

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

Jun 2009 Business Survey Monthly Comparison Report

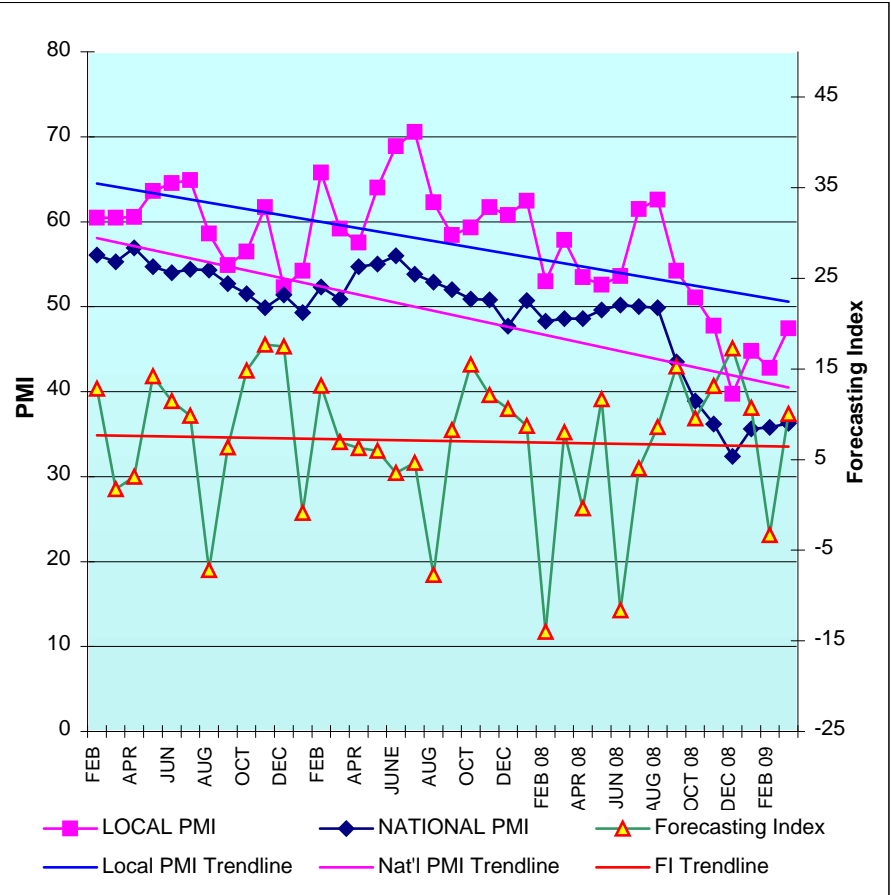
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The PMI Index

Over the past 2 months we have seen a divergence between the Western New York manufacturing sector PMI and the national index. While the local PMI has declined 3 consecutive months, the national index has climbed. Both local and national indexes still indicate the economic activity continues to contract. However, the rate of contraction locally is increasing while the rate nationally is slowing.

The non-seasonally adjusted (NSA) PMI for the local manufacturing sector was at 39.5%, a decrease of 2.2 points from May. The seasonally adjusted (SA) index was 38.3%, a decline of 1.7 points since May and 9.1 points since turning downward in March. In contrast, the national SA index has climbed 12.4% since turning upward in January. Historically, these divergences have lasted 1 or 2 months before reversing. Nationally, manufacturing saw growth in Production, but New Orders fell slightly from 51.1 to 49.2.

The national PMI is in its 17th consecutive month of contraction, which equals the last period of prolonged contraction from Aug 2000 through January 2002. Looking at past performance, the period of contraction of the local manufacturing sector matched the national, and recovery lagged the national by 6 months



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Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr
Jun	16.7%	55.5%	27.8%	44.5	55.6
May	27.8%	44.4%	27.8%	50.0	60.5

The Production Index fell 5.5%, the second consecutive month of decline.

