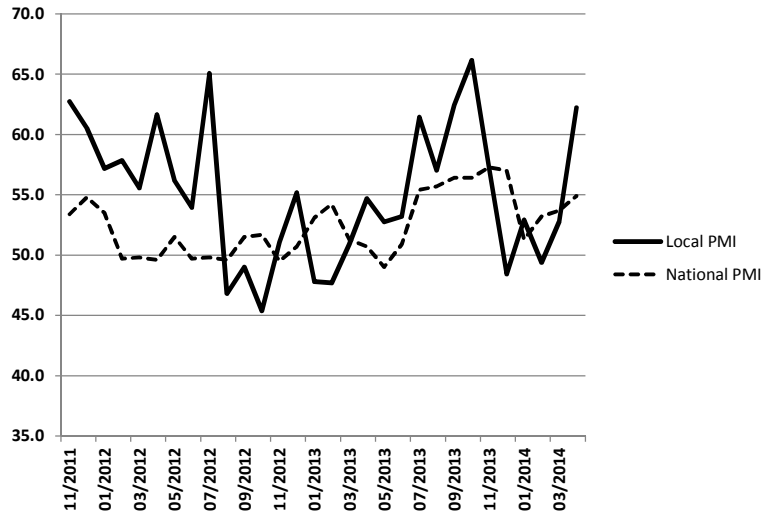


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The PMI Index

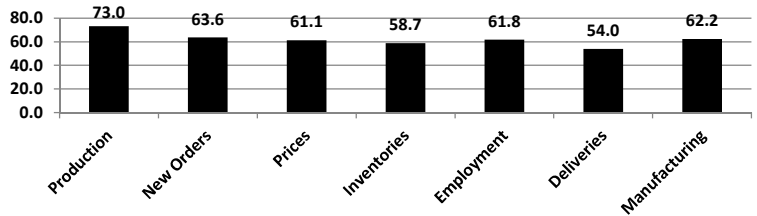
The local seasonally adjusted PMI Index increased to 62.2 from last month's mildly expansionary 52.8 value. This shows a marked change from the past four months and is a strong sign of expanding manufacturing activity during April. The positive results this month were not only confined the PMI index, with all other indices showing improvement or continued expansion. Locally we were a bit contrarian to the results captured in the April Empire State Manufacturing Survey, their headline survey result signaled weaker expansionary results statewide compared to our local respondents.

Seasonally adjusted employment enjoyed its second straight month in expansionary territory following the weak results as we turned the year into 2014. New Orders expanded at an increasing rate, with the Production levels index showing the strongest expansionary result at 73.0. It seems as if the (somewhat) warm weather in WNY during April brought good news regarding manufacturing activity along with it.



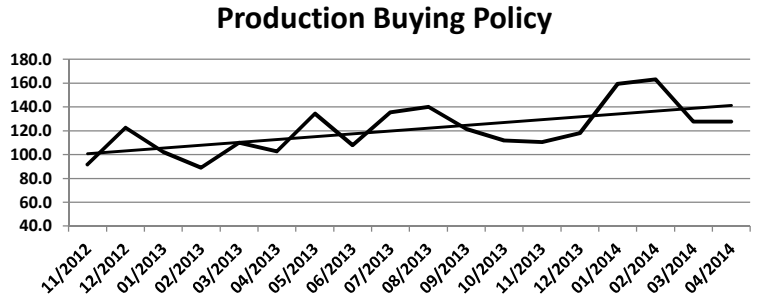
This month (Seasonally Adjusted)

Index	Index	Direction	Rate of Change
Production	73.0	Increasing	Increasing
New Orders	63.6	Increasing	Increasing
Prices	61.1	Increasing	Decreasing
Inventories	58.7	Increasing	Increasing
Employment	61.8	Increasing	Increasing
Deliveries	54.0	Increasing	Flat
Manufacturing	62.2	Increasing	Increasing



Production Buying Policy

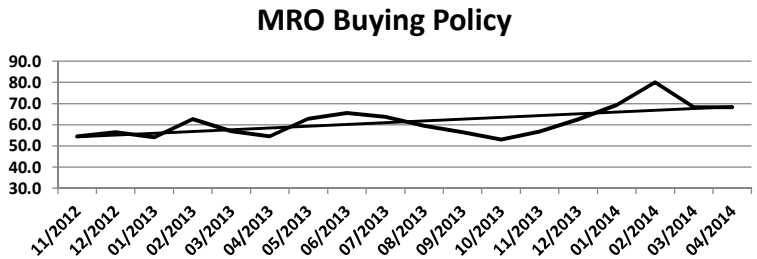
Survey respondents report days ahead commitments for production material stayed flat at 127.8 days showing no change from March. This result is the second straight result below the long-term trend, although broadly in line with the long run upward trend.



MRO Buying Policy

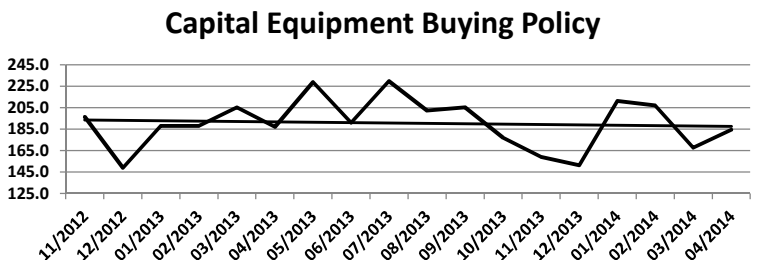
(Maintenance, Repair, and Operating)

Maintenance, Repair, and Operating (MRO) supplies also remained flat month to month at 68.3 days of materials on hand. The increased variance that was evidence during late 2013/early 2014 appears as if it may be settling.



Capital Equipment Buying Policy

Manufacturers are making commitments an average of 184.4 days for capital equipment in April, a bit of a rebound from the March result. This converges toward the long term trend line which has been moving slightly lower over the past year and a half.



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The Production level was:

Period	Higher	Same	Lower	Index	Prior Yr
April 2014	66.7%	33.3%	0.0%	83.3	54.5
March 2014	22.2%	66.7%	11.1%	55.6	45.0
February 2014	37.5%	50.0%	12.5%	62.5	45.5

The Production diffusion index continued its fourth month in expansionary territory, with a nice increase above trend in April. No individual respondents responded to having lower production levels and 66.7% of respondents claimed production levels above prior month.

New Orders were reported:

Period	Higher	Same	Lower	Index	Prior Yr
April 2014	55.6%	33.3%	11.1%	72.2	72.7
March 2014	33.3%	44.4%	22.2%	55.6	80.0
February 2014	37.5%	37.5%	25.0%	56.3	50.0

The New Orders index once again continued in expansionary territory during April with a notable increase to 72.2 compared to prior month's 55.6. These strong increases in orders may signal increased activity as we enter the summer months.

Commodity Prices are:

Period	Higher	Same	Lower	Index	Prior Yr
April 2014	22.2%	77.8%	0.0%	61.1	63.6
March 2014	33.3%	66.7%	0.0%	66.7	80.0
February 2014	25.0%	62.5%	12.5%	56.3	72.7

The Commodity Price diffusion index continues in expansionary territory, although easing a bit from prior month's levels. Inflationary results, while in positive territory, are less robust compared to prior year.

Inventories of Purchased Goods were:

Period	Higher	Same	Lower	Index	Prior Yr
April 2014	44.4%	44.4%	11.1%	66.7	59.1
March 2014	33.3%	55.6%	11.1%	61.1	60.0
February 2014	12.5%	62.5%	25.0%	43.8	50.0

The Inventories of Purchased Goods index continued in expansionary territory during April. This value is again above the long term trend line and the past two months are a bit of a break from the contracting values seem from December to February of this year.

Employment Levels were:

Period	Higher	Same	Lower	Index	Prior Yr
April 2014	33.3%	66.7%	0.0%	66.7	50.0
March 2014	11.1%	88.9%	0.0%	55.6	45.0
February 2014	0.0%	87.5%	12.5%	43.8	50.0

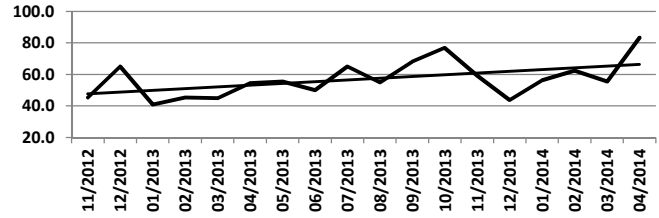
The Employment index came in at or above the 50.0 mark for the second straight month since September 2013 relating continued increases in employment. No individual respondents reported lower employment levels with one third of respondents claiming a greater amount of activity compared to prior month.

Vendor Deliveries were:

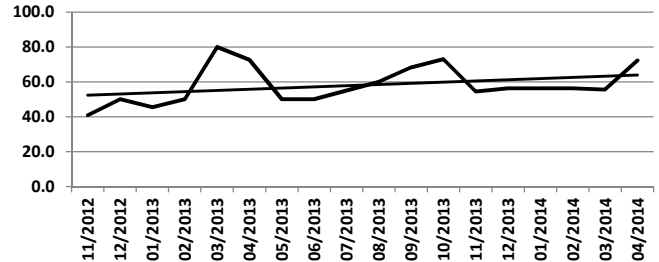
Period	Higher	Same	Lower	Index	Prior Yr
April 2014	11.1%	88.9%	0.0%	55.6	59.1
March 2014	11.1%	88.9%	0.0%	55.6	45.0
February 2014	12.5%	87.5%	0.0%	56.3	50.0

Vendor Deliveries continue in expansionary territory having the same index value in April. WNY manufacturers report mildly expanding vendor deliveries which have been in positive territory since December of last year.

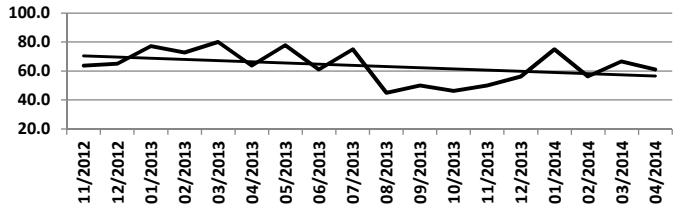
Production - Diffusion Index



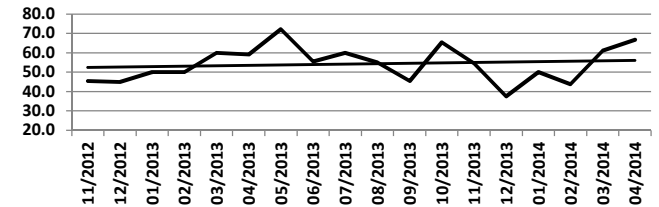
New Orders - Diffusion Index



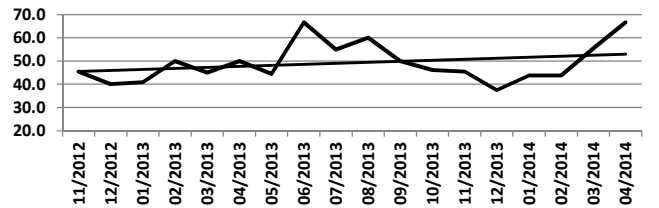
Commodity Pricing - Diffusion Index



Inventories - Diffusion Index



Employment - Diffusion Index



Vendor Deliveries - Diffusion Index

