

## The NAPM - Metro Detroit Purchasing Managers index stood at 49.8

**Detroit Index:** The Index fell below 50 in December and ended the year in a down direction

**Employment:** Fell slightly from November and remains below 50 for the past 3 months

**Production:** Fell below 50 in December, this may reflect the end of year auto slowdown

**Commodity Prices:** Little change from the November reading, prices remain high at 71.7 in December

**Commodities up/down in price:** Responders continue to cite high prices for steet and petroleum based products. Reporters note that high freight charges and surcharges are impacting certain commodities. Packaging materials; e.g., corrugated paper and polybags, are costing more. Prices on copper remain high.

**Commodities in short supply:** Shortages remain in some resins and steel products. Other goods noted in shortage include: PVC material, leather, springwire, coke and coal products, and welding wire.

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

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

### Production shifts down in December

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

### Rate slows from prior month, but is expanding

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

### Raw materials inventories decline in Dec.

Next Release  
**1 February 2005**

Inventory - Finished Goods		2004				2005	
		Sep	Oct	Nov	Dec	Jan	Feb
	Higher	17	26	20	20		
	Same	64	64	68	47		
	Lower	19	10	11	33		
<b>Index</b>		48.6	58.3	54.5	43.3		
<b>Index</b>	3 month average			53.8	52		

**Finished goods inventory decline in Dec.**

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

**Employment rate slows over past 4 months**

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

**Vendor deliveries slowing**

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

**Prices expanding rapidly**

Buying Policy:		2004				2005	
Production Materials		Sep	Oct	Nov	Dec	Jan	Feb
	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				
<b>Average Days</b>							
<b>Days</b>	3 month average						

**84% report no change in current policy**

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