

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

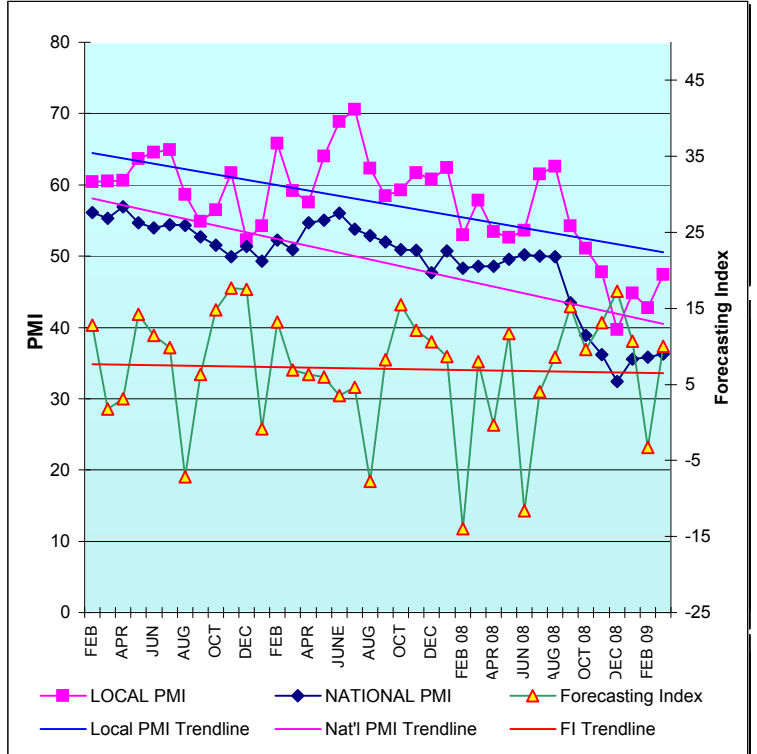
April 2009 Business Survey Monthly Comparison Report

Submitted by: Arthur Aramino, Chairman Business Survey Committee

The PMI Index

The Western New York manufacturing sector continued to contract at a slightly faster pace than in March. The non-seasonally adjusted index finished down 0.6% to 47.7% and the seasonally adjusted index slid 1.8% to 45.6%. Although non-seasonally adjusted Production levels remained unchanged, the seasonally adjusted levels declined, indicating manufacturers did not get as high a seasonal boost as normal. The decline in New Orders quickened in April as the decline in Commodity Prices slowed. Employment also contracted at a faster rate which, when taken with the other indices, indicates we are still entrenched in the recession. However, a modest decline is not unusual in the normal course of business, and the WNY manufacturing sector has stair-stepped its way upward since December.

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 41.2%, over a period of time, means the overall economy is generally expanding. According to the Institute for Supply Management (ISM), if the national PMI for March (35.9%) is annualized, it corresponds to a 1.6% decline in real GDP annually.



This Month, (Seasonally Adjusted)

	Index	Direction	Rate of change
Production	51.9	Expanding	Slower
New Orders	38.1	Contracting	Faster
Prices	44.2	Contracting	Slower
Inventories	42.9	Contracting	Slower
Employment	44.9	Contracting	Faster
Deliveries	50.0	Neutral	From Slower
Mfg Sector	45.6	Contracting	Faster

Items in Short Supply

49 – 100 hp diesel engines.

Comments from the survey respondents:

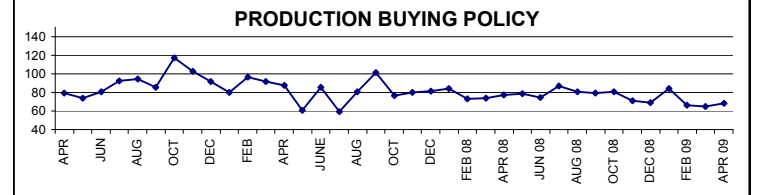
“Business is holding.”

“Good to be busy!”

“Underlying economy is still stuck at low activity levels when compared to prior years. We have experienced a seasonal upswing in sales, but it seems to be at a lower level than in prior years as well.”

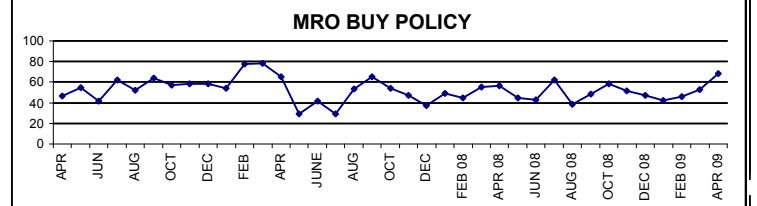
PRODUCTION BUYING POLICY

The survey respondents are reporting the days-ahead commitments for production material is an average 68 days. Last month this average was 65 days.



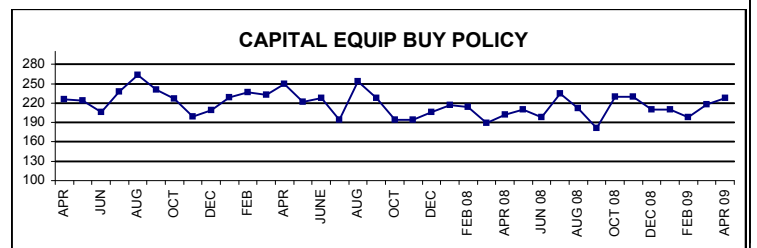
MRO BUYING POLICY

This month the respondents are reporting an average of 68 days ahead for MRO supplies. Last month the average was 53 days.



CAPITAL EQUIPMENT BUYING POLICY

The local manufacturers are looking out 228 days and making commitments for capital equipment. Last month the average was 218 days.



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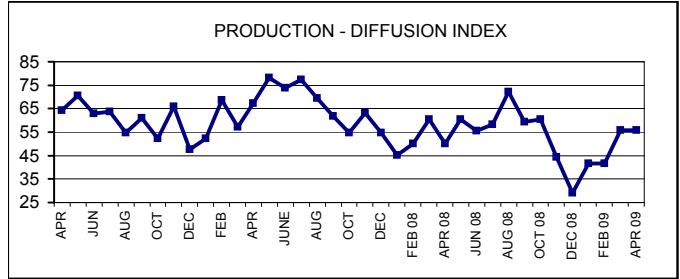
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Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr
Apr	41.2%	29.4%	29.4%	55.9	50.0
Mar	35.3%	41.2%	23.5%	55.9	60.6

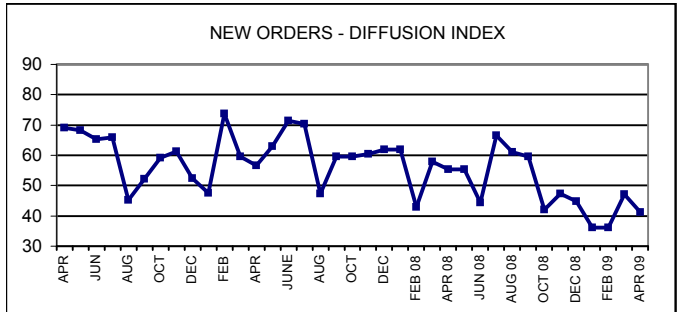
The Production Index was unchanged from March, but 5.9% higher than the same time last year. 5.9% of the respondents reported higher Production levels than in March which was offset exactly by the number reporting lower levels.



New Orders were reported:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	23.5%	35.3%	41.2%	41.2	55.3
Mar	29.4%	35.3%	35.3%	47.1	57.9

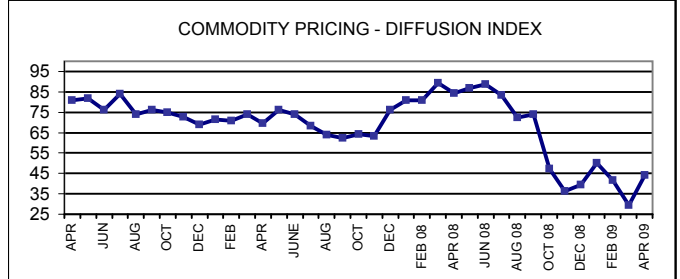
The New Order index fell 5.9% indicating a faster rate of contraction compared to March and to March 2008.



Commodity Prices are:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	5.9%	76.5%	17.6%	44.2	84.2
Mar	0.0%	58.8%	41.2%	29.4	89.5

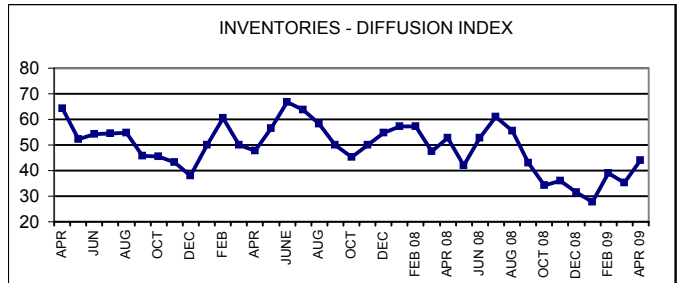
The Commodity Price index rose 14.8% from March's low of 29.4. Prices continue to contract, but at a slower pace.



Inventories of purchased goods were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	23.5%	41.2%	35.3%	44.1	52.7
Mar	11.8%	47.0%	41.2%	35.3	47.4

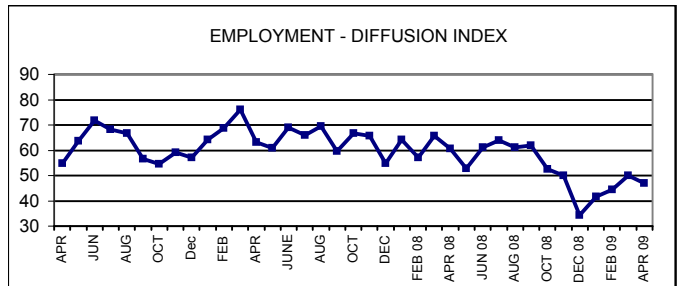
The Inventories Index increased 5.9 points as production levels continue to grow.



Employment levels were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Apr	29.4%	35.3%	35.3%	47.5	60.6
Mar	17.7%	64.7%	17.7%	50.0	65.8

The Employment Level Index slipped 2.5% from neutral to contracting.



Vendor deliveries were:

	SLOWER	SAME	FASTER	INDEX	LAST Yr.
Apr	11.8%	76.5%	11.8%	50.1	60.5
Mar	11.8%	82.4%	5.9%	53.0	65.8

The Vendor Deliveries Index fell 2.9% indicating deliveries are neither speeding up or slowing down.

