

The NAPM - Metro Detroit Purchasing Managers index 43.7

Detroit Index: Lower production, fewer new orders, higher inventories, shrinking employment, and faster vendor deliveries move index down in July

Employment: Drops back from June, employment is falling at 45.1.

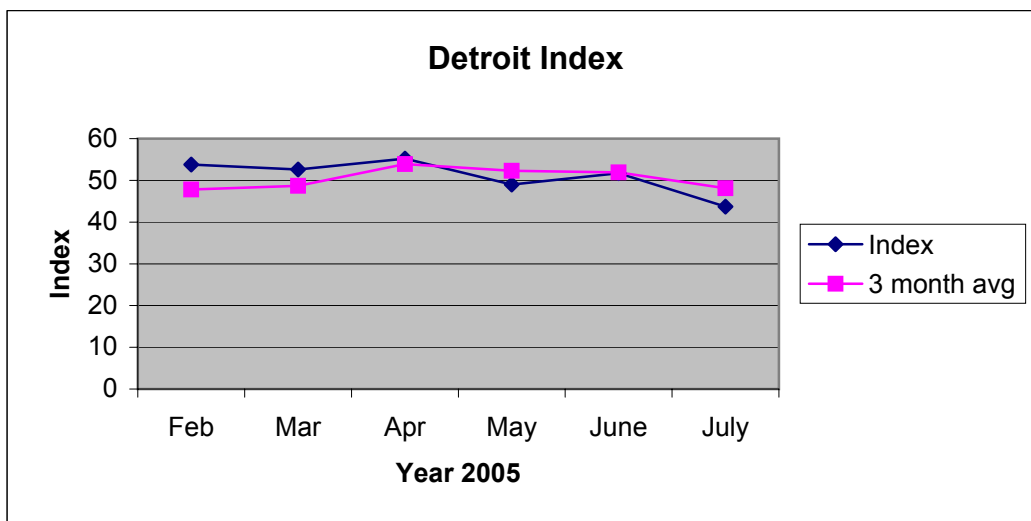
Production: Falls from June, and is contracting at 36.6.

New Orders: Soften in July and falls to 42.7.

Inventories: Finished goods and raw materials expand in July.

Commodities up/down in price: Several reporters cite lower steel prices. Price increases for petroleum based chemicals "continue to rise out of control", as do: plastics, greases, fuel, resins, copper, zinc die castings, manufactured wire, aluminum, electricity and stainless steel. Few items are cited as being in short supply.

Comments from Respondents: One respondent noted declining orders from the automotive sector, relative to a year ago. Downward price pressure in the consumer market is leading to similar pressures on suppliers. Rising domestic prices have forced some to shop overseas. Steel and resin prices are noted to have an impact on a broad array of purchasing functions. Concerns were raised over the unlinking of the Chinese yuan to the dollar. These forces are creating a growing inflationary bias.



Next Release
1 September 2005

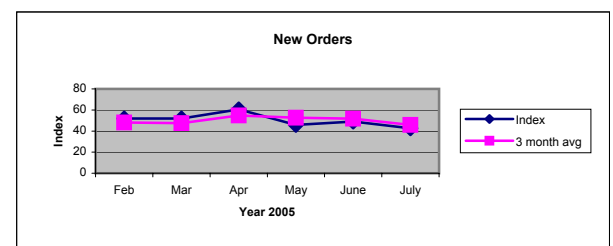
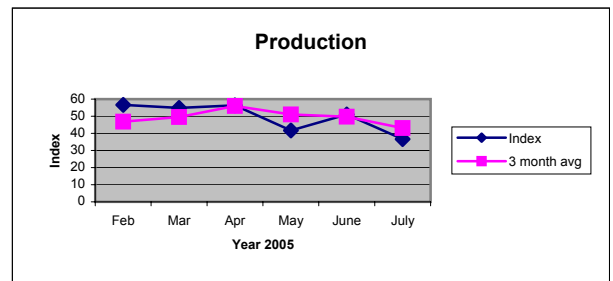
Detroit Index		Feb	Mar	Apr	May	June	July
Index		53.8	52.6	55.2	49.0	51.7	43.7
Index	3 month average	47.8	48.7	53.9	52.3	51.9	48.1

Production		Feb	Mar	Apr	May	June	July
	Higher	38	37	38	25	33	22
	Same	38	35	36	33	37	29
	Lower	25	27	26	42	31	49
Index		56.6	54.9	56.4	41.7	51	36.6
Index	3 month average	46.8	49.5	56	51	49.7	43.1

Production falls in July

New Orders		Feb	Mar	Apr	May	June	July
	Higher	26	29	42	28	31	27
	Same	51	46	37	36	37	32
	Lower	23	25	21	36	33	41
Index		51.9	51.9	60.5	45.8	49	42.7
Index	3 month average	48.1	47.5	54.8	52.7	51.8	45.8

New orders falling



Inventory - Raw Materials		Feb	Mar	Apr	May	June	July
	Higher	19	19	23	14	17	32
	Same	60	48	65	47	62	54
	Lower	21	33	13	39	21	15
Index		49.1	43.3	55	37.5	48.1	58.5
Index	3 month average	43.7	44.2	49.1	45.3	48.8	48

Raw materials' inventories expand in July

Inventory - Finished Goods		Feb	Mar	Apr	May	June	July
	Higher	21	21	25	19	23	29
	Same	72	50	58	56	65	54
	Lower	8	29	18	25	12	17
Index		56.6	46.2	53.8	47.2	55.8	56.1
Index	3 month average	50.5	51.4	52.2	49.1	52.3	53

Finished goods inventories grow

Employment		Feb	Mar	Apr	May	June	July
	Higher	11	21	18	22	13	15
	Same	75	60	60	67	75	61
	Lower	13	19	23	11	12	24
Index		49.1	51	47.5	55.6	51	45.1
Index	3 month average	42.7	44.7	49.2	51.4	51.4	50.6

Employment declines in July

Vendor Deliveries		Feb	Mar	Apr	May	June	July
	Faster	8	6	10	8	4	17
	Same	70	75	73	64	79	71
	Slower	23	19	18	28	17	12
Index		57.5	56.7	53.6	59.7	56.7	47.6
Index	3 month average	54.2	53.7	55.7	56.7	56.7	54.7

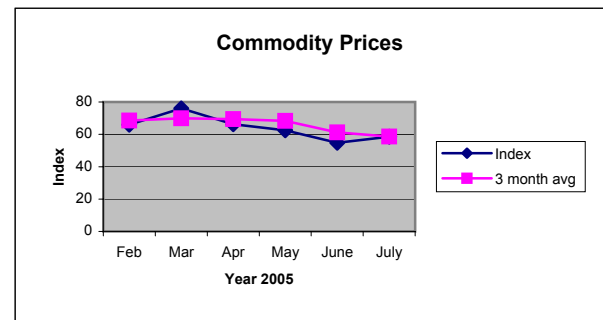
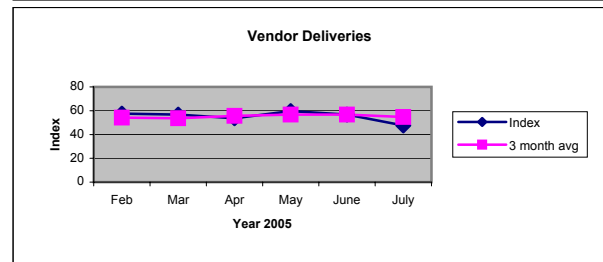
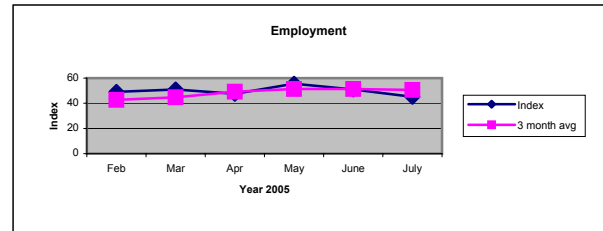
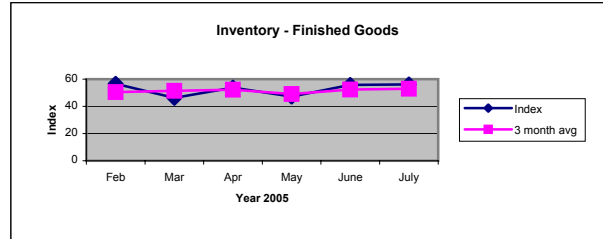
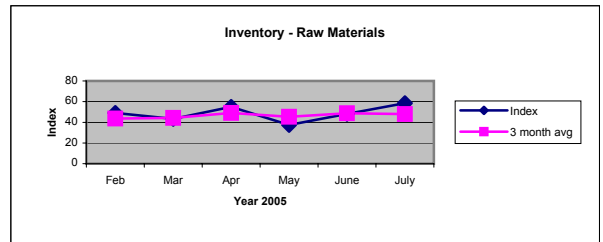
Vendor deliveries are faster in July

Commodity Prices		Feb	Mar	Apr	May	June	July
	Higher	42	56	40	36.0	31	32
	Same	49	40	53	53.0	48	54
	Lower	9	4	8	11.0	21	15
Index		66	76	66.3	62.5	54.8	58.5
Index	3 month average	68.5	69.9	69.4	68.3	61.2	58.6

Prices edge up in July

Pricing Policy:		Feb	Mar	Apr	May	June	July
	Little Impact		25	32.5	30.6	34.6	40
	Moderate, but absorbing		25	28	25.0	32.7	30
	Moderate, pass along		11.5	12.5	5.6	13.5	12.5
	Growing pressure, but absorbing		26.9	20	25.0	15.4	17.5
	Growing pressure, pass along		11.5	7.5	14.6	3.8	0

60% report moderate or greater price increases in July, 79% are absorbing the price increase



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