



**February 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 economy index rebounded in February with a rate of 58.1. January's index was 39. The Production index also reversed itself in February with a rate of 63. January's Production index was 22.2. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 48.3 percent, a decrease of 2.4 percentage points when compared to January's seasonally adjusted reading of 50.7 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 faster rate than in January. All sectors increased. Lead times in our Denver survey increased in February at a slower rate than in January. The MRO and Services sectors remained unchanged, while the other sectors increased. The New Orders Index also rebounded sharply from February's rate. The Imports Index reversed course with a decrease in February compared to January's increase. The Raw Materials Inventory Index declined in February at a slower rate than in January. The Finished Goods Inventory Index remained unchanged at a rate of 37.5.

February's Employment Index increased at a slightly faster rate in February. The Availability of Skilled Workers Index decreased at a slower rate than in January and the Availability of Unskilled Workers Index increased in February.

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

ISM's New Orders Index registered 49.1 percent in February. The index is 0.4 percentage point lower than the seasonally adjusted 49.5 percent reported in January. ISM's Employment Index registered 46 percent in February, which is a decrease of 1.1 percentage points when compared to January's seasonally adjusted reading of 47.1 percent. Go to [www.ism.ws](http://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 February'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.

### February 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>February</u>	<u>February vs. January</u>	<u>February vs. January</u>	<u>February</u>	<u>February vs. January</u>	<u>February vs. January</u>
Purchasing Managers' Index	58.1	Increasing	From Decreasing	48.3	Decreasing	From Increasing
Production	61.5	Increasing	From Decreasing	50.7	Increasing	Slower
New Orders	57.7	Increasing	From Decreasing	49.1	Decreasing	Slightly Slower
Backlog of Orders	50	No Change	From Decreasing	45	Decreasing	Slower
Prices	62.9	Increasing	Faster	75.5	Increasing	Slightly Slower
Lead Times	56.6	Increasing	Slower	50.1	Increasing	Slower
Import Orders	40	Decreasing	From Increasing	47.5	Decreasing	From Increasing
Raw Material Inventory	46.2	Decreasing	Slower	45.4*	Decreasing	Faster
Finished Goods Inventory	37.5	Decreasing	No Change	NA	NA	NA
Employment	61.5	Increasing	Slightly Faster	46	Decreasing	Faster
Availability of Skilled Labor	58.3	Increasing	From No Change	NA	NA	NA
Availability of Unskilled Labor	58.3	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.

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	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<b><u>Prices:</u></b>			
	<u>February</u>	<u>February vs. January</u>	<u>February vs. January</u>
MRO Items	61.5	Increasing	Faster
Capital Goods	55	Increasing	Slower
Raw Materials	73.1	Increasing	Faster
Components	70.8	Increasing	Faster
Computers	54.2	Increasing	From Decreasing
Services	57.7	Increasing	Slower
<b><u>Lead Times</u></b>			
MRO Items	50	No Change	From No Change
Capital Goods	53.9	Increasing	Slower
Raw Materials	55	Increasing	From No Change
Components	61.5	Increasing	Slower
Computers	62.5	Increasing	Slower
Services	50	No Change	From Increasing
<b><u>Supplier Performance</u></b>			
	<u>February</u>	<u>February vs. January</u>	<u>February vs. January</u>
MRO Items	46.2	Worsening	Slower
Capital Goods	45	Worsening	From No Change
Raw Materials	42.3	Worsening	Slower
Components	45.8	Worsening	From No Change
Computers	50	No Change	From No Change
Services	50	No Change	From No Change