

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

March 2008 Business Survey Monthly Comparison Report

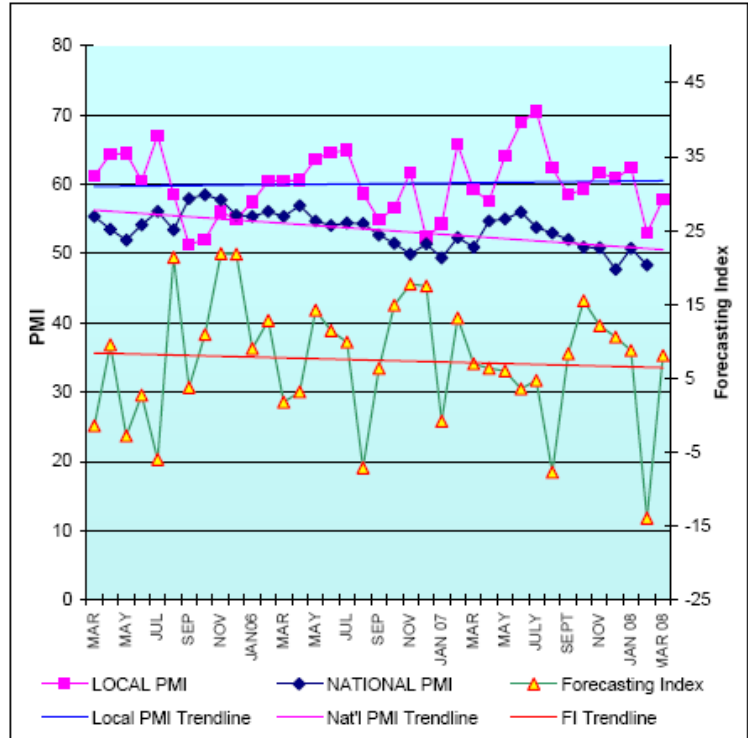
Submitted by: Arthur Aramino, Chairman Business Survey Committee

The Purchasing Managers' Index

After a disappointing February, the PMI bounced back to near its January level. The non-seasonally adjusted PMI came in at 59.5 and the seasonally adjusted PMI reached 57.8. The only index that decreased in March was the Inventories index which dropped nearly 10 points to 47.4. The large difference between the New Orders Index and the Inventories Index drove the Forecasting Index up to 8 from a -14 in February, indicating inventories are back in line with the level of new orders.

The Production Index rose 10.5 points while the New Orders Index jumped 15. Commodity Prices continue to increase with the index hitting an all-time high since 1997. The Employment Index rose 8.6 points while Vendor Deliveries continue to slow at a faster rate, which generally indicates higher customer demand.

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	59.0	Growing	From Neutral
New Orders	53.8	Growing	From Contracting
Prices	89.5	Increasing	Faster
Inventories	45.8	Contracting	From Growing
Employment	64.8	Growing	Faster
Deliveries	65.9	Slowing	Faster
Mfg Sector	57.8	Growing	Faster

Items in Short Supply

"Steel of certain sizes."

Comments from the survey respondents:

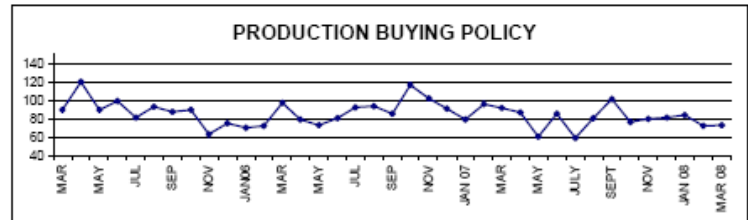
"Metal prices continue to increase."

"Aluminum and steel prices have gone up considerably."

"Negative business news has put caution equipment buyer's and dealer's mind. Backlog is getting worked down."

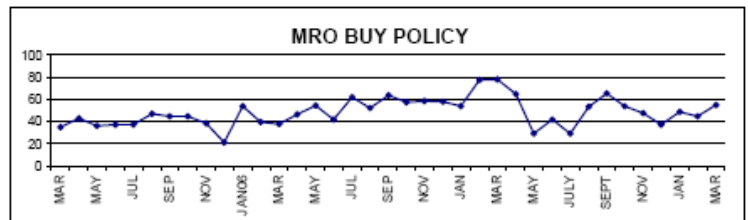
PRODUCTION BUYING POLICY

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



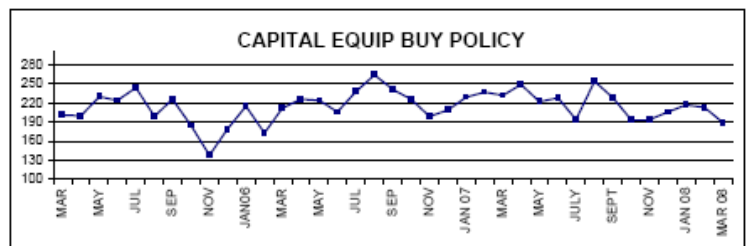
MRO BUYING POLICY

This month the respondents are reporting an average of 55 days ahead for MRO supplies. Last month the average was 45 days.



CAPITAL EQUIPMENT BUYING POLICY

The local manufacturers are looking out 189 days and making commitments for capital equipment. Last month the average was 217 days.

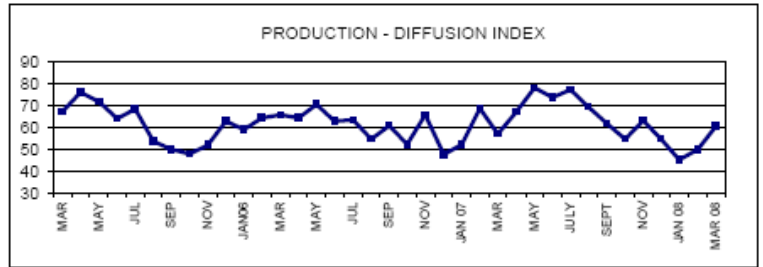


NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.
March 2008 Business Survey Monthly Comparison Report
Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Mar	31.6%	57.9%	10.5%	60.6	57.1
Feb	28.6%	42.9%	28.6%	50.1	68.1

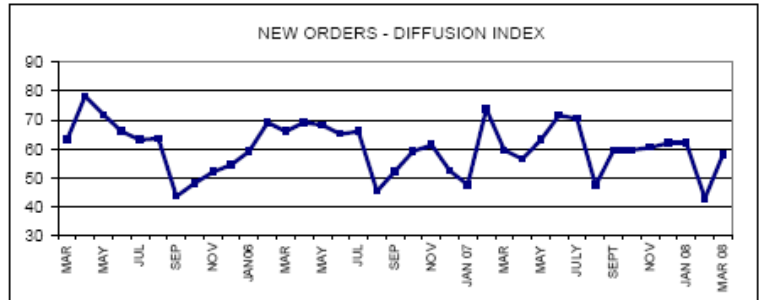
The Production Index gained 10.5 points over February with only 10.5% of the respondents reporting lower production levels.



New Orders were reported:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Mar	31.6%	52.6%	15.8%	57.9	59.5
Feb	23.8%	38.1%	38.1%	42.9	73.8

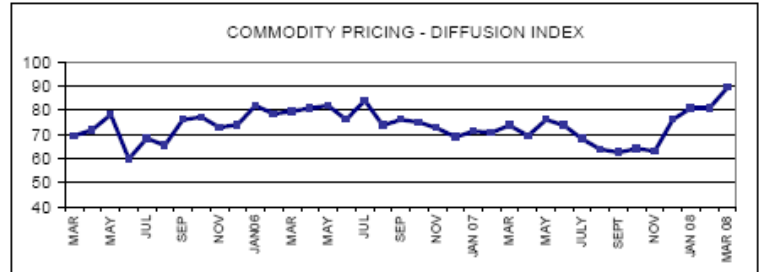
The New Order index gained back much of the ground it lost in February, increasing by 15 points. Over 84% of the respondents report the same or more new orders compared to February.



Commodity Prices are:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Mar	78.9%	21.1%	0.0%	89.5	73.8
Feb	66.7%	28.6%	4.8%	81.0	70.8

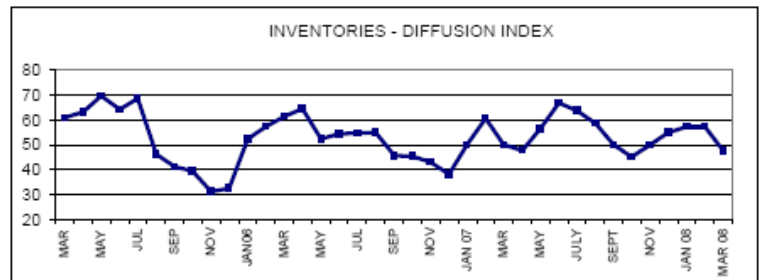
So much for hoping prices peaked. The Commodity Price index hit the highest mark since we started tracking in 1997. The previous high was 87.0 reached in February 2004 when gasoline prices were peaking through \$1.60/gal on their way to \$2.00/gal which was reached in May 2004.



Inventories of purchase goods were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Mar	31.6%	31.6%	36.8%	47.4	50.0
Feb	33.3%	47.6%	19.0%	57.2	60.4

The Inventories Index dropped nearly 10 points as manufacturers adjusted for the drop in new orders and production the prior month.



Employment levels were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Mar	42.1%	47.4%	10.5%	65.8	76.2
Feb	23.8%	66.7%	9.5%	57.2	68.8

The Employment Level Index rose 8.6 points to keep pace with the increase in production.



Vendor deliveries were:

	SLOWER	SAME	FASTER	INDEX	LAST Yr.
Mar	31.6%	68.4%	0.0%	65.8	61.9
Feb	23.8%	76.2%	0.0%	61.9	56.3

Vendor deliveries continue to slow, but at a faster rate as the index increased 3.9 points from February. A reading above 50.0 indicates slower deliveries and longer lead times, generally due to higher customer demand.

