



June 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 area Non-Manufacturing survey increased at a slower rate in June. The survey indicates a PMI of 56.7 compared to May's rate of 59.2. The Production Index is 63.2. This month's index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index for June of 60.7 percent compared to the 59.7 percent registered in May, indicating a faster rate of growth in business activity in June. (ISM publishes the national non-manufacturing survey).

(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 for Non-Manufacturing for the Denver Business Survey in June is 60.3. Prices increased in all sectors. Lead times for services in our Denver survey increased at a faster rate than in May. The June index is 55.9. The MRO, Capital Goods, Raw Materials and Components Sectors increased, while the Computers and Services Sectors remained unchanged. The New Orders Index increased at a slightly faster rate than in May. The Raw Materials Inventory Index was unchanged in June and the Finished Goods Inventory Index decreased in June.

The Employment Index increased in June at a slower rate than in May.

Supplier performance in our Denver survey for non-manufacturing improved in the MRO Sector and remained unchanged in all other sectors.

The ISM Non-Manufacturing New Orders Sector increased with an index of 56.9 percent in June compared to the 57.4 percent registered in May. This indicates continued expansion of new orders but at a slower rate than in May.. ISM's Non-Manufacturing Employment Index for June is 55 percent, a 0.1 percentage point increase from the 54.9 percent reported in May. For the complete ISM report, go to www.ism.ws

The Denver Non-Manufacturing 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 Denver non-manufacturing survey, or to participate in it, call Dr. MP 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 Non-Manufacturing Survey

<u>Series</u>	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>	<u>National Index</u>	<u>Direction</u>	<u>Rate of Change</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>
Purchasing Managers' Index	56.7	Increasing	Slightly Faster	NA*	NA	NA
Production	63.2	Increasing	Slower	60.7	Increasing	Faster
New Orders	56.7	Increasing	Slightly Faster	56.9	Increasing	Slower
Backlog of Orders	54.6	Increasing	Faster	46.5	Decreasing	Faster
Prices	60.3	Increasing	Faster	65.5	Increasing	Slightly Slower
Lead Times	55.9	Increasing	Faster	50.5	Increasing	From Decreasing
Raw Material Inventory	50	No Change	From Increasing	52.5*	Increasing	Slower
Finished Goods Inventory	45.8	Decreasing	From No Change	NA	NA	NA
Employment	52.6	Increasing	Slower	55	Increasing	Slightly Faster
Availability of Skilled Labor	38.9	Decreasing	Slower	NA	NA	NA
Availability of Unskilled Labor	53.6	Increasing	From Decreasing	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.

Colo. Index Direction Rate of Change

<u>Prices:</u>	<u>June</u>	<u>June vs. May</u>	<u>June vs. May</u>
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MRO Items	61.1	Increasing	Faster
Capital Goods	63.9	Increasing	Slightly Faster
Raw Materials	65	Increasing	Faster
Components	58.3	Increasing	Faster
Computers	52.9	Increasing	Slightly Faster
Services	55.3	Increasing	Slower

Lead Times

MRO Items	52.6	Increasing	From Decreasing
Capital Goods	58.8	Increasing	From No Change
Raw Materials	52.9	Increasing	Slower
Components	65	Increasing	From No Change
Computers	50	No Change	From Increasing
Services	50	No Change	From No Change

Supplier
Performance

<u>June</u>	<u>June vs. May</u>	<u>June vs. May</u>
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MRO Items	52.8	Improving	Slightly Faster
Capital Goods	50	No Change	From Worsening
Raw Materials	50	No Change	From Worsening
Components	50	No Change	From No Change
Computers	50	No Change	From Improving
Services	50	No Change	From Improving