

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

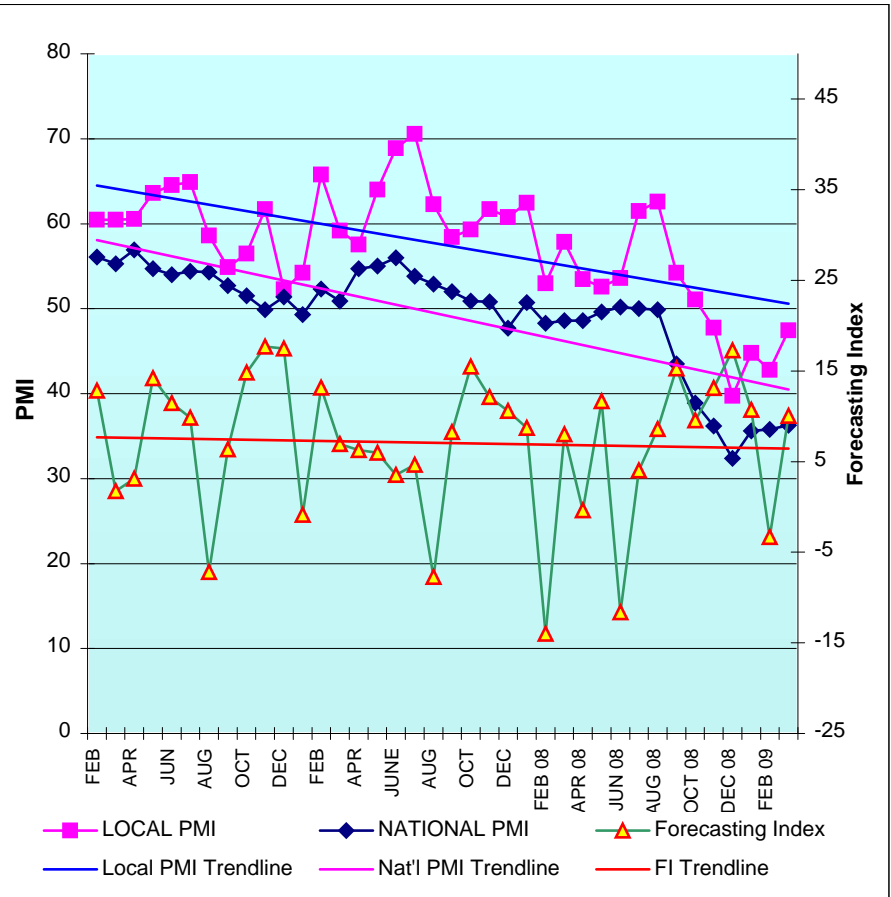
August 2009 Business Survey Monthly Comparison Report

Submitted by: Arthur Aramino, Chairman Business Survey Committee

The PMI Index

The local PMI indices moved into “expansion” territory for the first time since September 2008. The non-seasonally (NSA) adjusted PMI was up 9.4% to 55.3 while the seasonally adjusted (SA) PMI climbed to 54.9, primarily on the strength of increases in both production and new orders. Whether this “bump” means the local economy will continue to expand, or that its ties to the automobile industry caused a spike from the “cash for clunkers” program and will again decline when the program ends, remains to be seen. Even if we see a retreat in September, the trend since the beginning of 2009 has been improving. However, increasing commodity prices may dampen the rate of improvement a bit. The increase in production resulted in an increase in the Employment Index to middle ground. The index has been below 50 and contracting since last November.

The national PMI was at 48.9% in July. A PMI in excess of 41.2%, over a period of time, generally indicates an expansion of the overall economy, even if the manufacturing sector is contracting. According to the Institute for Supply Management, if the July PMI of 48.9% is annualized, it corresponds to a 2.4% increase in real GDP annually.

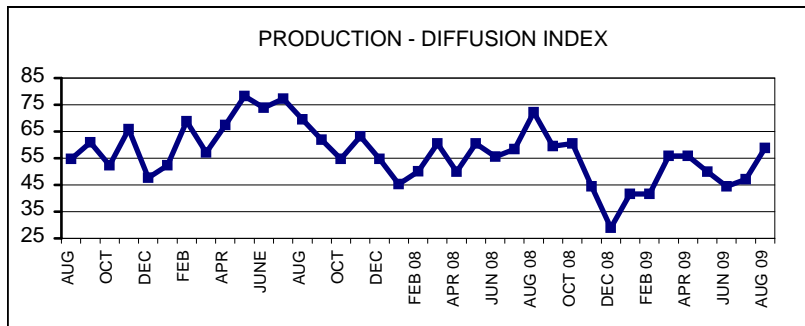


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Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr
Aug	35.3%	47.1%	17.6%	58.9	72.2
Jul	29.4%	35.3%	35.3%	47.1	58.4

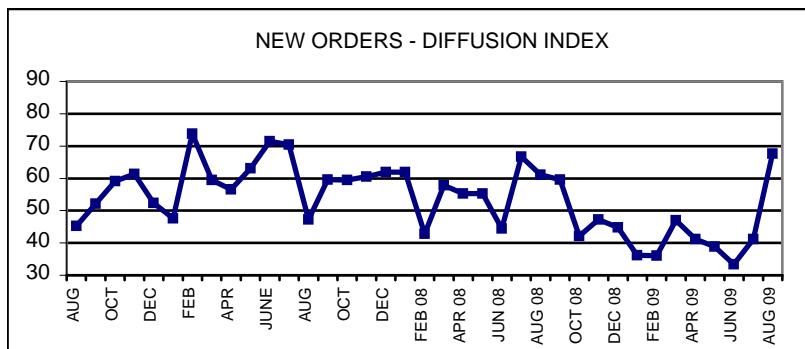
The Production Index rose 11.8% to move above 50 for the first time since September 2008.



New Orders were reported:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Aug	47.1%	41.2%	11.7%	67.7	61.1
Jul	29.4%	23.5%	47.1%	41.2	66.7

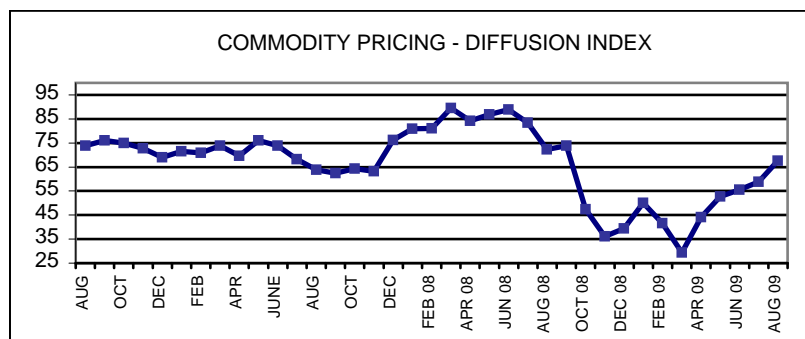
The New Order index made a dramatic rise to 67.7, up 26.5 points from July.



Commodity Prices are:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Aug	41.2%	52.9%	5.9%	67.7	72.3
Jul	29.4%	58.8%	11.8%	58.8	83.4

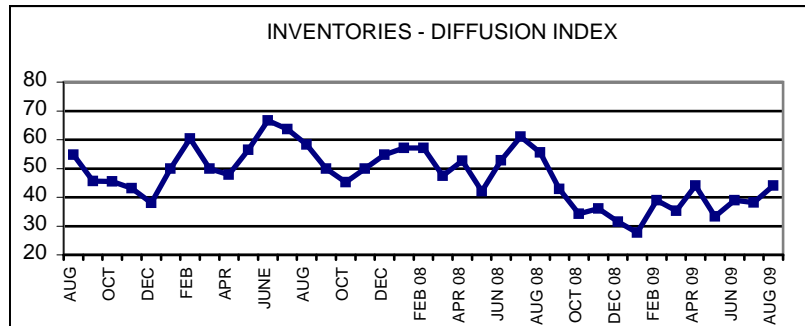
Prices continue to rise at a faster pace as the Commodity Prices index rose 8.9% in August.



Inventories of purchased goods were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Aug	23.5%	41.2%	35.3%	44.1	55.6
Jul	17.6%	41.2%	41.2%	38.2	61.1

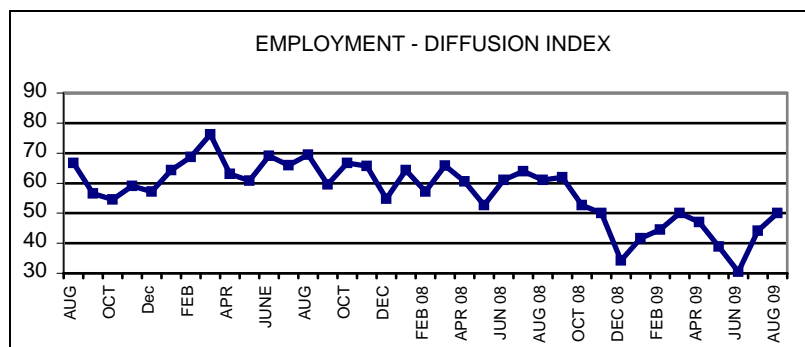
The Inventories Index increased 5.9%, indicating inventories are contracting at a slower rate.



Employment levels were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
Aug	23.5%	53.0%	23.5%	50.0	61.1
Jul	17.7%	52.9%	29.4%	44.2	63.9

The Employment Level Index moved up 5.8 points to 50.0, indicating employment is neither expanding nor contracting.



Vendor deliveries were:

	SLOWER	SAME	FASTER	INDEX	LAST Yr.
Aug	17.6%	76.5%	5.9%	55.9	61.2
Jul	17.6%	82.4%	0.0%	58.8	55.6

The Vendor Deliveries Index lost 2.9% as 5.9% of the respondents indicated faster deliveries in August compared to July.

