



January 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 in January's index is 31.2. December's index was 33.8. The Production index decreased in January at a faster rate with an index of 25. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 35.6 percent, 2.7 percentage points higher than the seasonally adjusted 32.9 percent reported in December. This is the 12th 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 increased in January with an index of 52.8. Prices increased in MRO, Components and Services sectors. Prices decreased in the Raw Materials sector. Prices remained at an index of 50 in the Capital Goods and Computers sectors. Lead times increased in January. The MRO, Capital Goods and Components sectors increased, and the Raw Materials, Computers and Services sectors remained unchanged. The New Orders Index decreased in January. The Imports Index decreased in January. The Raw Materials Inventory and the Finished Goods Inventory Indices decreased in January.

January's Employment Index decreased at a slower rate than in December. The Availability of Skilled Workers Index and the Availability of Unskilled Workers Indices both decreased in January.

Supplier performance in our Denver survey increased in the Capital Goods sector and remained unchanged in all other sectors.

ISM's New Orders Index registered 33.2 percent in January, 10.1 percentage points higher than the 23.1 percent registered in December (seasonally adjusted). This is the 14th consecutive month of contraction in the New Orders Index. ISM's Employment Index registered 29.9 percent in January, which is the same as the seasonally adjusted reading reported in December. This is the sixth 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 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 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>January</u>	<u>January vs. December</u>	<u>January vs. December</u>	<u>January</u>	<u>January vs. December</u>	<u>January vs. December</u>
Purchasing Managers' Index	31.2	Decreasing	Faster	35.6	Decreasing	Slower
Production	25	Decreasing	Faster	32.1	Decreasing	Slower
New Orders	25	Decreasing	Faster	33.2	Decreasing	Slower
Backlog of Orders	25	Decreasing	Slower	29.5	Decreasing	Slower
Prices	52.8	Increasing	Slightly Faster	29	Decreasing	Slower
Lead Times	55.6	Increasing	From Decreasing	45.3	Decreasing	Slightly Faster
Import Orders	28.6	Decreasing	Faster	36.5	Decreasing	Slower
Raw Material Inventory	27.8	Decreasing	Slower	37.5*	Decreasing	Faster
Finished Goods Inventory	37.5	Decreasing	Slower	NA	NA	NA
Employment	31.8	Decreasing	Slower	29.9	Decreasing	No Change
Availability of Skilled Labor	45.5	Decreasing	Slower	NA	NA	NA
Availability of Unskilled Labor	45	Decreasing	Slightly Faster	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>January</u>	<u>January vs. December</u>	<u>January vs. December</u>
MRO Items	55.6	Increasing	From No Change
Capital Goods	50	No Change	From Increasing
Raw Materials	45	Decreasing	Faster
Components	63.6	Increasing	Faster
Computers	50	No Change	From Increasing
Services	60	Increasing	Faster
<u>Lead Times</u>			
MRO Items	55.6	Increasing	Slower
Capital Goods	62.5	Increasing	From Decreasing
Raw Materials	50	No Change	From Decreasing
Components	60	Increasing	From Decreasing
Computers	50	No Change	From No Change
Services	50	No Change	From Decreasing
<u>Supplier Performance</u>			
	<u>January</u>	<u>January vs. December</u>	<u>Rate of Change</u>
MRO Items	50	No Change	From Improving
Capital Goods	56.3	Improving	Slower
Raw Materials	50	No Change	From Improving
Components	50	No Change	From Improving
Computers	50	No Change	From Improving
Services	50	No Change	From Improving