



**October 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 increased faster with an index of 69.6 in October. This compares to September's increase of 54. The Production index was 77.3, a faster increase than September's 56.3 rate. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 56.9 percent, an increase of 2.5 percentage points when compared to September's reading of 54.4 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 with an index of 65 in October. Prices increased in all sectors. Lead times increased slower in October with an index of 52.7. Lead times increased in the Capital Goods, Components and Services sectors, decreased in the Raw Materials and Computers sectors and remained unchanged in the MRO sector.

The New Orders Index increased faster with an index of 80 in October. The Raw Materials Inventory and the Finished Goods Inventory Indices increased in October.

October's Employment Index increased in October with an index of 63.6. This compares to a decrease in September. The Availability of Skilled Workers Index increased and the Availability of Unskilled Workers Index both increased in October.

Supplier performance in our Denver survey improved in the Raw Materials and Components sectors and remained unchanged in all other sectors.

ISM's New Orders Index registered 58.9 percent in October, which is an increase of 7.8 percentage points when compared to the 51.1 percent reported in September. This is the 16th consecutive month of growth in the New Orders Index and the largest month-over-month improvement since January 2009. ISM's Employment Index registered 57.7 percent in October, which is 1.2 percentage points higher than the 56.5 percent reported in September. This is the 11th consecutive month of growth in manufacturing employment. 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 October'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.

### October 2010 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>October</u>	<u>October</u>	<u>October vs. September</u>	<u>October</u>	<u>October vs. September</u>	<u>October vs. September</u>
<b>Purchasing Managers' Index</b>	69.6	Increasing	Faster	56.9	Increasing	Faster
<b>Production</b>	77.3	Increasing	Faster	62.7	Increasing	Faster
<b>New Orders</b>	80	Increasing	Faster	58.9	Increasing	Slower
<b>Backlog of Orders</b>	75	Increasing	From No Change	46	Decreasing	Slightly Faster
<b>Imports</b>	75	Increasing	From No Change	51.5	Increasing	Slower
<b>Prices</b>	65	Increasing	From Decreasing	71	Increasing	Slightly Faster
<b>Lead Times</b>	52.7	Increasing	Slower	51.2	Increasing	Slower
<b>Raw Material Inventory</b>	56.3	Increasing	From Decreasing	53.9*	Increasing	Slower
<b>Finished Goods Inventory</b>	66.7	Increasing	From Decreasing	NA	NA	NA
<b>Employment</b>	63.6	Increasing	From Decreasing	57.7	Increasing	Faster
<b>Availability of Skilled Labor</b>	68.2	Increasing	Faster	NA	NA	NA
<b>Availability of Unskilled Labor</b>	55	Increasing	Slightly Slower	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<b><u>Prices:</u></b>	<u>October</u>	<u>October</u>	<u>October vs. September</u>
MRO Items	65	Increasing	From No Change
Capital Goods	65	Increasing	Faster
Raw Materials	65	Increasing	From Decreasing
Components	75	Increasing	From Decreasing
Computers	55	Increasing	From Decreasing
Services	65	Increasing	From No Change
<b><u>Lead Times</u></b>	<u>October</u>	<u>October</u>	<u>October vs. September</u>
MRO Items	50	No Change	From No Change
Capital Goods	59.1	Increasing	Faster
Raw Materials	45.5	Decreasing	From Increasing
Components	63.6	Increasing	Slower
Computers	45.5	Decreasing	From Increasing
Services	54.6	Increasing	From No Change
<b><u>Supplier Performance</u></b>	<u>October</u>	<u>October</u>	<u>October vs. September</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	54.6	Improving	From No Change
Components	54.6	Improving	From Worsening
Computers	50	No Change	From Worsening
Services	50	No Change	From No Change