



April 2008
Manufacturing
Business Conditions Survey

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

The local Denver manufacturing economic index rebounded in April from its one-month decline in March. April's index is 53.6. March's index was 44.5. The Production index increased in April with a rate of 55.3. March's Production index was 50. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 48.6 percent, the same as in March. (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 in April reversing the March decline. All sectors increased. Lead times in our Denver survey decreased in April reversing the increases seen in past months. The Raw Materials and Services sectors increased, the MRO, Capital Goods, and Computers sectors decreased while the Components sector remained unchanged. The New Orders Index increased in April. The Imports Index decreased at a slower rate in April compared to March. The Raw Materials Inventory Index increased and the Finished Goods Inventory Index declined in April at a slower rate than in March.

April's Employment Index decreased at a slightly slower rate than in March. Both the Availability of Skilled Workers Index and the Availability of Unskilled Workers Index increased in April.

Supplier performance in our Denver survey worsened in the Raw Materials and Components sectors, improved in the Capital Goods, Computers and Services sectors and remained unchanged in the MRO sector.

ISM's New Orders Index was 46.5 percent in April, the same as in March. A New Orders Index above 51.6 percent, over time, is generally consistent with an increase in the Census Bureau's series on manufacturing orders (in constant 2000 dollars). ISM's Employment Index registered 45.4 percent in April, which is a decrease of 3.8 percentage points when compared to the 49.2 percent reported in March. An Employment Index above 49.5 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment. 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 2008 Colorado Front Range Manufacturing Survey

	<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>Series</u>	<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	53.6	Increasing	From Decreasing	48.6	Decreasing	No Change
Production	55.3	Increasing	From No Change	49.1	Decreasing	Slightly Slower
New Orders	61.1	Increasing	From Decreasing	46.5	Decreasing	No Change
Backlog of Orders	52.8	Increasing	From Decreasing	51.5	Increasing	From Decreasing
Prices	63.5	Increasing	From Decreasing	84.5	Increasing	Faster
Lead Times	48.3	Decreasing	From Increasing	54	Increasing	Slightly Faster
Import Orders	37.5	Decreasing	Slower	48	Decreasing	Slower
Raw Material Inventory	58.3	Increasing	From Decreasing	48.1*	Decreasing	Slower
Finished Goods Inventory	44.4	Decreasing	Slower	NA	NA	NA
Employment	42.1	Decreasing	Slightly Slower	45.4	Decreasing	Faster
Availability of Skilled Labor	58.3	Increasing	From Decreasing	NA	NA	NA
Availability of Unskilled Labor	55.6	Increasing	From No Change	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.

April 2008

	<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	67.7	Increasing	From No Change
Capital Goods	67.7	Increasing	From Decreasing
Raw Materials	61.8	Increasing	Faster
Components	63.9	Increasing	From No Change
Computers	56.7	Increasing	From No Change
Services	67.7	Increasing	From No Change
<u>Lead Times</u>			
MRO Items	41.2	Decreasing	From No Change
Capital Goods	47.2	Decreasing	From No Change
Raw Materials	56.3	Increasing	Slower
Components	50	No Change	From No Change
Computers	46.7	Decreasing	From Increasing
Services	52.9	Increasing	From No Change
<u>Supplier Performance</u>	<u>April</u>	<u>April vs. March</u>	<u>April vs. March</u>
MRO Items	50	No Change	From No Change
Capital Goods	52.8	Improving	From Worsening
Raw Materials	47.1	Worsening	From No Change
Components	47.2	Worsening	From No Change
Computers	53.3	Improving	From No Change
Services	52.9	Improving	From No Change