

The Detroit Report

National Association of Purchasing Management - Metro Detroit

The NAPM - Metro Detroit Purchasing Managers index 49.0

Detroit Index: Lower production, new orders and inventories pull the May index down

Employment: The May index rises to 55.6, highest since September 2004.

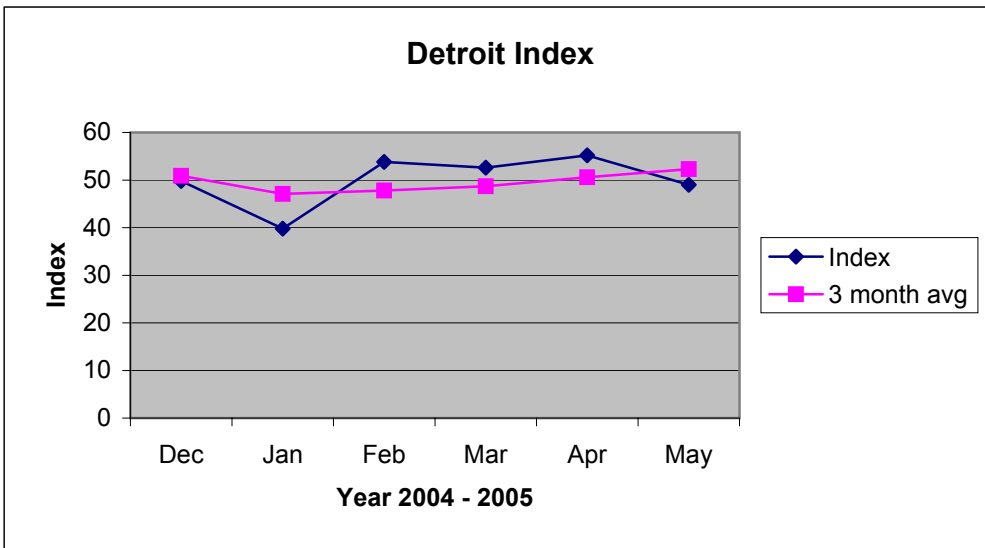
Production: May drops significantly from April, and is the lowest since January.

New Orders: Take a significant decline to 45.8, and are at January 2005 lows.

Commodity Prices: While still high at 62.5, lowest recording in past 8 months.

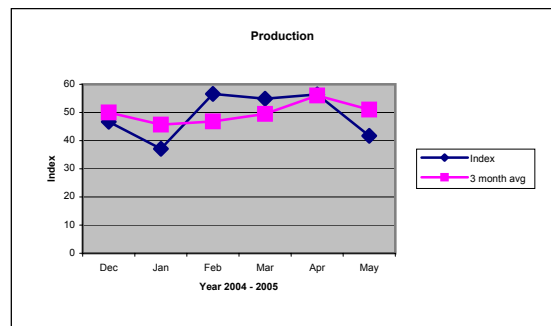
Inventories: Both raw and finished goods inventories dropped significantly in May.

Commodities up/down in price: Respondents indicate overall a lessening of commodity prices. Several indicated that steel prices had either stabilized or were showing some downward movement. Respondents cited the following commodities as still showing upward price pressure: aluminum, copper, titanium, nickel alloys, zinc, resins, recycled plastic pellets, all petroleum based products, pigments and corrugated packaging.



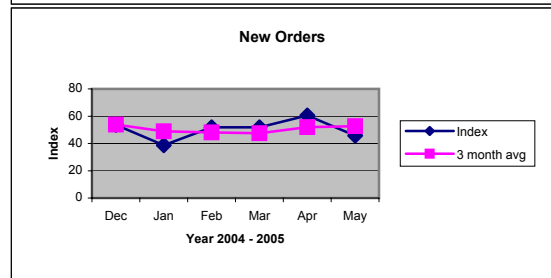
Next Release
1 July 2005

Detroit Index		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
Index		49.8	39.8	53.8	52.6	55.2	49.0
Index	3 month average	50.9	47.1	47.8	48.7	50.6	52.3



Production		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Higher	37	19	38	37	38	25
	Same	20	35	38	35	36	33
	Lower	43	45	25	27	26	42
Index		46.7	37.1	56.6	54.9	56.4	41.7
Index	3 month average	50.0	45.7	46.8	49.5	56	51.0

Production falls back from April levels

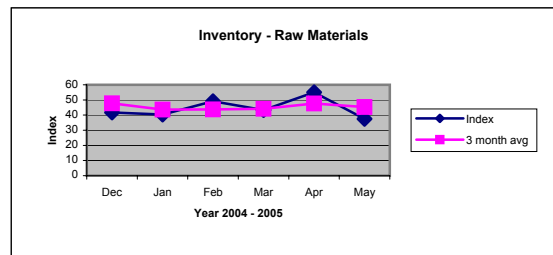


New Orders		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Higher	43	29	26	29	42	28
	Same	21	19	51	46	37	36
	Lower	36	52	23	25	21	36
Index		53.6	38.7	51.9	51.9	60.5	45.8
Index	3 month average	53.9	48.9	48.1	47.5	52	52.7

New orders show a significant drop

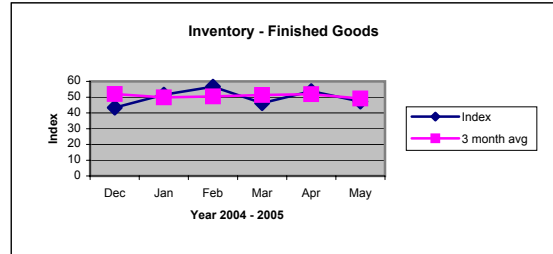
Inventory - Raw Materials		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Higher	27	19	19	19	23	14
	Same	30	42	60	48	65	47
	Lower	43	39	21	33	13	39
Index		41.7	40.3	49.1	43.3	55	37.5
Index	3 month average	47.7	43.6	43.7	44.2	47.6	45.3

Raw materials inventory contracting



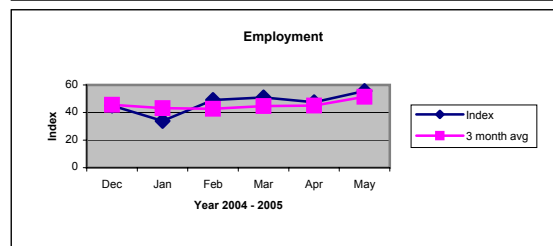
Inventory - Finished Goods		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Higher	20	32	21	21	25	19
	Same	47	39	72	50	58	56
	Lower	33	29	8	29	18	25
Index		43.3	51.6	56.6	46.2	53.8	47.2
Index	3 month average	52	49.8	50.5	51.4	51.9	49.1

Finished goods inventory contracting



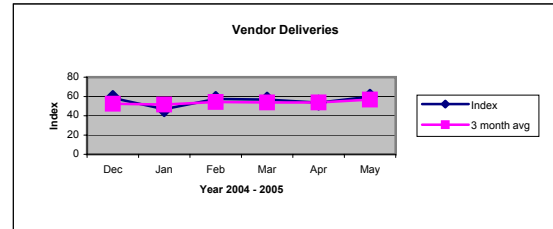
Employment		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Higher	7	3	11	21	18	22
	Same	77	61	75	60	60	67
	Lower	17	35	13	19	23	11
Index		45	33.9	49.1	51	47.5	55.6
Index	3 month average	45.6	43.2	42.7	44.7	45	51.4

Employment moves up in May



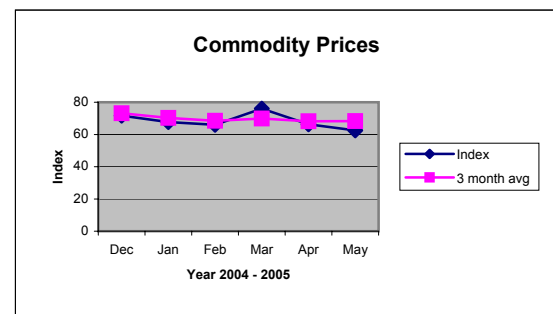
Vendor Deliveries		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Faster	10	16	8	6	10	8
	Same	63	74	70	75	73	64
	Slower	27	10	23	19	18	28
Index		58.4	46.8	57.5	56.7	53.6	59.7
Index	3 month average	52.4	51.7	54.2	53.7	53.8	56.7

Vendor deliveries slow



Commodity Prices		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Higher	53	39	42	56	40	36.0
	Same	37	58	49	40	53	53.0
	Lower	10	3	9	4	8	11.0
Index		71.7	67.7	66	76	66.3	62.5
Index	3 month average	73.2	70.3	68.5	69.9	68.2	68.3

Commodity prices coming down - still high



Pricing Policy:		2004	2005				
		Dec	Jan	Feb	Mar	Apr	May
	Little Impact				25	32.5	30.6
	Moderate, but absorbing				25	28	25.0
	Moderate, pass along				11.5	12.5	5.6
	Growing pressure, but absorbing				26.9	20	25.0
	Growing pressure, pass along				11.5	7.5	14.6

69% report moderate or greater price increases in May, of these, 72% are absorbing the price increase

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**For more information, contact
NAPM-Detroit
Lawrence Technological University
Dr. David Allardice
Email: allardice@ltu.edu
Tel: 248-204-3074**