

THE DETROIT REPORT

National Association of Purchasing Management - Metro Detroit

The NAPM – Metro Detroit Purchasing Managers Index 52.4

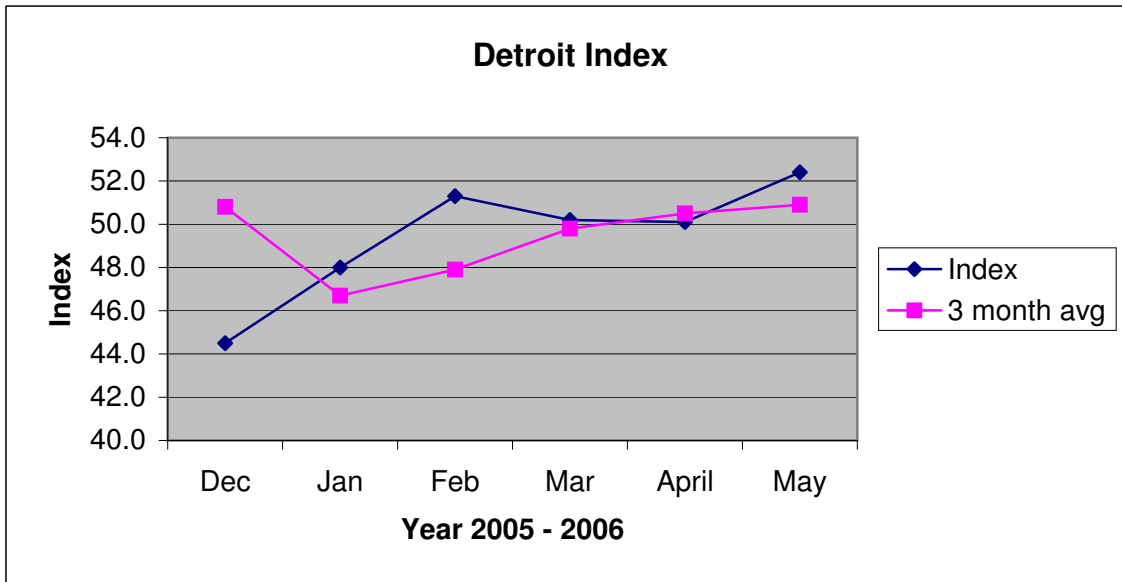
Detroit Index: The overall NAPM-MD Index indicates a return to growth in the region of 52.4.

Employment: Employment expands, May at 52.7.

Prices: Commodity prices move ahead in May to 73.0.

Items up or down in price: Respondents continue to list a wide array of products that are rising in price. The May survey noted price increases for: gas, aluminum, zinc (up 200% over a year ago), copper, steel, construction materials, antimony, plastic resins, printing and corrugated paper, oils, memory chips, carbon black pigment, logistics and labor and contracted services.

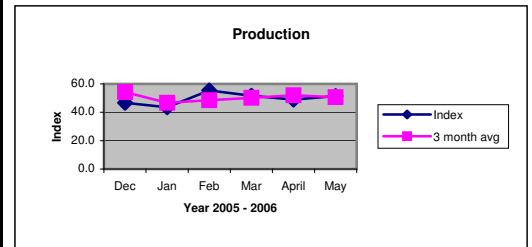
Economic Issues: National and southeastern Michigan economic views of the respondents reflect growing price pressures in commodities and energy, and shortages of materials. One respondent noted delays in receiving materials from overseas. Labor shortages at companies that have downsized, were cited as causing problems due to workers wearing too many hats. Some speculate that high auto inventories at major manufacturers may cause extended factory summer shutdowns. A difficult typhoon season could slow international shipments from Asia. An active hurricane season in the gulf coast will add to higher commodity prices. 74% of the survey respondents anticipate that the Fed will raise rates at its June meeting. 96% of those anticipating a rate increase, expect the increase to be in charts 25 basis points.



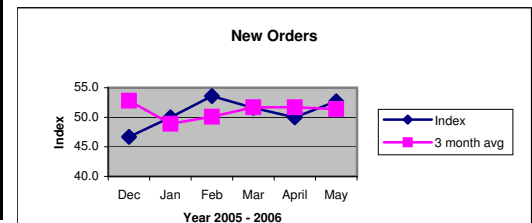
Next Release
3 July 2006

Detroit Index	2005		2006			
	Dec	Jan	Feb	Mar	April	May
Index	44.5	48.0	51.3	50.2	50.1	52.4
Index 3 month average	50.8	46.7	47.9	49.8	50.5	50.9

Production	2005		2006			
	Dec	Jan	Feb	Mar	April	May
Higher	27.0	26.0	46.0	23.0	30.0	30.0
Same	40.0	35.0	18.0	58.0	39.0	43.0
Lower	33.0	39.0	36.0	19.0	32.0	27.0
Index	46.7	43.5	55.4	51.6	48.9	51.4
Index 3 month average	54.3	46.7	48.5	50.2	52.0	50.6

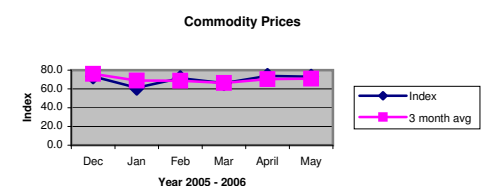
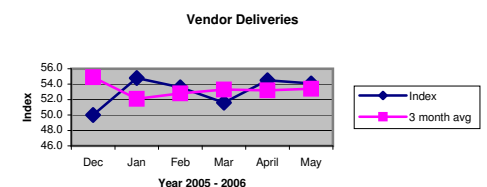
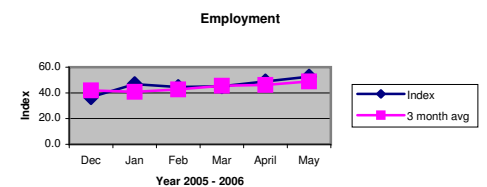
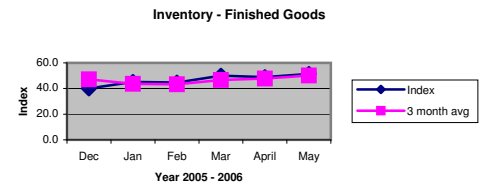
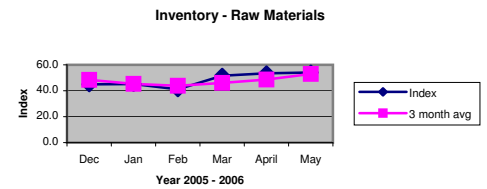


New Orders	2005		2006			
	Dec	Jan	Feb	Mar	April	May
Higher	30.0	32.0	46.0	29.0	33.0	35.1
Same	33.0	35.0	14.0	45.0	35.0	35.1
Lower	37.0	32.0	39.0	26.0	33.0	29.7
Index	46.7	50.0	53.6	51.6	50.0	52.7



Index	3 month average	52.8	48.9	50.1	51.7	51.7	51.4
New orders expand in May							
Inventory - Raw Materials		2005	2006				
		Dec	Jan	Feb	Mar	April	May
	Higher	23.0	13.0	14.0	3.0	25.0	32.0
	Same	43.0	65.0	54.0	58.0	57.0	43.0
	Lower	33.0	23.0	32.0	19.0	18.0	24.0
Index		45.0	45.2	41.1	51.6	53.4	54.1
Index	3 month average	48.4	45.3	43.8	46.0	48.7	53.0
Raw materials inventories expanding							
Inventory - Finished Goods		2005	2006				
		Dec	Jan	Feb	Mar	April	May
	Higher	10.0	19.0	18.0	19.0	18.0	27.0
	Same	60.0	52.0	54.0	61.0	61.0	49.0
	Lower	30.0	29.0	29.0	19.0	20.0	24.0
Index		40.0	45.2	44.6	50.0	48.9	51.4
Index	3 month average	47.2	43.7	43.3	46.6	47.8	50.1
Finished goods inventories are expanding							
Employment		2005	2006				
		Dec	Jan	Feb	Mar	April	May
	Higher	3.0	23.0	14.0	23.0	20.0	24.3
	Same	67.0	48.0	61.0	45.0	57.0	56.8
	Lower	30.0	29.0	25.0	32.0	23.0	18.9
Index		36.7	46.8	44.6	45.2	48.9	52.7
Index	3 month average	42.0	40.8	42.7	45.5	46.2	48.9
Employment expands in May							
Vendor Deliveries		2005	2006				
		Dec	Jan	Feb	Mar	April	May
	Faster	0.0	10.0	4.0	10.0	9.0	0.0
	Same	100.0	71.0	86.0	77.0	73.0	8.0
	Slower	0.0	19.0	11.0	13.0	18.0	92.0
Index		50.0	54.8	53.6	51.6	54.5	54.1
Index	3 month average	54.9	52.1	52.8	53.3	53.2	53.4
Deliveries are slower							
Commodity Prices		2005	2006				
		Dec	Jan	Feb	Mar	April	May
	Higher	50.0	35.0	50.0	42.0	50.0	54.0
	Same	47.0	52.0	43.0	48.0	48.0	38.0
	Lower	3.0	13.0	7.0	10.0	2.0	8.0
Index		73.3	61.3	71.4	66.1	73.9	73.0
Index	3 month average	76.0	68.9	68.7	66.3	70.5	71.0
Commodity prices remain high in May							

Year 2005 - 2006



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