

**June 2007**  
**Manufacturing**  
**Business Conditions Survey**

**A Joint Project of the College of Business  
At the University of Colorado at Denver  
And NAPM-Denver**

The local manufacturing economy's PMI index continued into the fifth month of its positive trend in June at a faster rate. The June 2007 Denver Manufacturing PMI is 60. May's index was 55.8. The Production index increased also at a faster rate with an index of 64.8 which compares to May's rate of 58.3. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 56 percent, an increase of 1 percentage point when compared to May's reading of 55 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 slightly slower rate in June than in May. All sectors increased. The Lead Time Index in our Denver survey stayed the same in June. The Raw Materials, Components, and Computers Sectors increased, while the MRO Sector decreased and the Capital Goods and Services Sectors remained unchanged. The New Orders Index increased at a faster rate than in May. The Imports Index increased at a faster rate in June. The Raw Materials Inventory Index increased in June and the Finished Goods Inventory Index decreased in June.

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

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

ISM's New Orders Index registered 60.3 percent in June. The index is 0.7 percentage point higher than the 59.6 percent reported in May. ISM's Employment Index registered 51.1 percent in June, which is a decrease of 0.8 percentage point when compared to May's reading of 51.9 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 June'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.

## June 2007 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>June</u>	<u>June vs. May</u>	<u>June vs. May</u>	<u>June</u>	<u>June vs. May</u>	<u>June vs. May</u>
<b>Purchasing Managers' Index</b>	60	Increasing	Faster	56	Increasing	Faster
<b>Production</b>	64.8	Increasing	Faster	62.9	Increasing	Faster
<b>New Orders</b>	62.5	Increasing	Faster	60.3	Increasing	Slightly Faster
<b>Backlog of Orders</b>	62	Increasing	From Decreasing	53.5	Increasing	Faster
<b>Prices</b>	63.2	Increasing	Slightly Slower	68	Increasing	Slower
<b>Lead Times</b>	53	Increasing	No Change	49.7	Decreasing	From Increasing
<b>Import Orders</b>	60.7	Increasing	Faster	54.5	Increasing	Slower
<b>Raw Material Inventory</b>	58	Increasing	From Decreasing	45.3*	Decreasing	Slightly Faster
<b>Finished Goods Inventory</b>	42	Decreasing	From Increasing	NA	NA	NA
<b>Employment</b>	56.5	Increasing	Slightly Slower	51.1	Increasing	Slightly Slower
<b>Availability of Skilled Labor</b>	43.3	Decreasing	Faster	NA	NA	NA
<b>Availability of Unskilled Labor</b>	41.1	Decreasing	From Increasing	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.**

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<b><u>Prices</u></b>	<b><u>June</u></b>	<b><u>June vs. May</u></b>	<b><u>June vs. May</u></b>
MRO Items	64.8	Increasing	Faster
Capital Goods	61.5	Increasing	Slower
Raw Materials	64.8	Increasing	Slower
Components	70.8	Increasing	Faster
Computers	54.2	Increasing	Faster
Services	66.7	Increasing	Faster
<b><u>Lead Times</u></b>			
MRO Items	46.6	Decreasing	From Increasing
Capital Goods	50	No Change	From Increasing
Raw Materials	58.3	Increasing	Faster
Components	53.9	Increasing	No Change
Computers	56.3	Increasing	From No Change
Services	50	No Change	From Decreasing
<b><u>Supplier Performance</u></b>	<b><u>June</u></b>	<b><u>June vs. May</u></b>	<b><u>June vs. May</u></b>
MRO Items	48.2	Worsening	From Improving
Capital Goods	50	No Change	From No Change
Raw Materials	51.9	Improving	From No Change
Components	52.1	Improving	From No Change
Computers	52	Improving	From Worsening
Services	52	Improving	Slightly Slower