

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT-BUFFALO INC.

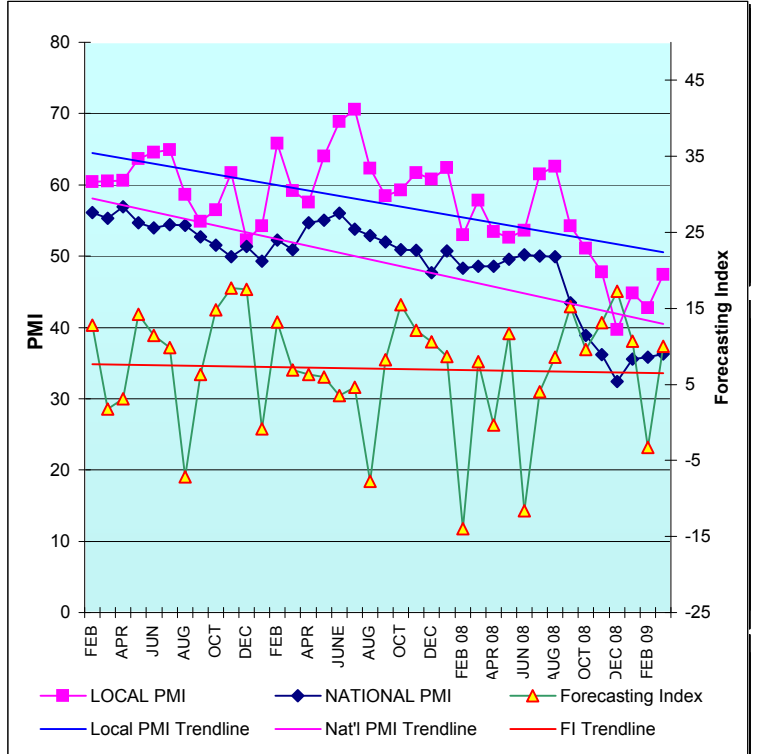
May 2009 Business Survey Monthly Comparison Report

Submitted by: Arthur Aramino, Chairman Business Survey Committee

The PMI Index

The Western New York manufacturing sector continues to contract with both the non-seasonally adjusted (NSA) and seasonally adjusted (SA) indices reaching their lowest point since June 2003. The NSA index finished down 6% to 41.7% and the SA index fell 5.6% to 40.0%. The Commodity Prices Index is the only index that finished higher than its April level, and higher prices will certainly not help the manufacturing sector recover. The continued decline in New Orders is forcing some manufacturers to minimize production and sell their current inventories of finished goods as they try to weather the storm. A third of the respondents reported lower employment levels as a result. Many of the respondents are tied to the auto and building industries, and until those industries turn around, WNY will likely continue to experience contraction in the manufacturing sector.

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.



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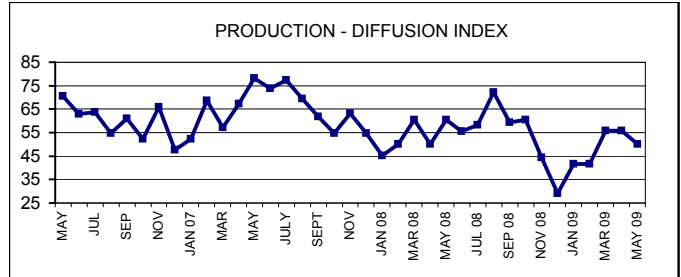
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Not Seasonally Adjusted

The Production level was:

	HIGHER	SAME	LOWER	INDEX	LAST Yr
May	27.8%	44.4%	27.8%	50.0	60.5
Apr	41.2%	29.4%	29.4%	55.9	50.0

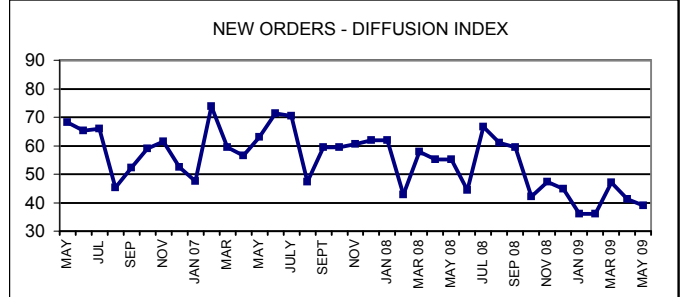
The Production Index fell 5.9% following April's drop in the New Orders index.



New Orders were reported:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
May	22.2%	33.3%	44.4%	38.9	55.3
Apr	23.5%	35.3%	41.2%	41.2	55.3

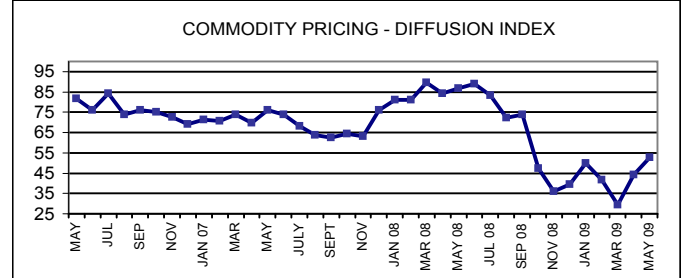
The New Order index declined another 2.3% in May as demand continues to weaken.



Commodity Prices are:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
May	11.1%	83.3%	5.6%	52.8	86.8
Apr	5.9%	76.5%	17.6%	44.2	84.2

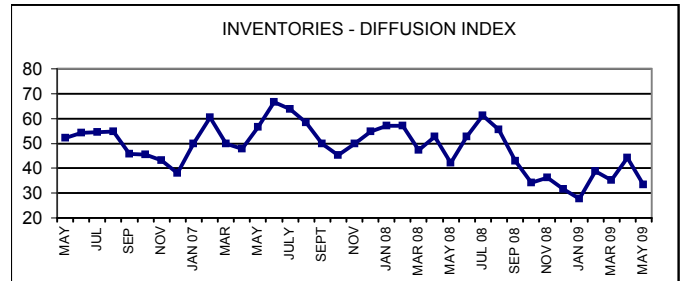
The Commodity Price index rose 8.6% this month, ending a period of contraction that began last October.



Inventories of purchased goods were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
May	11.1%	44.5%	44.4%	33.4	42.1
Apr	23.5%	41.2%	35.3%	44.1	52.7

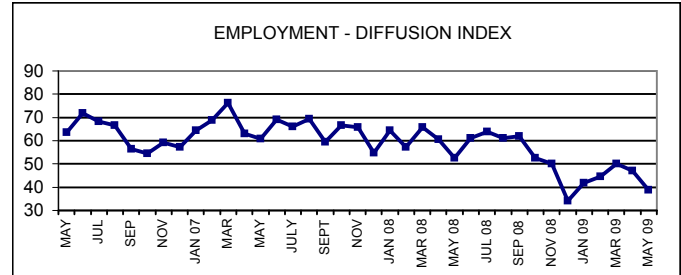
The Inventories Index fell 10.9% as manufacturers continue to experience lower order levels resulting in decreased production.



Employment levels were:

	HIGHER	SAME	LOWER	INDEX	LAST Yr.
May	11.1%	55.6%	33.3%	38.9	52.7
Apr	29.4%	35.3%	35.3%	47.5	60.6

The Employment Level Index declined 8.6% due to the decline in production.



Vendor deliveries were:

	SLOWER	SAME	FASTER	INDEX	LAST Yr.
May	11.1%	72.2%	16.7%	47.2	60.5
Apr	11.8%	76.5%	11.8%	50.1	60.5

The Vendor Deliveries Index fell 2.9% to 47.2 indicating deliveries are speeding up. This is the first time the index has dipped below 50 since December 2006.

