July	August	September	October	November	December
	Higher	55.2	46.7	25.0	14.0	25.7	40.0
	Same	44.8	53.3	61.4	76.7	65.7	50.0
	Lower	0.0	0.0	13.6	9.3	8.6	10.0
Index		77.6	73.3	55.7	52.3	58.6	65.0
Index	3 month average	76.4	75.6	68.9	60.4	55.5	58.6
Commodity prices up in December							



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