



**January 2010
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 faster with an index of 47.2 in January. This compares to December's decrease of 49.1. The Production index was 58.3, an increase compared to December's 50 index. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 58.4 percent, an increase of 3.5 percentage points when compared to December's seasonally adjusted reading of 54.9 percent. This is the sixth consecutive month of growth in the manufacturing sector, and the highest reading for the Index since August 2004 when it registered 58.5 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 faster with an index of 63 in January. Prices increased in the MRO, Raw Material, Components, Computers and Services sectors and remained unchanged in the Capital Goods sector. Lead times decreased slower in January with an index of 48.3. Lead times decreased in the MRO and Raw Materials sectors, increased in the Components sector and remained unchanged in the Capital Goods, Computers and Services sectors.

The New Orders Index decreased faster with an index of 40 in January. The Raw Materials Inventory Index remained unchanged and the Finished Goods Inventory Index decreased in January.

January's Employment Index decreased in January with an index of 41.7. This compares to an increase in December. The Availability of Skilled Workers Index remained unchanged and the Availability of Unskilled Workers Index decreased in January.

Supplier performance in our Denver survey remained unchanged in the all sectors.

ISM's New Orders Index 9 percent in January, 1.1 percentage points higher than the seasonally adjusted 64.8 percent registered in December. This is the seventh consecutive month of growth in the New Orders Index. ISM's Employment Index registered 53.3 percent in January, which is 3.1 percentage points higher than the seasonally adjusted 50.2 percent reported in December. This is the second month of growth in manufacturing employment, and the highest reading since April 2006 (54.9 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 January'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.

January 2010 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>January</u>	<u>January</u>	<u>January vs. December</u>	<u>January</u>	<u>January vs. December</u>	<u>January vs. December</u>
Purchasing Managers' Index	47.2	Decreasing	Faster	58.4	Increasing	Faster
Production	58.3	Increasing	From No Change	66.2	Increasing	Faster
New Orders	40	Decreasing	Faster	65.9	Increasing	Faster
Backlog of Orders	50	No Change	From Decreasing	56	Increasing	From No Change
Imports	83.3	Increasing	From Decreasing	56.5	Increasing	Faster
Prices	63	Increasing	Faster	70	Increasing	Faster
Lead Times	48.3	Decreasing	Slower	60.1	Increasing	Faster
Raw Material Inventory	50	No Change	From Increasing	46.5*	Decreasing	Slower
Finished Goods Inventory	37.5	Decreasing	From Increasing	NA	NA	NA
Employment	41.7	Decreasing	From Increasing	53.3	Increasing	Faster
Availability of Skilled Labor	50	No Change	From Increasing	NA	NA	NA
Availability of Unskilled Labor	41.7	Decreasing	From Increasing	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>January</u>	<u>January</u>	<u>January vs. December</u>
MRO Items	58.3	Increasing	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	70	Increasing	Faster
Components	70	Increasing	From No Change
Computers	66.7	Increasing	From No Change
Services	60	Increasing	From No Change
<u>Lead Times</u>	<u>January</u>	<u>January</u>	<u>January vs. December</u>
MRO Items	41.7	Decreasing	From Increasing
Capital Goods	50	No Change	From Decreasing
Raw Materials	40	Decreasing	Slower
Components	60	Increasing	From Decreasing
Computers	50	No Change	From Decreasing
Services	50	No Change	From No Change
<u>Supplier Performance</u>	<u>January</u>	<u>January</u>	<u>January vs. December</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	50	No Change	From No Change
Components	50	No Change	From No Change
Computers	50	No Change	From No Change
Services	50	No Change	From No Change