

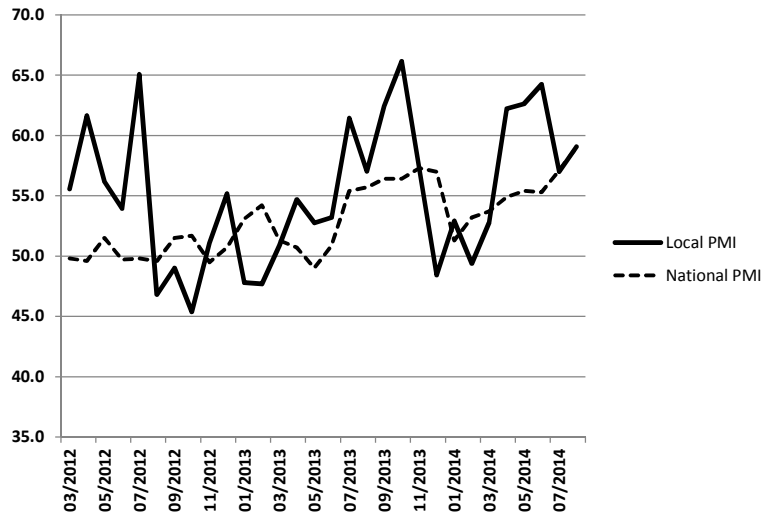
National Association of Purchasing Management - Buffalo

August 2014 Business Survey Monthly Comparison Report

The PMI Index

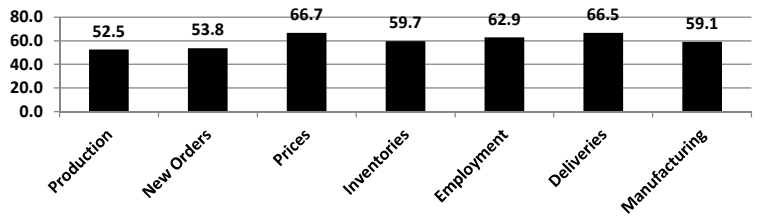
August was the fifth consecutive month the local seasonally adjusted PMI Index was in expansionary territory at 59.1, rising slightly compared to July's 57.0 index value. We also finished almost exactly even to the National PMI's 59.0 index value in August if the graph to the right proves difficult to read. Favorable results are notable in most of the other survey categories, although the upward price pressures on commodities continue. The seasonally adjusted Employment index registered an index value signifying expansion at 62.9, a faster pace than July. On a broader scale, the headline number for business activity from the Empire State Manufacturing Survey also signified expansion while retreating a bit from July's multi-year high.

With the exception of continued price pressures, August seems to signal continued favorable local conditions among respondents as summer begins to wind down in western New York.



This month (Seasonally Adjusted)

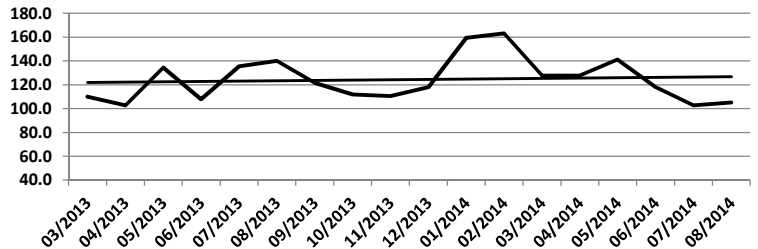
Index	Index	Direction	Rate of Change
Production	52.5	Increasing	Decreasing
New Orders	53.8	Increasing	Decreasing
Prices	66.7	Increasing	Flat
Inventories	59.7	Increasing	Increasing
Employment	62.9	Increasing	Increasing
Deliveries	66.5	Increasing	Flat
Manufacturing	59.1	Increasing	Flat



Production Buying Policy

Survey respondents report days ahead commitments for production material increased slightly in August to 105.0 days from July's 102.7. We are now registering our third month below the long term trend, possibly signaling a more immediate window for days ahead commitments in production buying policy.

Production Buying Policy

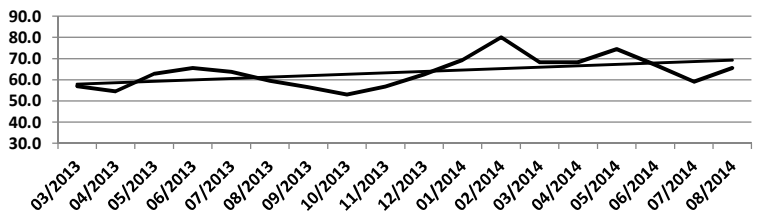


MRO Buying Policy

(Maintenance, Repair, and Operating)

Maintenance, Repair, and Operating (MRO) supplies retreated toward the long term trend line at 65.6 days from last month's 59.1. We remain above values from 2013, exhibiting more variance in the index than prior year.

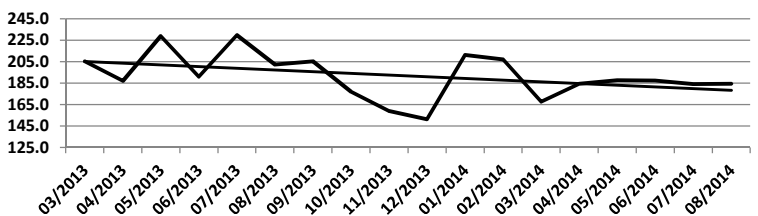
MRO Buying Policy



Capital Equipment Buying Policy

Manufacturers are making commitments an average of 184.4 days for capital equipment in August, essentially flat to July's 184.1 days. This series has held very consistent since April of this year easing from the declines evident in late 2013.

Capital Equipment Buying Policy



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The Production level was:

Period	Higher	Same	Lower	Index	Prior Yr
August 2014	33.3%	33.3%	33.3%	50.0	55.0
July 2014	45.5%	18.2%	36.4%	54.5	65.0
June 2014	50.0%	40.0%	10.0%	70.0	50.0

The Production diffusion index continued its eighth straight month in expansionary territory, although barely eeking one out with an index value of 50.0 (Index values of 50.0 or greater signal increases). Respondents seem to be evenly distributed in responding whether economic activity was higher, same, or lower.

New Orders were reported:

Period	Higher	Same	Lower	Index	Prior Yr
August 2014	44.4%	11.1%	44.4%	50.0	60.0
July 2014	45.5%	18.2%	36.4%	54.5	55.0
June 2014	60.0%	20.0%	20.0%	70.0	50.0

The non-seasonally adjusted New Orders index again reflected an expansionary result, easing a bit to 50.0 during August. Respondents were bimodal in their responses, with most reporting either higher or lower amounts of new orders with a relatively small number having the same as July.

Commodity Prices are:

Period	Higher	Same	Lower	Index	Prior Yr
August 2014	33.3%	66.7%	0.0%	66.7	45.0
July 2014	36.4%	63.6%	0.0%	68.2	75.0
June 2014	20.0%	70.0%	10.0%	55.0	61.1

The Commodity Price diffusion index continues in expansionary territory at 66.7, essentially in line with July's index value. For the second consecutive month no survey respondents reported lower commodity prices although the majority did report prices as unchanged.

Inventories of Purchased Goods were:

Period	Higher	Same	Lower	Index	Prior Yr
August 2014	33.3%	44.4%	22.2%	55.6	55.0
July 2014	18.2%	45.5%	36.4%	40.9	60.0
June 2014	50.0%	20.0%	30.0%	60.0	55.6

The Inventories of Purchased Goods index rebounded a bit into positive territory in August with an index value of 55.6. Last month's 40.9 value seems a bit out of sync, although there has been a general downward trend in the inventory index the past 18 months.

Employment Levels were:

Period	Higher	Same	Lower	Index	Prior Yr
August 2014	22.2%	77.8%	0.0%	61.1	60.0
July 2014	27.3%	54.5%	18.2%	54.5	55.0
June 2014	20.0%	70.0%	10.0%	55.0	66.7

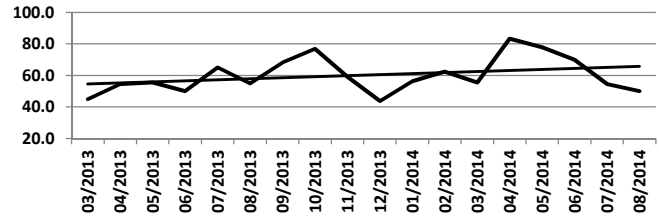
The non-seasonally adjusted Employment index came in at 61.1 during August signifying continued expansion. This index continued its three month streak in expansionary territory, a bit above the longer term upward trend.

Vendor Deliveries were:

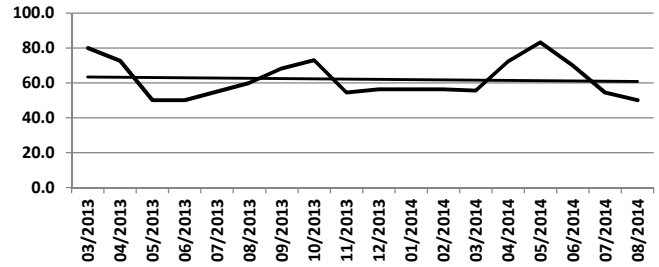
Period	Higher	Same	Lower	Index	Prior Yr
August 2014	33.3%	66.7%	0.0%	66.7	45.0
July 2014	36.4%	63.6%	0.0%	68.2	55.0
June 2014	30.0%	70.0%	0.0%	65.0	55.6

The Vendor Deliveries index increased slightly in August to 66.7 from 68.2 in July, continuing in expansionary territory. For the third straight month we are above the long term trendline while maintaining the broad trend upward in index values the past 18 months.

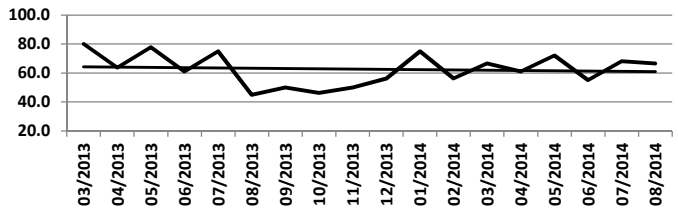
Production - Diffusion Index



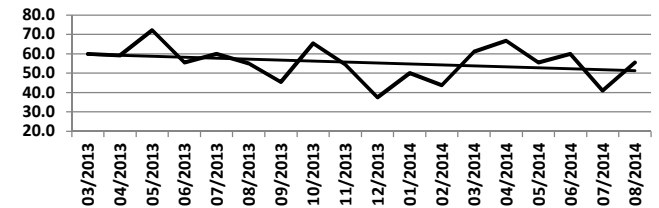
New Orders - Diffusion Index



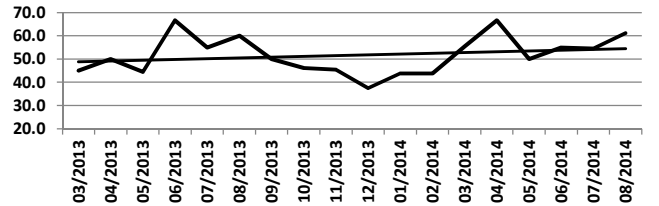
Commodity Pricing - Diffusion Index



Inventories - Diffusion Index



Employment - Diffusion Index



Vendor Deliveries - Diffusion Index

