

April 2007
Manufacturing
Business Conditions Survey

**A Joint Project of the College of Business
At the University of Colorado at Denver
And NAPM-Denver**

The local manufacturing economy's PMI index continued its positive trend in April. The April 2007 Denver Manufacturing PMI is 58.9. March's index was 59.8. The Production index also increased at a slower rate with an index of 59.1 which compares to March's rate of 66.7. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 54.7 percent, an increase of 3.8 percentage points when compared to March's reading of 50.9 percent. (ISM publishes the national PMI).

(As a reminder to our readers, an index below 50 indicates the majority of our respondents reported a decline versus the previous month. The further below 50, the greater the number of respondents reporting a decline. An index over 50 indicates growth, increase, or improvement).

The overall Price Index of the Denver Manufacturing Survey increased at a slightly faster rate in April than March. All sectors increased except for the MRO Sector which remained unchanged. The Lead Times Index in our Denver survey decreased in April reversing the increasing trend that started in December 2003. The MRO, Capital Goods, and Services Sectors decreased, while the Components Sector increased and the Raw Material and Computers Sectors remained unchanged. The New Orders Index increased at a slower rate than in April. The Imports Index decreased in April reversing the increase shown in the previous two months. The Raw Materials Inventory Index remained unchanged in April and Finished Goods Inventory Index decreased in April.

April's Employment Index increased reversing the decrease of March. The Availability of Skilled Workers Index and the Availability of Unskilled Workers Index both decreased at a faster rate compared to March.

Supplier performance in our Denver survey decreased in the Raw Materials and Capital Goods Sectors, and remained unchanged in all other sectors.

ISM's New Orders Index registered 58.5 percent in April. The index is 6.9 percentage points higher than the 51.6 percent reported in March. ISM's Employment Index registered 53.1 percent in April, which is an increase of 4.4 percentage points when compared to March's reading of 48.7 percent. Go to www.ism.ws for the complete ISM report.

The Business Conditions Survey is a joint project of University of Colorado at Denver and NAPM-Denver. Dr. M.P. Parthasarathy of the College of Business conducted April's survey at the University of Colorado at Denver. For further information on the survey, or to participate in it, call Dr. Parthasarathy at 303-556-5849.

*Note: In the below tables, an index over 50 indicates growth, increase, or improvement. Below 50 is indicative of decrease or worsening.

April 2007 Colorado Front Range Manufacturing Survey

<i>Series</i>	<i>Colo. Index</i>	<i>Direction</i>	<i>Rate of Change</i>	<i>National Index</i>	<i>Direction</i>	<i>Rate of Change</i>
	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
Purchasing Managers' Index	58.9	Increasing	Slightly Slower	54.7	Increasing	Faster
Production	59.1	Increasing	Slower	57.3	Increasing	Faster
New Orders	63.6	Increasing	Slower	58.5	Increasing	Faster
Backlog of Orders	54.6	Increasing	Slower	54.5	Increasing	From Decreasing
Prices	61.1	Increasing	Slightly Faster	73	Increasing	Faster
Lead Times	49	Decreasing	From Increasing	50.2	Increasing	Slower
Import Orders	37.5	Decreasing	From Increasing	58	Increasing	Slightly Faster
Raw Material Inventory	50	No Change	From Increasing	46.3*	Decreasing	Faster
Finished Goods Inventory	40	Decreasing	From Increasing	NA	NA	NA
Employment	63.6	Increasing	From Decreasing	53.1	Increasing	From Decreasing
Availability of Skilled Labor	40.9	Decreasing	Faster	NA	NA	NA
Availability of Unskilled Labor	33.3	Decreasing	Faster	NA	NA	NA

*The national index surveys only total inventories.

Note: The index for the overall economy is a composite based on five components: delivery times, inventory levels, new orders, production and employment. It is constructed to parallel the national overall index. An index above 50 means the manufacturing economy is generally expanding.

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices</u>	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
MRO Items	50	No Change	From Increasing
Capital Goods	72.2	Increasing	Faster
Raw Materials	72.7	Increasing	Faster
Components	55	Increasing	Slower
Computers	55.6	Increasing	Slower
Services	55	Increasing	Slightly Faster
<u>Lead Times</u>			
MRO Items	45	Decreasing	From Increasing
Capital Goods	45.5	Decreasing	From Increasing
Raw Materials	50	No Change	From Increasing
Components	54.5	Increasing	Slower
Computers	50	No Change	From Increasing
Services	44.4	Decreasing	From Increasing
<u>Supplier Performance</u>	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
MRO Items	50	No Change	From Improving
Capital Goods	50	No Change	From Improving
Raw Materials	45.5	Worsening	From No Change
Components	45	Worsening	From Improving
Computers	50	No Change	From Improving
Services	50	No Change	From Improving