

## The NAPM - Metro Detroit Purchasing Managers index expanding 60.4

**Detroit Index:** After declining in September, the October Index moved up to 60.4. Gains were driven by production, new orders, and modest employment growth.

**Employment:** Employment was modestly stronger in October, indicating some gains at 50.5.

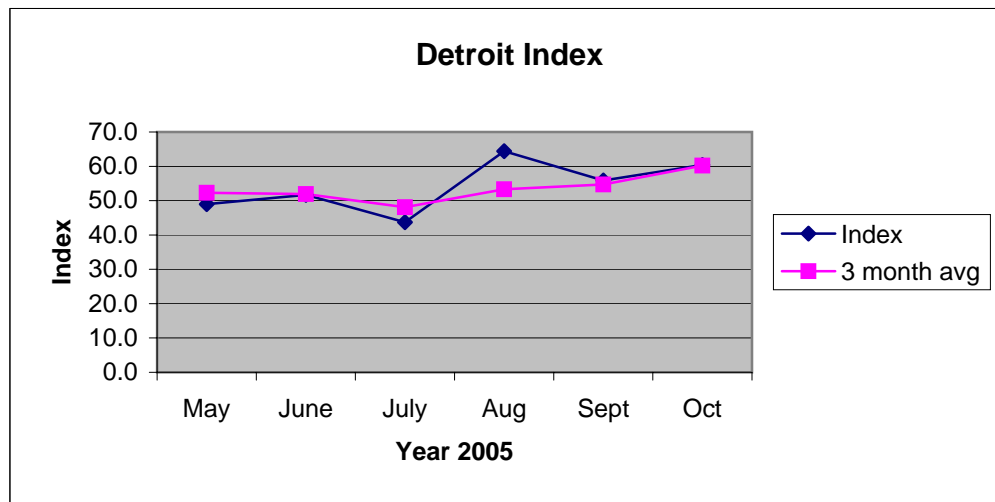
**Production:** Production moved ahead from September, with the October index at 66.2

**New Orders:** Orders moved up from September, and have indicated expansion for the past three months.

**Prices:** The Index for prices hit a record high(82.4), since the NAPM-Detroit Index was revised in September 2004.

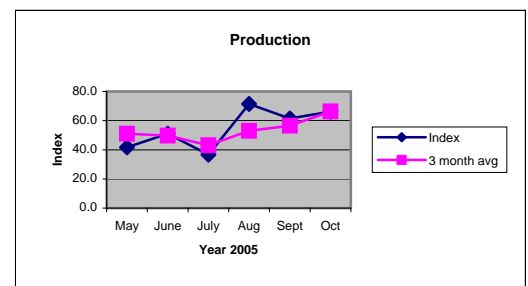
**Commodities up/down in price:** It appears that price pressures are being felt in a wider range of products. One respondent indicated that "everything across the board is rising between 5% and 10%." Specific products cited include: plastics, resins, packaging material, natural gas, fuel, steel, copper, brass, petrochemical derivatives, PVC, sugar, acrylics, aluminum, adhesives, paint, and fuel surcharges.

**Hurricane Impacts:** Respondents indicate that the impact of this season's hurricanes have adversely impacted the supply chain in Michigan. Some firm's report higher inventories of finished goods, due to the inability to ship to customers in the Gulf Coast. Some report slower supply lines. Decimated resin production in the Gulf region, resulting in modified production schedules. Shortages of some building supplies were reported.



Next Release  
**1 December 2005**

Detroit Index		2005					
		May	June	July	Aug	Sept	Oct
Index		49.0	51.7	43.7	64.4	55.9	60.4
Index	3 month average	52.3	51.9	48.1	53.3	54.7	60.2

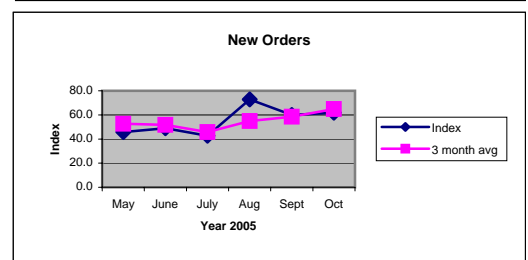


Production		2005					
		May	June	July	Aug	Sept	Oct
	Higher	25.0	33.0	22.0	57.0	43.0	47.1
	Same	33.0	37.0	29.0	29.0	37.0	38.2
	Lower	42.0	31.0	49.0	14.0	20.0	14.7
Index		41.7	51.0	36.6	71.4	61.4	66.2
Index	3 month average	51.0	49.7	43.1	53.0	56.5	66.3

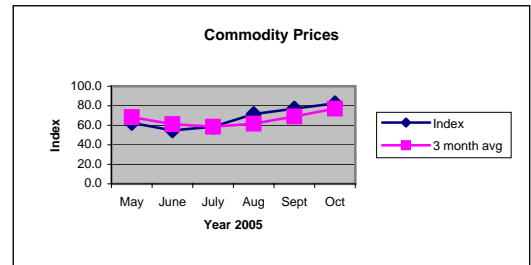
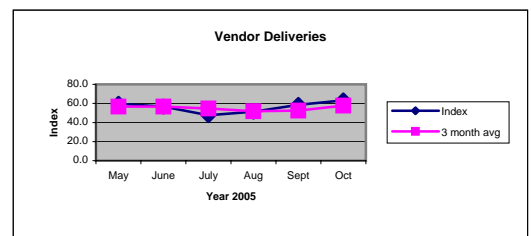
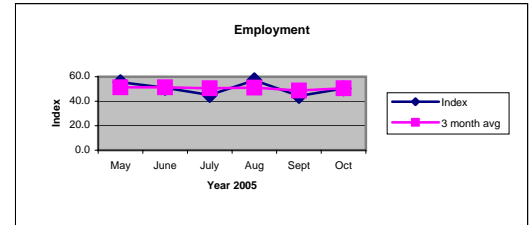
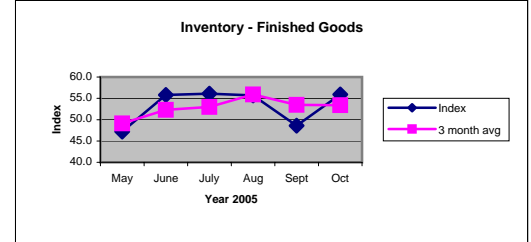
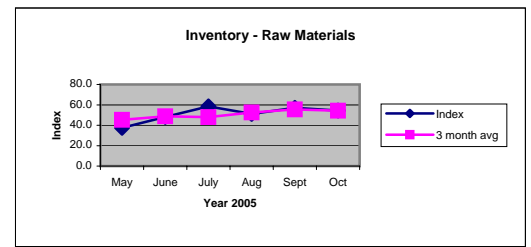
### Production still growing

New Orders		2005					
		May	June	July	Aug	Sept	Oct
	Higher	28.0	31.0	27.0	60.0	46.0	38.2
	Same	36.0	37.0	32.0	26.0	29.0	47.0
	Lower	36.0	33.0	41.0	14.0	26.0	11.9
Index		45.8	49.0	42.7	72.9	60.0	61.8
Index	3 month average	52.7	51.8	45.8	54.9	58.5	64.9

### New orders growing



Inventory - Raw Materials		2005					
		May	June	July	Aug	Sept	Oct
	Higher	14.0	17.0	32.0	34.0	37.0	26.0
	Same	47.0	62.0	54.0	34.0	40.0	56.0
	Lower	39.0	21.0	15.0	31.0	23.0	18.0
<b>Index</b>		37.5	48.1	58.5	51.2	57.1	54.4
<b>Index</b>	3 month average	45.3	48.8	48.0	52.6	55.6	54.2
<b>Raw materials inventory expands</b>							
Inventory - Finished Goods		2005					
		May	June	July	Aug	Sept	Oct
	Higher	19.0	23.0	29.0	31.0	20.0	24.0
	Same	56.0	65.0	54.0	49.0	57.0	65.0
	Lower	25.0	12.0	17.0	20.0	23.0	12.0
<b>Index</b>		47.2	55.8	56.1	55.7	48.6	55.9
<b>Index</b>	3 month average	49.1	52.3	53.0	55.9	53.5	53.4
<b>Finished goods inventory expanding</b>							
Employment		2005					
		May	June	July	Aug	Sept	Oct
	Higher	22.0	13.0	15.0	23.0	14.0	21.0
	Same	67.0	75.0	61.0	69.0	60.0	59.0
	Lower	11.0	12.0	24.0	9.0	26.0	21.0
<b>Index</b>		55.6	51.0	45.1	57.1	44.3	50.5
<b>Index</b>	3 month average	51.4	51.4	50.6	51.1	48.8	50.6
<b>Employment shows modest growth</b>							
Vendor Deliveries		2005					
		May	June	July	Aug	Sept	Oct
	Faster	8.0	4.0	17.0	20.0	9.0	9.0
	Same	64.0	79.0	71.0	57.0	66.0	56.0
	Slower	28.0	17.0	12.0	23.0	26.0	35.0
<b>Index</b>		59.7	56.7	47.6	51.4	58.6	63.2
<b>Index</b>	3 month average	56.7	56.7	54.7	51.9	52.5	57.7
<b>Vendors are slower</b>							
Commodity Prices		2005					
		May	June	July	Aug	Sept	Oct
	Higher	36.0	31.0	32.0	51.0	57.0	71.0
	Same	53.0	48.0	54.0	40.0	40.0	24.0
	Lower	11.0	21.0	15.0	9.0	3.0	6.0
<b>Index</b>		62.5	54.8	58.5	71.4	77.1	82.4
<b>Index</b>	3 month average	68.3	61.2	58.6	61.6	69.0	77.0
<b>Prices are up sharply from September</b>							



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