FOR RELEASE: November 1, 2006 6am EST

THE DETROIT REPORT

2006 October

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 46.2

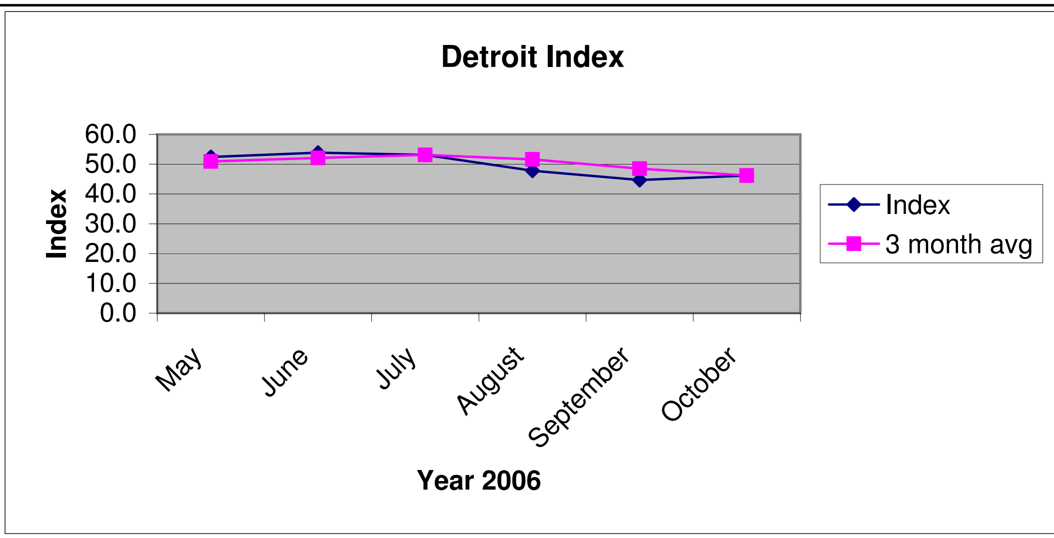
Detroit Index: October reports revel that the NAPM-MD index remained below 50 for the third month in a row at 46.2. The October index number is 1.5 points above September. The Detroit Metropolitan economy's manufacturing sector continues to contract.

Employment: Employment falls further in October to 38.4.

Prices: While increasing, the October price index was 52.3, down 3.4 points from September.

Items up or down in price: While still increasing, prices have come down from summer highs. The list of commodities reported up in price include: diesel fuel, nickel, aluminum, glass, freight surcharges, plastic drums, cement, and steel. Some shortages in rubber hoses were noted from the Goodyear strike.

Economic Issues: Respondents were asked if they perceived the Michigan economy to be in worse shape than the national economy. 95% responded yes. Respondents indicated how they were adjusting their business in response to the lagging state economy. Some indicated that they have shifted business focus to out of state customers. Others have undertaken aggressive marketing campaigns, introduced new products, enhanced training, laid-off employees, and changed the purchasing pipeline to keep purchases and inventories down. Some report placing smaller and more frequent orders. Others report cutting overtime, travel, holiday parties, and reviewing more layoffs of salaried workers. One respondent indicated that they continued to source to Michigan companies, which were competitive and willing to serve customer needs. Another indicates the state's turnaround is a long way off, with little short term help coming from the automotive sector.



Next Release

1 December 2006

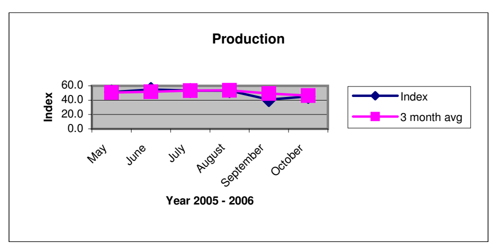
Detroit Index		2006					
		May	June	July	August	September	**October**
Index		52.4	53.9	53.1	47.8	44.7	46.2
Index	3 month average	50.9	52.1	53.1	51.6	48.5	46.2

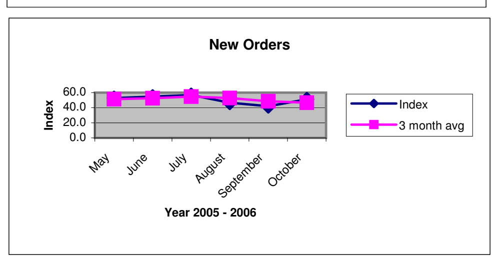
Production		2006					
		May	June	July	August	September	**October**
	Higher	30.0	45.2	31.0	36.7	27.3	27.9
	Same	43.0	19.4	37.9	33.3	27.3	34.9
	Lower	27.0	35.5	31.0	30.0	45.5	37.2
Index		51.4	54.8	53.4	53.3	40.9	45.3
Index	3 month average	50.6	51.7	53.2	53.8	49.2	46.5

Production contracts in October

New Orders		2006					
		May	June	July	August	September	**October**
	Higher	35.1	41.9	37.9	36.7	25.0	37.2
	Same	35.1	25.8	37.9	20.0	34.1	27.9
	Lower	29.7	32.3	24.1	43.3	40.9	34.9
Index		52.7	54.8	56.9	46.7	42.0	51.2
Index	3 month average	51.4	52.5	54.6	52.8	48.5	46.6

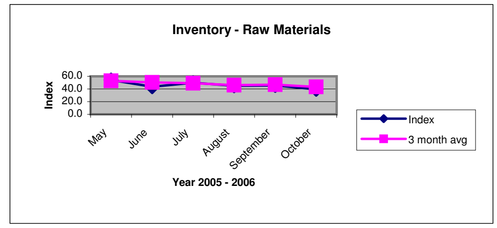
New orders up in October





Inventory - Raw Materials		2006					
		May	June	July	August	September	**October**
	Higher	32.0	16.1	20.7	20.0	25.0	20.9
	Same	43.0	54.8	58.6	50.0	40.9	37.2
	Lower	24.0	29.0	20.7	30.0	34.1	41.9
Index		54.1	43.5	50.0	45.0	45.5	39.5
Index	3 month average	53.0	50.3	49.2	46.2	46.8	43.3

Raw materials contract in October

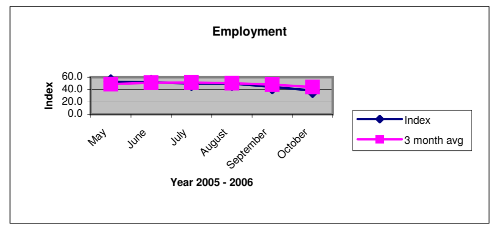


Inventory - Finished Goods		2006					
		May	June	July	August	September	**October**
	Higher	27.0	25.8	6.9	6.7	22.7	20.9
	Same	49.0	41.9	69.0	56.7	50.0	44.2
	Lower	24.0	32.3	24.1	36.7	27.3	34.9
Index		51.4	46.8	41.4	35.0	47.7	43.0
Index	3 month average	50.1	49.0	46.4	41.1	41.4	41.9

Finished goods inventories fall in October

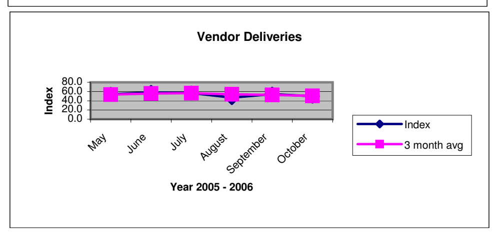
Employment		2006					
		May	June	July	August	September	**October**
	Higher	24.3	22.6	17.2	23.3	20.5	11.6
	Same	56.8	58.1	65.5	53.3	47.7	53.5
	Lower	18.9	19.4	17.2	23.3	31.8	34.9
Index		52.7	51.6	50.0	50.0	44.3	38.4
Index	3 month average	48.9	51.1	51.4	50.5	48.1	44.2

Employment is contracting rapidly



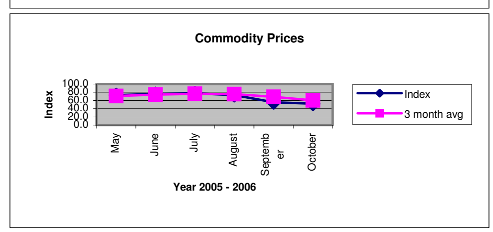
Vendor Deliveries		2006					
		May	June	July	August	September	**October**
	Faster	0.0	3.2	6.9	16.7	6.8	7.0
	Same	8.0	77.4	72.4	73.3	77.3	7.0
	Slower	92.0	19.4	20.7	10.0	15.9	86.0
Index		54.1	58.1	56.9	46.7	54.5	50.0
Index	3 month average	53.4	55.6	56.4	53.9	52.7	50.4

Deliveries are flat



Commodity Prices		2006					
		May	June	July	August	September	**October**
	Higher	54.0	54.8	55.2	46.7	25.0	14.0
	Same	38.0	41.9	44.8	53.3	61.4	76.7
	Lower	8.0	3.2	0.0	0.0	13.6	9.3
Index		73.0	75.8	77.6	73.3	55.7	52.3
Index	3 month average	71.0	74.2	76.4	75.6	68.9	60.4

Commodity prices rise, but some moderation noted



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