

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

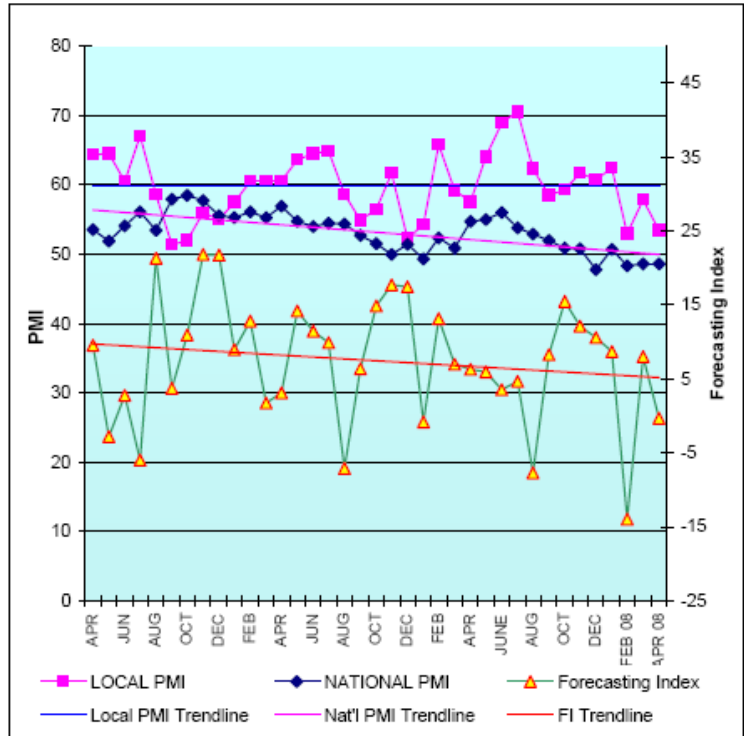
April 2008 Business Survey Monthly Comparison Report

Submitted by: Arthur Aramino, Chairman Business Survey Committee

The Purchasing Managers' Index

April posted a drop in most of the indicators, indicating a weaker manufacturing sector. The non-seasonally adjusted PMI came in at 55.8 and the seasonally adjusted PMI dropped to 53.4. It was refreshing to see a decrease, if only slightly, in the Commodity Prices index, but the drop in the other indices should cause manufacturers some concern as the trendlines in both the National PMI and the Forecasting Index are headed downward. The Production Index dropped 9.4 points and the New Orders Index dipped 2.6 points. Vendor Deliveries continue to slow but at a slower rate, which generally indicates weakening customer demand. The Forecasting Index, which is the difference between New Orders and Inventories, decreased from 8.0 to -0.4, which tends to indicate corrections ahead.

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 contracting. A PMI over 41.9%, over a period of time, means the overall economy is generally expanding, and below 41.9%, it is generally declining.



This Month. (Seasonally Adjusted)

	Index	Direction	Rate of change
Production	46.3	Contracting	From Growing
New Orders	51.4	Growing	Slower
Prices	84.2	Increasing	Slower
Inventories	51.7	Growing	From Contracting
Employment	57.3	Growing	Slower
Deliveries	60.5	Slowing	Slower
Mfg Sector	53.4	Growing	Slower

Items in Short Supply

Hydraulic drive motors

Comments from the survey respondents:

"Since the value of our dollar has decreased, looking for cost savings is very tough."

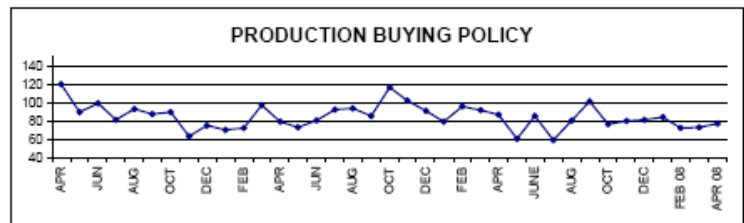
"Business has slowed."

"Scrap surcharges and fuel surcharges on the rise."

"Sales are holding equal to 2007. Backlog is sinking to lowest level for this time of year. Users are waiting until the last moment to buy."

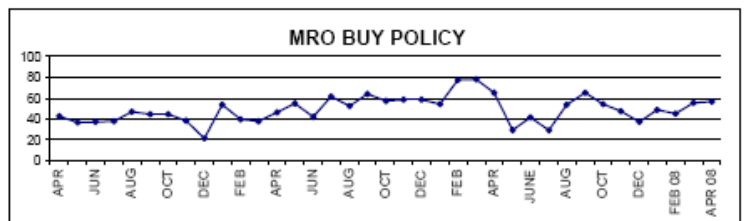
PRODUCTION BUYING POLICY

The survey respondents are reporting the days-ahead commitments for production material is an average 77 days. Last month this average was 73 days.



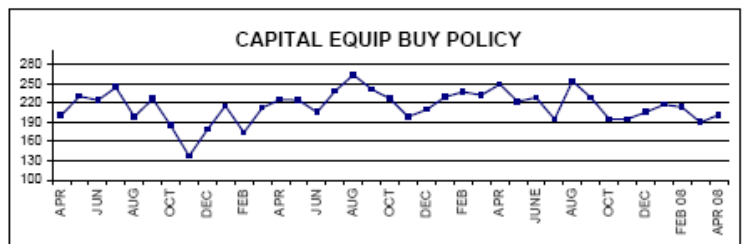
MRO BUYING POLICY

This month the respondents are reporting an average of 57 days ahead for MRO supplies. Last month the average was 55 days.



CAPITAL EQUIPMENT BUYING POLICY

The local manufacturers are looking out 202 days and making commitments for capital equipment. Last month the average was 189 days.

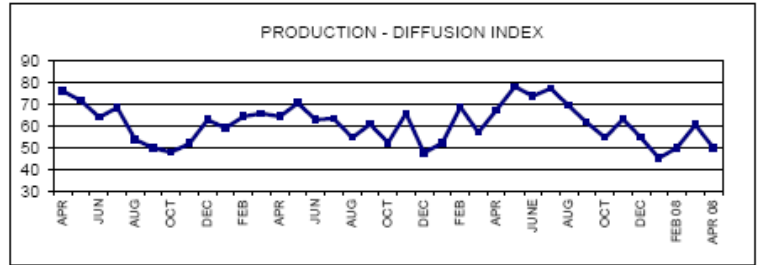


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Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	26.3%	47.4%	26.3%	50.0	67.4
Mar	31.6%	57.9%	10.5%	60.6	57.1

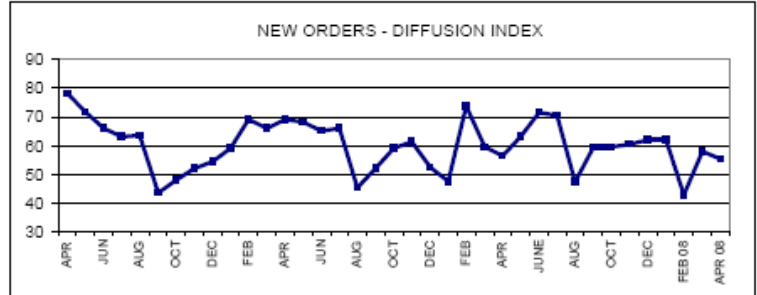
The Production Index lost all of its March gains with an equal number of respondents reporting higher and lower production levels.



New Orders were reported:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	31.6%	47.4%	21.1%	55.3	56.6
Mar	31.6%	52.6%	15.8%	57.9	59.5

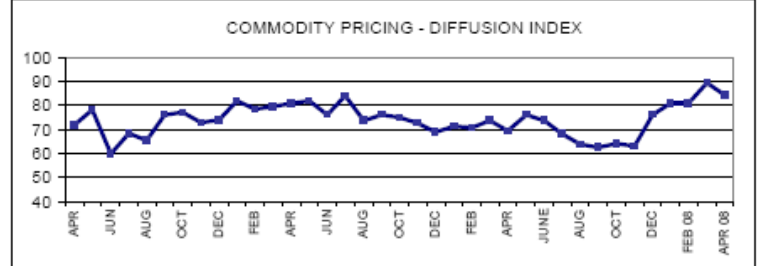
The New Order index finished about where it did last year at this time. An increased number of respondents reported lower levels of New Orders while the number reporting higher levels remained the same.



Commodity Prices are:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	73.7%	21.1%	5.3%	84.2	69.6
Mar	78.9%	21.1%	0.0%	89.5	73.8

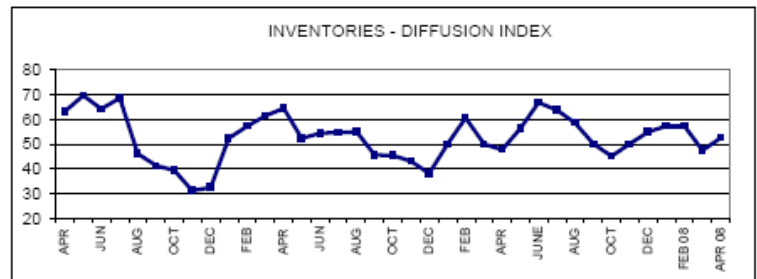
The Commodity Price index dipped 5.3 points from its March high, the difference being 5.3% of the respondents actually reported lower prices.



Inventories of purchase goods were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	31.6%	42.1%	26.3%	52.7	47.8
Mar	31.6%	31.6%	36.8%	47.4	50.0

The Inventories Index climbed 5.3 points as manufacturers seemed to have reacted to the increase in New Orders and higher production in March by keeping inventories slightly higher.



Employment levels were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	31.6%	42.1%	26.3%	60.6	63.1
Mar	42.1%	47.4%	10.5%	65.8	76.2

The Employment Level Index dropped off 5.2 points which seems to be in keeping with lower production levels.



Vendor deliveries were:

	SLOWER	SAME	FASTER	INDEX	LAST Yr.
Apr	21.05%	78.95%	0.0%	60.5	58.7
Mar	31.6%	68.4%	0.0%	65.8	61.9

A large percentage of respondents reported Vendor Deliveries remained the same as in March, causing the index to fall 5.3 points. A reading above 50.0 indicates slower deliveries and longer lead times, generally due to higher customer demand.

