



April 2009
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 decreased at a faster rate in April with an index of 28.5. March's index was 38.7. The Production index decreased in April at a faster rate with an index of 29.2. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 40.1 percent, which is 3.8 percentage points higher than the 36.3 percent reported in March. This is the 15th consecutive month of contraction in the manufacturing sector. (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 decreased in April at a slightly faster rate with an index of 44.5. Prices increased in the Capital Goods sector, decreased in the MRO, Raw Materials, Computers, and Services sectors and remained unchanged in the Components sector. Lead times decreased in April at a slower rate than in March. Lead times decreased in the MRO, Computers and Services sectors, increased in the Capital Goods and Raw Materials sectors and remained unchanged in the Components sector.

The New Orders Index decreased in April at a faster rate than in March. The Imports Index decreased in April at a slower rate. The Raw Materials Inventory Index and the Finished Goods Inventory Index decreased at a faster rate in April compared to March.

April's Employment Index decreased at a faster rate than in March. The Availability of Skilled Workers Index and the Availability of Unskilled Workers Index both increased in April.

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

ISM's New Orders Index registered 47.2 percent in April, 6 percentage points higher than the 41.2 percent registered in March. This is the 17th consecutive month of contraction in the New Orders Index. ISM's Employment Index 34.4 percent in April, which is 6.3 percentage points higher than the 28.1 percent reported in March. This is the ninth consecutive month of decline in 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 2009 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	28.5	Decreasing	Faster	40.1	Decreasing	Slower
Production	29.2	Decreasing	Faster	40.4	Decreasing	Slower
New Orders	26.9	Decreasing	Faster	47.2	Decreasing	Slower
Backlog of Orders	27.3	Decreasing	Faster	40.5	Decreasing	Slower
Prices	44.5	Decreasing	Slightly Faster	32	Decreasing	Slower
Lead Times	49.6	Decreasing	Slower	44.9	Decreasing	Slower
Import Orders	45	Decreasing	Slower	42	Decreasing	Slower
Raw Material Inventory	15	Decreasing	From Increasing	33.6*	Decreasing	Slower
Finished Goods Inventory	27.3	Decreasing	Faster	NA	NA	NA
Employment	20.8	Decreasing	Faster	34.4	Decreasing	Slower
Availability of Skilled Labor	55.6	Increasing	From Decreasing	NA	NA	NA
Availability of Unskilled Labor	61.1	Increasing	From Decreasing	NA	NA	NA

	<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	40.9	Decreasing	Faster
Capital Goods	65	Increasing	From Decreasing
Raw Materials	36.4	Decreasing	Faster
Components	50	No Change	From Decreasing
Computers	30	Decreasing	From No Change
Services	45.8	Decreasing	Slower
<u>Lead Times</u>			
MRO Items	45	Decreasing	Slower
Capital Goods	59.1	Increasing	From Decreasing
Raw Materials	55	Increasing	From Decreasing
Components	50	No Change	From Decreasing
Computers	38.9	Decreasing	Faster
Services	45	Decreasing	Slower
<u>Supplier Performance</u>			
	<u>April</u>	<u>April vs. March</u>	<u>Rate of Change</u>
MRO Items	50	No Change	No Change
Capital Goods	50	No Change	No Change
Raw Materials	45.5	Worsening	From No Change
Components	50	No Change	From No Change
Computers	50	No Change	From No Change
Services	54.2	Improving	From No Change