

The NAPM - Metro Detroit Purchasing Managers index falls to 39.8

Detroit Index: The Index fell to 39.8 in January and starts the year in a significant downward direction. The index fell 10.0 index points from the December reading. The Index is being pulled down by significantly slower production, lower new orders, and declines in employment.

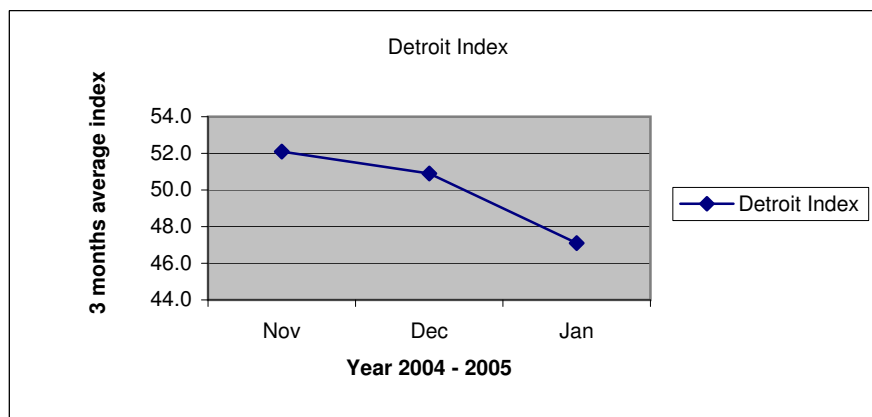
Employment: Fell significantly from the year-end reading. Only 3% of the reporters indicate any increase in employment.

Production: Production fell significantly from December, falling to 37.1, to start the year off in a downward direction. This decline is reflective of the high level of automobile inventories.

Commodity Prices: Commodity prices eased slightly from the December level, but remain at a very high level at an index reading for January of 67.7

Commodities up/down in price: Survey responders continue to cite steel products as being under upward price pressure. Other commodities cited include industrial chemicals, resins, poly material, packaging supplies, paint, paper products, cleaning supplies, copper stampings, natural gas, heating oil and diesel fuel.

Commodities in short supply: Steel remains the commodity most frequently reported as being in short supply. On the labor side, some shortage of skilled electrical workers was cited. Late payables were cited, which would be expected given the slow-down in the Detroit metropolitan economy.



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

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

Production slows significantly from Dec. 04

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

New orders drop from December, now contracting

Next Release
1 March 2005

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

Raw materials inventories decline in January

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

Finished goods inventory rise from December

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

Employment rate drops from December

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

Vendor deliveries slow in January

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

Prices ease from December, but remain at high levels

Buying Policy:		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
Production Materials							
	less than 11 days	3		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						

97% report no change in current policy

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