



Northeast Ohio Business Survey Report for February 2007

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GENERAL BUSINESS CONDITIONS

The barometer reading indicates that manufacturing has expanded slightly from last month, and the forecast indicates that the outlook is still positive.
Barometer readings above "0" indicate that the manufacturing sector of the economy is generally expanding. Readings below "0" mean generally declining.

Month	Feb-07	Jan-07	Dec-06	Feb-06
Cleveland Barometer-%	19.25	16.69	10.89	34.44
Cleveland Forecast-%	21.50	38.50	19.90	13.90

Production leveled off as the same percent of respondents reported increased or reduced production.
Production Index fell to -5

Production	%Better	%Same	%Worse	Net	Index
February 2007	20	60	20	0	-5
January 2007	40	30	30	+10	24
December 2006	22	45	33	-11	-1

New orders leveled off as the same percent of respondents reported increased as reduced production.
New Order index fell to -5

New Orders	%Better	%Same	%Worse	Net	Index
February 2007	40	20	40	0	-5
January 2007	60	10	30	+30	43
December 2006	33	45	22	11	22

EMPLOYMENT

Employment levels increased as 40% of respondents reported greater employment while 20% reported lower employment.
The Employment Index is now +25.

Employment	%Greater	%Same	%Lower	Net	Index
February 2007	40	40	20	20	25
January 2007	20	60	20	0	6
December 2006	0	89	11	-11	-3

INVENTORIES

RAW MATERIALS

Eighty percent of respondents reported same or lower levels of raw material Inventory.
The Raw Material Inventory Index is now -20.

Raw Material

Inventories	%Higher	%Same	%Lower	Net	Index
February 2007	20	40	40	-20	-20
January 2007	40	40	20	20	25
December 2006	33	45	22	+11	21

FINISHED GOODS

Finished Goods inventories decreased again as all respondents reported the same or lower levels of inventory.
Finished Good Index is now -36.

Finished Goods

Inventories	%Higher	%Same	%Lower	Net	Index
February 2007	0	60	40	-40	-36
January 2007	10	70	20	-10	-4
December 2006	33	45	22	+11	12

BUYING POLICIES

Production materials commitments contracted slightly,
as did MRO supplies.
Commitments for capital goods contracted as well.

PERCENT REPORTING

	Hand to Mouth	30 Days	60 Days	90 Days	6 Mos	1 Year
PRODUCTION MATERIALS						
February 2007	25	25	50	0	0	0
January 2007	14	29	43	0	14	0
December 2006	42	29	29	0	0	0
MRO SUPPLIES						
February 2007	80	0	20	0	0	0
January 2007	80	10	0	10	0	0
December 2006	89	11	0	0	0	0
CAPITAL EXPENDITURES						
February 2007	25	0	50	25	0	0
January 2007	33	0	33	17	0	17
December 2006	13	0	25	37	25	0

COMMODITY PRICES

All respondents reported the same or higher prices.
The Commodity Price Index is now +38.

Commodity Prices	%Higher	%Same	%Lower	Net	Index
February 2007	40	60	0	40	38
January 2007	50	30	20	+30	26
December 2006	50	50	0	+50	53

COMMODITY CHANGES:

Prices Up: Steel scrap
Prices Down: None Reported
Items in Short Supply: None Reported

FROM GENERAL REMARKS:

"Our business is very busy. Anticipate more in months ahead....."
"Steel scrap and alloy scrap fluctuation impact our bottom line, as customers are growing weary of surcharges"
"Downturn in housing starts has really impacted our incoming order rate!"