



July 2007
Non-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 Non-Manufacturing economy improved in July at a faster rate as the Denver Non-Manufacturing PMI was 58.5. June's index was 56.7. The Production Index increased at a slower rate with an index of 60 which compares to June's rate of 63.2. The Denver Non-Manufacturing Production Index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index of 55.8 percent which is lower than the 60.7 percent registered in June, indicating a slower rate of growth in business activity in July. (ISM publishes the national Business Activity/Production Non-Manufacturing Index).

(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 Non-Manufacturing Survey increased at a slightly slower rate than in June. All sectors increased. Lead times in our Denver survey increased in July at a slower rate than in June. All sectors increased except the MRO and Capital Goods sectors which remained unchanged. The New Orders Index increased in July at a faster rate than in June. The Raw Materials Inventory Index increased in July. The Finished Goods Inventory Index decreased at a faster rate than in June.

July's Employment Index remained unchanged. The Availability of Skilled Workers and the Availability of Unskilled Workers indices both decreased in July.

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

ISM's New Orders Index decreased to 52.8 percent in July from the 56.9 percent registered in June. This indicates continued expansion of new orders, but at a slower rate than in June. ISM's Employment Index increased at a slower rate in July compared to June. 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 July'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.

July 2007 Colorado Front Range Non-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>July</u>	<u>July vs. June</u>	<u>July vs. June</u>	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
Purchasing Managers' Index	58.5	Increasing	Faster	N/A	N/A	N/A
Production	60	Increasing	Slower	55.8	Increasing	Slower
New Orders	57.7	Increasing	Faster	52.8	Increasing	Slower
Backlog of Orders	46.2	Decreasing	From Increasing	53	Increasing	From Decreasing
Prices	59.4	Increasing	Slightly Slower	61.3	Increasing	Slower
Lead Times	54.3	Increasing	Slower	51.5	Increasing	Faster
Raw Material Inventory	80	Increasing	From No Change	55*	Increasing	Faster
Finished Goods Inventory	40.9	Decreasing	Faster	NA	NA	NA
Employment	50	No Change	From Increasing	51.7	Increasing	Slower
Availability of Skilled Labor	36.7	Decreasing	Faster	NA	NA	NA
Availability of Unskilled Labor	43.3	Decreasing	From Increasing	NA	NA	NA

*The national non-manufacturing survey does not list a PMI.

**The national non-manufacturing survey lists only total inventories.

Note: The index for the overall Denver non-manufacturing economy is a composite based on five components: delivery times, inventory levels, new orders, production and employment. An index above 50 means the non-manufacturing economy is generally expanding.

July 2007 Colorado Front Range Non-Manufacturing Survey

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
MRO Items	60	Increasing	Slower
Capital Goods	60	Increasing	Slower
Raw Materials	61.1	Increasing	Slower
Components	62.5	Increasing	Faster
Computers	53.6	Increasing	Slightly Faster
Services	53.3	Increasing	Slower
<u>Lead Times</u>			
MRO Items	50	No Change	From Increasing
Capital Goods	50	No Change	From Increasing
Raw Materials	53.3	Increasing	Slightly Faster
Components	60	Increasing	Slower
Computers	58.3	Increasing	From No Change
Services	53.6	Increasing	From No Change
 <u>Supplier Performance</u>			
	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
MRO Items	50	No Change	From Improving
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

