

The NAPM - Metro Detroit Purchasing Managers index rises to 53.8

Detroit Index: The gains seem to be coming from higher production, higher new orders and higher inventories.

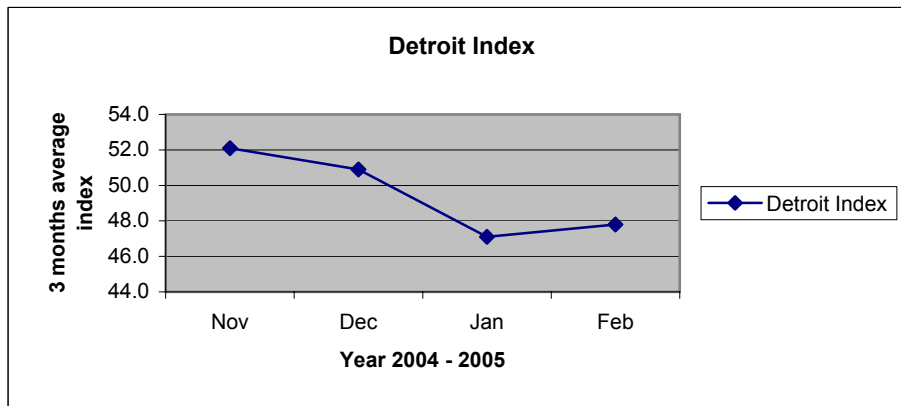
Employment: The February index came in at 49.1, the strongest since October of 2004.

Production: Production is at an index level not seen since September 2004.

Commodity Prices: : Commodity prices remain high at an index reading of 66.0. However, the index has moved down steadily since September 2004.

Commodities up/down in price: Survey respondents are showing some mixed signals on the steel prices. While the majority cite high steel prices, some noted that spot prices on steel are lower than previous months. Other areas of commodity price pressure include: resins, lumber, petroleum based products, rubber, copper, paper items, plastic granules, polypropylene, phosphoric acid, sodium hydroxide, solvents, hydraulics, acrylics and insulated fire brick.

Comments from respondents: It is viewed as a sellers market for commodities with inflationary tendencies across the supply chain. Some are encountering delays in shipments due to a lack of drivers. Lack of carriers may cause more delivery delays. Tier 1 suppliers note single shift plants due to lack of demand. Steel prices, transport costs and energy are being closely watched.



Detroit Index		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
Index		53.5	51.0	51.8	49.8	39.8	53.8
Index	3 month average			52.1	50.9	47.1	47.8

Production		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	28	29	27	37	19	38
	Same	56	43	52	20	35	38
	Lower	17	29	20	43	45	25
Index		55.6	50.0	53.4	46.7	37.1	56.6
Index	3 month average			53.0	50.0	45.7	46.8

Production expands

New Orders		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	25	33	32	43	29	26
	Same	53	40	45	21	19	51
	Lower	22	26	23	36	52	23
Index		51.4	53.6	54.5	53.6	38.7	51.9
Index	3 month average			53.2	53.9	# 48.9	48.1

New orders up from January

Next Release
1 April 2005

Inventory - Raw Materials		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	19	21	20	27	19	19
	Same	58	62	57	30	42	60
	Lower	22	17	23	43	39	21
Index		48.6	52.4	48.9	41.7	40.3	49.1
Index	3 month average			50.0	47.7	43.6	43.7

Raw materials contract but at a slower pace

Inventory - Finished Goods		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	17	26	20	20	32	21
	Same	64	64	68	47	39	72
	Lower	19	10	11	33	29	8
Index		48.6	58.3	54.5	43.3	51.6	56.6
Index	3 month average			53.8	52	49.8	50.5

Finished goods inventory rise

Employment		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	31	17	18	7	3	11
	Same	56	60	55	77	61	75
	Lower	14	24	27	17	35	13
Index		58.3	46.4	45.5	45	33.9	49.1
Index	3 month average			50.1	45.6	43.2	42.7

Strongest since October 2004

Vendor Deliveries		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Faster	17	17	11	10	16	8
	Same	64	69	77	63	74	70
	Slower	19	14	11	27	10	23
Index		51.3	48.8	50.0	58.4	46.8	57.5
Index	3 month average			50.0	52.4	51.7	54.2

Deliveries slower

Commodity Prices		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	64	52	50	53	39	42
	Same	36	48	43	37	58	49
	Lower	0	0	7	10	3	9
Index		81.9	76.2	71.6	71.7	67.7	66
Index	3 month average			76.6	73.2	70.3	68.5

Prices ease, but still high

Buying Policy:		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
Production Materials							
	less than 11 days	3		1	1		1
	11-15 days				2		
	16-30 days		2		1		
	31-60 days	3	2	1	1		
	more than 60 days	3	2			1	
Average Days							
Days	3 month average						

98% report no change in current policy

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