

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

April 2007 Business Survey Monthly Comparison Report

Submitted by: William Ellis C.P.M., CPIM Chairman Business Survey Committee

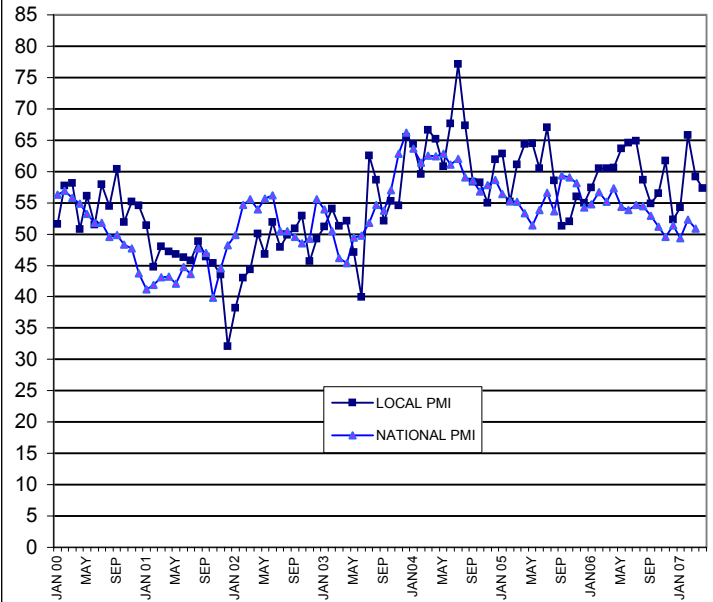
The Purchasing Managers' Index

The April PMI came in at 57.3 which wasn't that much different from the March the PMI of 59.2. It would appear that the business climate that was in place last month is continuing. The Production Index came in at 63.3 from a reading of 54.5 in March. The New Order Index dropped to 52.9 from 55.4. The Employment Index dropped to 60.9 from 74.3. Prices continued to increase but the rate of growth has declined. Inventories were contracting last month and the reading was 48.4, and this month the index is 47.1. This means inventories are still contracting. This month vendor deliveries came in at 58.3 continuing to indicate that suppliers are busy.

In February the National PMI was 52.3 and in March it dropped to 50.9. At that time New Orders, Production were expanding while Employment, Inventories were contracting and Vendor Deliveries were slowing. The local PMI seems to be tracking the National PMI trend.

When the PMI is above 50% the manufacturing economy is generally expanding, when it drops below the 50% mark, the economy is considered to be declining. A PMI over 43.9%, over a period of time, means the overall economy is generally expanding, and below 43.9%, it is generally declining.

PURCHASING MANAGERS' INDEX
FOR 2000-2007
SEASONALLY ADJUSTED



This Month, (Seasonally Adjusted)

	Index	Direction	Rate of change
Production	63.3	Increasing	Faster
New Orders	52.9	Increasing	Slower
Prices	69.6	Increasing	Slower
Inventories	47.1	Contracting	Faster
Employment	60.9	Increasing	Slower
Deliveries	58.3	Slowing	

Items in Short Supply

1. Power train/transmission items, hydraulic pumps and motors

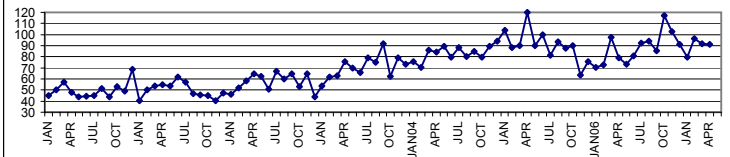
Comments from the survey respondents:

1. Seasonal business seems about normal but cooler and wet Spring is putting a damper on this year's busiest time.

PRODUCTION BUYING POLICY

The survey respondents are reporting the days-ahead commitments for production material is an average 91 days. Last month this average was 92 days.

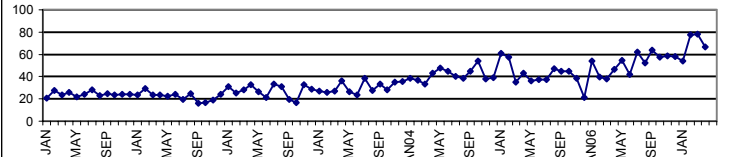
PRODUCTION BUYING POLICY



MRO BUYING POLICY

This month the respondents are reporting an average of 67 days ahead for MRO supplies. Last month the average was 78 days.

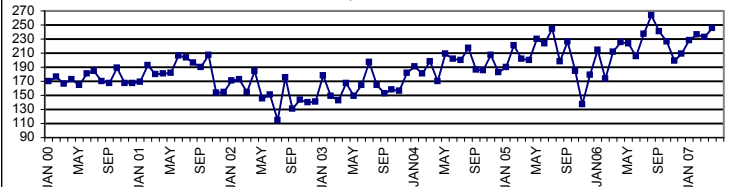
MRO BUY POLICY



CAPITAL EQUIPMENT BUYING POLICY

The local manufacturers are looking out 246 days and making commitments for capital equipment. Last month the average was 232 days.

CAPITAL EQUIP BUY POLICY

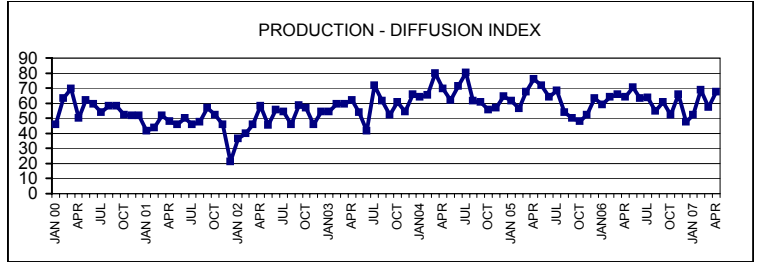


NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.
April 2007 Business Survey Monthly Comparison Report
Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr
Apr	43.5%	47.8%	8.7%	67.4	64.3
Mar	42.9%	28.6%	28.6%	57.1	65.9

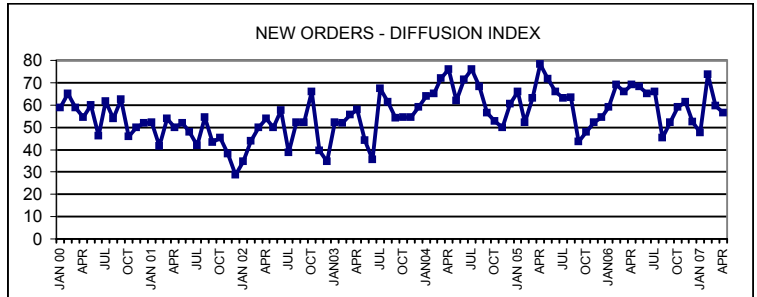
This month there was an increase of 10.3 points in the index. This was the result of an increase in the number of respondents reporting production was the same as last month. This change in the index reflects an expanding level of production at an increasing rate.



New Orders were reported:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	34.8%	43.5%	21.7%	56.5	69.0
Mar	47.6%	23.8%	28.6%	59.5	65.9

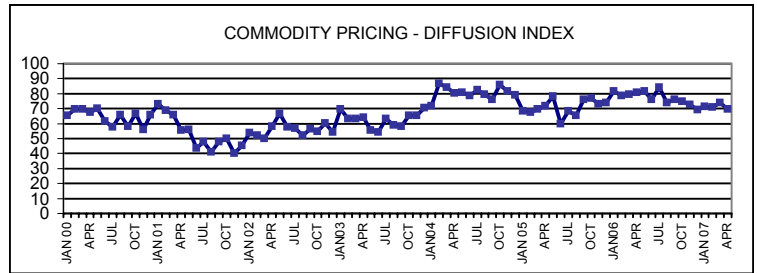
This month the New Order index indicates that the rate of incoming orders declined just 3.0 points. When compared to last month, this change does not indicate that business is on the decline. The index was influenced by an increase in the number reporting the same level as last month.



Commodity Prices are:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	43.5%	52.2%	4.3%	69.5	81.0
Mar	47.6%	52.4%	0.0%	73.8	79.5

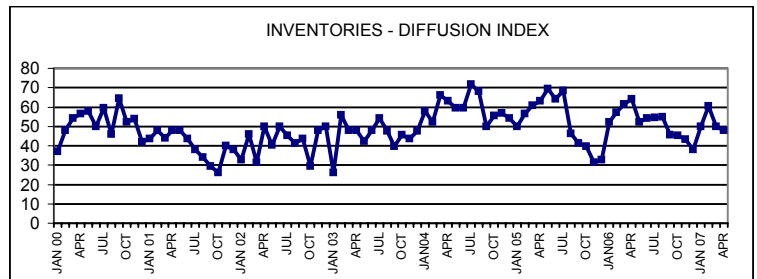
This month the survey respondents are reporting that prices are continuing to increase. The data does indicate that there was a slight decrease in those reporting higher prices and there was a small number of respondents reporting lower prices.



Inventories of purchase goods were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	21.7%	52.2%	26.1%	47.8	64.3
Mar	28.6%	42.9%	28.6%	50.0	61.4

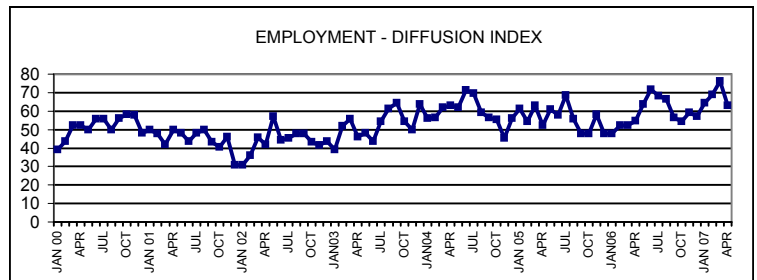
This month those reporting higher levels of purchased inventory decreased, and it contributed to the drop in the index. These declining inventories is also being reported on a national basis.



Employment levels were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	30.4%	65.2%	4.3%	63.0	54.8
Mar	57.1%	38.1	4.8%	76.2	52.3

This month the index is indicating that employment is continuing to grow but the rate of growth slowed, when compared to last month. A review of the data indicates that the majority of the survey respondents are experiencing steady employment.



Vendor deliveries were:

	SLOWER	SAME	FASTER	INDEX	LAST Yr.
Apr	26.1%	65.2%	8.7%	58.7	54.8
Mar	28.6%	66.7%	4.8%	61.9	68.2

This month the majority of the survey respondents are reporting that deliveries are running the same as last month. This month there was a slight increase in survey respondents reporting that deliveries were faster. Demand and factory capacity seems to be better matched.

