



July 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 with an index in July 48. The Production index was 71.4. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 48.9 percent, which is 4.1 percentage points higher than the 44.8 percent reported in June. This is the 18th 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 was 58.1 in July. Prices increased in the Capital Goods, Raw Materials, Components and Computers sectors and had an index of 50 in the MRO and Services sectors. Lead times increased in July with an index of 51.9. Lead times decreased in the MRO sector, increased in the Components sector and had an index of 50 in the other sectors.

The New Orders Index registered 35.7 in July. The Imports Index registered 50 in July. The Raw Materials Inventory Index and the Finished Goods Inventory Index decreased in July.

July's Employment Index decreased in June. The Availability of Skilled Workers Index registered 50 and the Availability of Unskilled Workers Index decreased in July.

Supplier performance in our Denver survey registered 50 in the Capital Goods and Components sectors and worsened in the all other sectors.

ISM's New Orders Index registered 55.3 percent in July, 6.1 percentage points higher than the 49.2 percent registered in June. New orders have grown in two of the last three months. ISM's Employment Index registered 45.6 percent in July, which is 4.9 percentage points higher than the 40.7 percent reported in June. This is the 12th 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 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 2009 Colorado Front Range Manufacturing Survey

<i>Series</i>	<i>Colo. Index</i>	<i>Direction</i>	<i>National Index</i>	<i>Direction</i>	<i>Rate of Change</i>
	<u>July</u>	<u>July</u>	<u>July</u>	<u>July vs. June</u>	<u>July vs. June</u>
Purchasing Managers' Index	48	Decreasing	48.9	Decreasing	Slower
Production	71.4	Increasing	57.9	Increasing	Faster
New Orders	35.7	Decreasing	55.3	Increasing	From Decreasing
Backlog of Orders	30	Decreasing	50	No Change	From Decreasing
Prices	58.1	Increasing	55	Increasing	From No Change
Lead Times	51.9	Increasing	52	Increasing	Faster
Import Orders	50	No Change	50	No Change	From Decreasing
Raw Material Inventory	41.7	Decreasing	33.5*	Decreasing	Slower
Finished Goods Inventory	40	Decreasing	NA	NA	NA
Employment	37.5	Decreasing	45.6	Decreasing	Slower
Availability of Skilled Labor	50	No Change	NA	NA	NA
Availability of Unskilled Labor	43.7	Decreasing	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>
<u>Prices:</u>	<u>July</u>	<u>July</u>
MRO Items	50	No Change
Capital Goods	66.7	Increasing
Raw Materials	57.1	Increasing
Components	58.3	Increasing
Computers	58.3	Increasing
Services	50	No Change
<u>Lead Times</u>		
MRO Items	42.9	Decreasing
Capital Goods	50	No Change
Raw Materials	50	No Change
Components	66.7	Increasing
Computers	50	No Change
Services	50	No Change
<u>Supplier Performance</u>	<u>July</u>	<u>July</u>
MRO Items	42.9	Worsening
Capital Goods	50	No Change
Raw Materials	41.7	Worsening
Components	50	No Change
Computers	41.7	Worsening
Services	41.7	Worsening