



**September 2010
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 was 54 in September. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 54.4 percent, a decrease of 1.9 percentage points when compared to August's reading of 56.3 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 was 47.8 in September. Prices increased in the Capital Goods sector, decreased in the Raw Materials, Components and Computers sectors and remained unchanged the MRO and Services sectors. The overall Lead Time index was 60.1 in September. Lead times increased in the Capital Goods, Raw Materials, Components and Computers sectors and remained unchanged in the MRO and Services sectors.

The New Orders Index was 68.8 in September. The Raw Materials Inventory was 25 and the Finished Goods Inventory Index was 42.9 in September.

September's Employment Index was 38.9. The Availability of Skilled Workers Index was 55.6 and the Availability of Unskilled Workers Index also was 55.6 in September.

Supplier performance in our Denver survey worsened in the Components and Computer sectors and remained unchanged in all other sectors.

ISM's New Orders Index registered 51.1 percent in September, which is a decrease of 2 percentage points when compared to the 53.1 percent reported in August. This is the 15th consecutive month of growth in the New Orders Index. ISM's Employment Index registered 56.5 percent in September, which is 3.9 percentage points lower than the 60.4 percent reported in August. This is the 10th consecutive month of growth in manufacturing 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 September'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.

September 2010 Colorado Front Range Manufacturing Survey

	<i>Colo. Index</i>	<i>National Index</i>	<i>Direction</i>	<i>Rate of Change</i>
<u>Series</u>	<u>September</u>	<u>September</u>	<u>September vs. August</u>	<u>September vs. August</u>
Purchasing Managers' Index	54	54.4	Increasing	Slower
Production	56.3	56.5	Increasing	Slower
New Orders	68.8	51.1	Increasing	Slower
Backlog of Orders	50	46.5	Decreasing	From Increasing
Imports	50	56.5	Increasing	No Change
Prices	47.8	70.5	Increasing	Faster
Lead Times	60.1	52.3	Increasing	Slower
Raw Material Inventory	25	55.6*	Increasing	Faster
Finished Goods Inventory	42.9	NA	NA	NA
Employment	38.9	56.5	Increasing	Slower
Availability of Skilled Labor	55.6	NA	NA	NA
Availability of Unskilled Labor	55.6	NA	NA	NA

Colo. Index

Prices:

September

MRO Items	50
Capital Goods	55.6
Raw Materials	44.4
Components	44.4
Computers	44.4
Services	50

Colo. Index

September

Supplier
Performance

MRO Items	50
Capital Goods	50
Raw Materials	50
Components	44.4
Computers	43.8
Services	50

Colo. Index

Lead Times: September

MRO Items	50
Capital Goods	55.6
Raw Materials	66.7
Components	72.2
Computers	56.3
Services	50