



**November 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 increased with an index of 57.9 in November. This is a faster rate of increase compared to October's index of 51.4. The Production index was 55. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 53.6 percent, a decrease of 2.1 percentage points when compared to October's reading of 55.7 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 56 in November. Prices increased in the Raw Material and Services sectors and remained unchanged in all other sectors. Lead times increased in November with an index of 62.9. Lead times increased in the MRO, Capital Goods, Raw Materials, Components and Services sectors and remained unchanged in the Computers sector.

The New Orders Index registered 60 in November. The Raw Materials Inventory and the Finished Goods Inventory Indices remained unchanged in November.

November's Employment Index increased in November with an index of 58.3. The Availability of Skilled Workers Index increased with an index of 54.6 and the Availability of Unskilled Workers Index decreased in November.

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

ISM's New Orders Index registered 60.3 percent in November, 1.8 percentage points higher than the 58.5 percent registered in October. This is the fifth consecutive month of growth in the New Orders Index. ISM's Employment Index registered 50.8 percent in November, which is 2.3 percentage points lower than the 53.1 percent reported in October. This is the second month of growth in manufacturing employment following 14 consecutive months of decline. 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 November'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.

November 2009 Colorado Front Range Manufacturing Survey

<i>Series</i>	<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>November</u>	<u>November</u>	<u>November vs. October</u>	<u>November</u>	<u>November vs. October</u>	<u>November vs. October</u>
Purchasing Managers' Index	57.9	Increasing	Faster	53.6	Increasing	Slower
Production	55	Increasing	Slower	59.9	Increasing	Slower
New Orders	60	Increasing	From No Change	60.3	Increasing	Faster
Backlog of Orders	61.1	Increasing	From No Change	52	Increasing	Slower
Imports	70	Increasing	No Report	51.5	Increasing	Slightly Faster
Prices	56	Increasing	Slower	55	Increasing	Slower
Lead Times	62.9	Increasing	Slower	55.7	Increasing	Slower
Raw Material Inventory	50	No Change	From No Change	41.3*	Decreasing	Faster
Finished Goods Inventory	50	No Change	From Increasing	NA	NA	NA
Employment	58.3	Increasing	From Decreasing	50.8	Increasing	Slower
Availability of Skilled Labor	54.5	Increasing	From Decreasing	NA	NA	NA
Availability of Unskilled Labor	45.5	Decreasing	From No Change	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>November</u>	<u>November</u>	<u>November vs. October</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From Increasing
Raw Materials	80	Increasing	Faster
Components	50	No Change	From Increasing
Computers	50	No Change	From No Change
Services	54.2	Increasing	From No Change
<u>Lead Times</u>	<u>November</u>	<u>November</u>	<u>November vs. October</u>
MRO Items	58.3	Increasing	Slower
Capital Goods	72.7	Increasing	Slower
Raw Materials	70	Increasing	Faster
Components	63.6	Increasing	Slower
Computers	50	No Change	From No Change
Services	58.3	Increasing	From No Change
<u>Supplier Performance</u>	<u>November</u>	<u>November</u>	<u>November vs. October</u>
MRO Items	50	No Change	From No Change
Capital Goods	45.8	Worsening	From No Change
Raw Materials	40	Worsening	From No Change
Components	37.5	Worsening	From No Change
Computers	59.1	Improving	From No Change
Services	45.4	Worsening	Slower