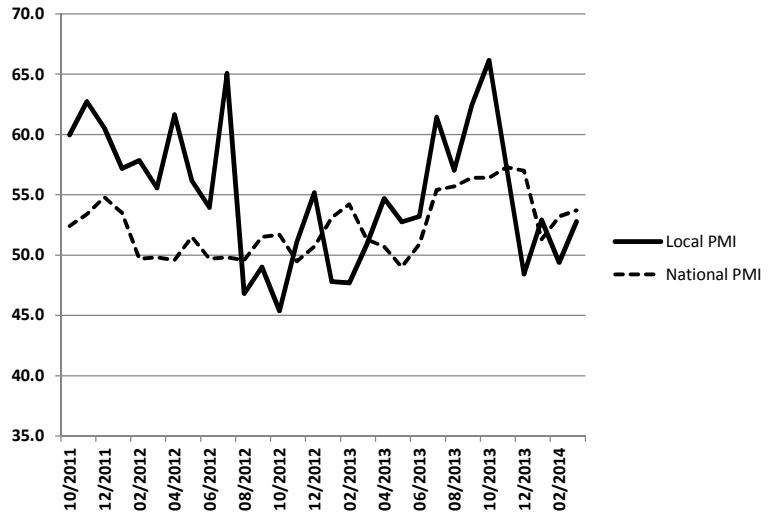


National Association of Purchasing Management - Buffalo March 2014 Business Survey Monthly Comparison Report

The PMI Index

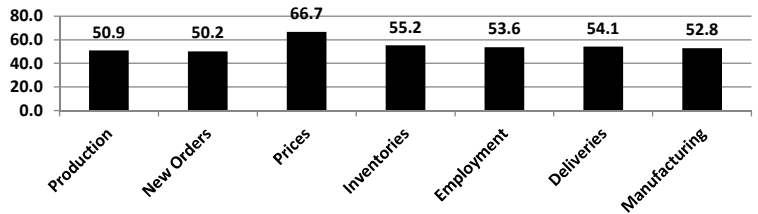
The local seasonally adjusted PMI Index moved into expansionary territory to 52.8 in March from February's 49.4 value. The general horizontal movement continues in 2014 as we continue to note values at or near the 50.0 mark that denotes growth in activity. We are in step this month with the New York region as the business conditions index from the Empire State manufacturing survey also related mild expansionary activity for the state as a whole.

Seasonally adjusted employment broke into expansionary territory this month to 53.6 following contractionary index values since the beginning of 2014. After a string of months noting declines among respondents, this was a notable change. Overall, it seems that while gains in the overall index remain modest we continue to exhibit expansions in activity. Price pressures seem to have returned and serve as a bit of a negative countermeasure this month with the commodity price index increasing to 66.7 indicating prices increasing at an increasing rate.



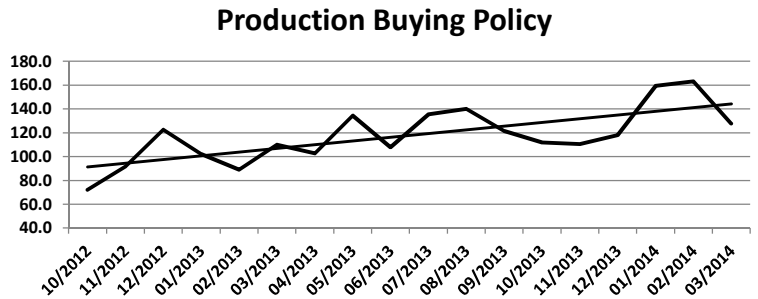
This month (Seasonally Adjusted)

Index	Index	Direction	Rate of Change
Production	50.9	Increasing	Flat
New Orders	50.2	Increasing	Flat
Prices	66.7	Increasing	Increasing
Inventories	55.2	Increasing	Increasing
Employment	53.6	Increasing	Increasing
Deliveries	54.1	Increasing	Flat
Manufacturing	52.8	Increasing	Increasing



Production Buying Policy

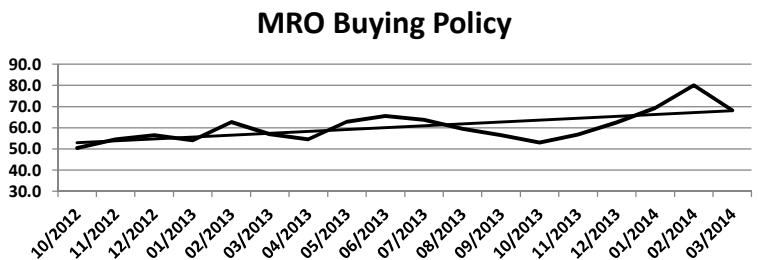
Survey respondents report days ahead commitments for production material fell to 127.8 days from 163.4 last month. This result seems generally continuing along the long term trend line which has been increasing over the past 18 months, although exhibiting a bit of a drop in March.



MRO Buying Policy

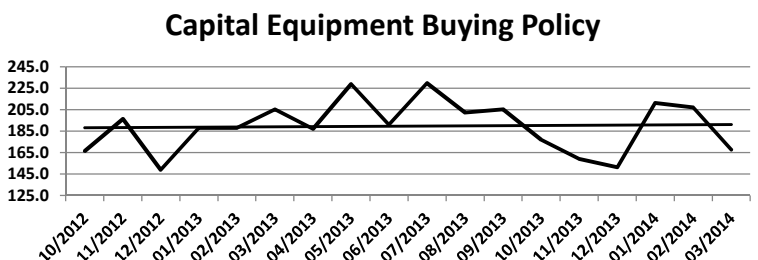
(Maintenance, Repair, and Operating)

Maintenance, Repair, and Operating (MRO) supplies decreased to an average of 68.3 days this month from 80.0 days in February. We continue to show a larger amount of variation in this series than what has been historically exhibited while converging to the long term trendline in March.



Capital Equipment Buying Policy

Manufacturers are making commitments an average of 167.1 days for capital equipment in March, a notable drop from both the January and February results this year. This coincides with the decrease in production buying days this month, with what appears to be a relatively flat movement over the past year and a half only fluctuating around the trend.

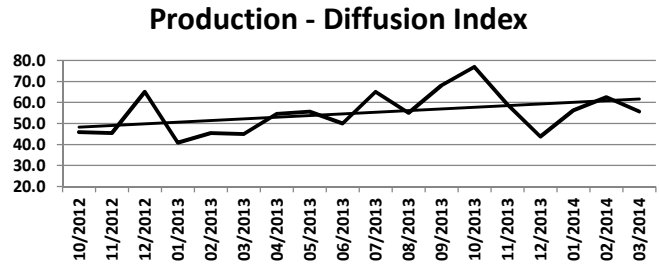


**National Association of Purchasing Management - Buffalo
March 2014 Business Survey Monthly Comparison Report**

The Production level was:

Period	Higher	Same	Lower	Index	Prior Yr
March 2014	22.2%	66.7%	11.1%	55.6	45.0
February 2014	37.5%	50.0%	12.5%	62.5	45.5
January 2014	25.0%	62.5%	12.5%	56.3	40.9

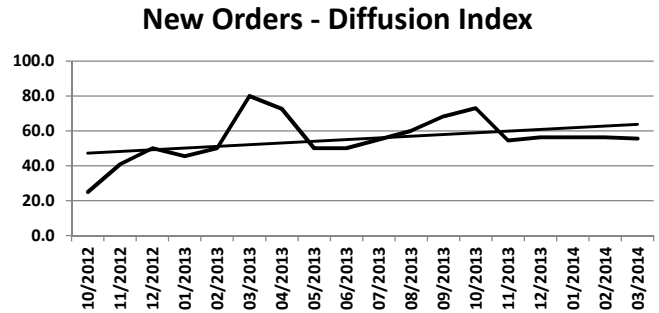
The Production diffusion index continued its third month in expansionary territory following the trailing results to end 2013. We fell below the long term trend a bit in March, but remain above the 50.0 mark which denotes increasing activity.



New Orders were reported:

Period	Higher	Same	Lower	Index	Prior Yr
March 2014	33.3%	44.4%	22.2%	55.6	80.0
February 2014	37.5%	37.5%	25.0%	56.3	50.0
January 2014	25.0%	62.5%	12.5%	56.3	45.5

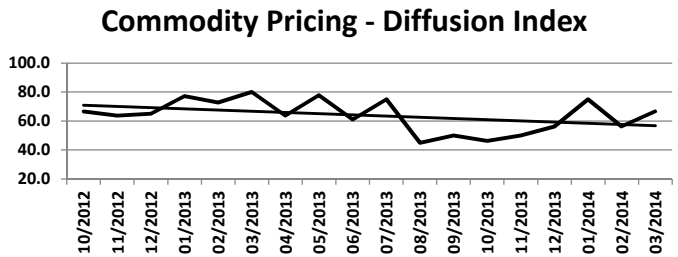
The New Orders index again continues its consistent and expansionary performance the past four months. We remained below the longer term trend line in March, although continue in expansionary territory.



Commodity Prices are:

Period	Higher	Same	Lower	Index	Prior Yr
March 2014	33.3%	66.7%	0.0%	66.7	80.0
February 2014	25.0%	62.5%	12.5%	56.3	72.7
January 2014	50.0%	50.0%	0.0%	75.0	77.3

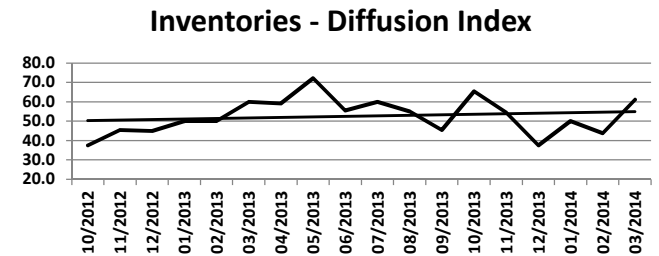
The commodity price diffusion index broke above its long term trend line this month, continuing to relate increasing inflationary price pressure for commodities. We remain below index values at this point last year, although the index is in positive and increasing territory relative to prior month.



Inventories of Purchased Goods were:

Period	Higher	Same	Lower	Index	Prior Yr
March 2014	33.3%	55.6%	11.1%	61.1	60.0
February 2014	12.5%	62.5%	25.0%	43.8	50.0
January 2014	12.5%	75.0%	12.5%	50.0	50.0

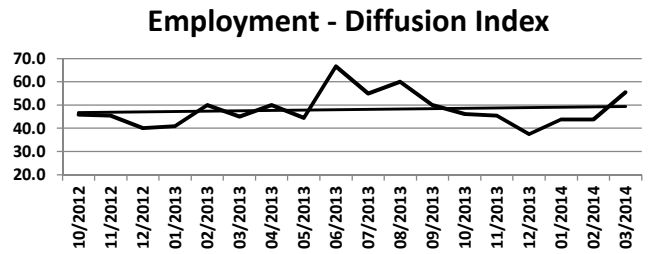
The Inventories of Purchased Goods index pulled into expansionary territory following weakness ending 2013 and into the first two months of 2014. This quarter's index values are approximately in line with the variation from 2013 for this same time period which also had an increase from January/February to March.



Employment Levels were:

Period	Higher	Same	Lower	Index	Prior Yr
March 2014	11.1%	88.9%	0.0%	55.6	45.0
February 2014	0.0%	87.5%	12.5%	43.8	50.0
January 2014	12.5%	62.5%	25.0%	43.8	40.9

The Employment index came in at or above the 50.0 mark for the first time since September 2013 relating some increasing employment activity this month. No individual respondents reported lower employment in March, with most claiming unchanged employment levels.



Vendor Deliveries were:

Period	Higher	Same	Lower	Index	Prior Yr
March 2014	11.1%	88.9%	0.0%	55.6	45.0
February 2014	12.5%	87.5%	0.0%	56.3	50.0
January 2014	25.0%	75.0%	0.0%	62.5	59.1

Vendor Deliveries continue in expansionary territory, with an index value of 55.6 relating the third straight month of expansion.

