

**November 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 Denver manufacturing economy was barely on the improvement side in November with an index rate of 50.01. October's index was 59.5. The Production index decreased in November with a rate of 47.5. October's Production index was 64.3. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 50.8 percent, a decrease of 0.1 percentage points when compared to October's reading of 50.9 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 than in October. All sectors increased except for the Computers sector which decreased. Lead times in our Denver survey increased in November at a faster rate than in October. The Services sector decreased, the MRO sector remained unchanged and the other sectors increased. The New Orders Index decreased in November reversing the increasing trend in October. The Imports Index increased in November. The Raw Materials Inventory Index increased at a slower rate than in October. The Finished Goods Inventory Index decreased at a faster rate than in October.

November's Employment Index was unchanged in November. The Availability of Skilled Workers Index decreased at a slower rate than in October and the Availability of Unskilled Workers Index increased reversing the decreasing trend in October.

Supplier performance in our Denver survey worsened in the Capital Equipment sector, improved in the MRO and Services sectors and remained unchanged in the other sectors.

ISM's New Orders Index registered 52.6 percent in November. The index is 0.1 percentage point higher than the 52.5 percent reported in October. ISM's Employment Index registered 47.8 percent in November, which is a decrease of 4.2 percentage points when compared to October's reading of 52 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 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 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>November</u>	<u>November vs. October</u>	<u>November vs. October</u>	<u>November</u>	<u>November vs. October</u>	<u>November vs. October</u>
Purchasing Managers' Index	50.01	Increasing	Slower	50.8	Increasing	Slightly Slower
Production	47.5	Decreasing	From Increasing	51.9	Increasing	From Decreasing
New Orders	47.5	Decreasing	From Increasing	52.6	Increasing	Slightly Faster
Backlog of Orders	47.4	Decreasing	From Increasing	41.5	Decreasing	Faster
Prices	57.4	Increasing	Slightly Slower	67.5	Increasing	Faster
Lead Times	58.4	Increasing	Faster	51.7	Increasing	Faster
Import Orders	57.5	Increasing	From No Change	47.5	Decreasing	No Change
Raw Material Inventory	51.3	Increasing	Slower	46.9*	Decreasing	Slightly Faster
Finished Goods Inventory	42.3	Decreasing	Slower	NA	NA	NA
Employment	50	No Change	From No Change	47.8	Decreasing	From Increasing
Availability of Skilled Labor	42.3	Decreasing	Slower	NA	NA	NA
Availability of Unskilled Labor	51.4	Increasing	From Decreasing	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.

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	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<b><u>Prices:</u></b>	<b><u>November</u></b>	<b><u>November vs. October</u></b>	<b><u>November vs. October</u></b>
<b>MRO Items</b>	57.5	Increasing	Slightly Faster
<b>Capital Goods</b>	59.7	Increasing	Slightly Slower
<b>Raw Materials</b>	62.5	Increasing	Slightly Faster
<b>Components</b>	58.8	Increasing	Slower
<b>Computers</b>	48.7	Decreasing	Slower
<b>Services</b>	59.2	Increasing	Slower
<b><u>Lead Times</u></b>			
<b>MRO Items</b>	50	No Change	From Decreasing
<b>Capital Goods</b>	56.1	Increasing	Faster
<b>Raw Materials</b>	60	Increasing	Slower
<b>Components</b>	61.5	Increasing	Slightly Faster
<b>Computers</b>	64.1	Increasing	Faster
<b>Services</b>	48.6	Decreasing	From Increasing
<b><u>Supplier Performance</u></b>	<b><u>November</u></b>	<b><u>November vs. October</u></b>	<b><u>November vs. October</u></b>
<b>MRO Items</b>	51.3	Improving	From No Change
<b>Capital Goods</b>	48.6	Worsening	From No Change
<b>Raw Materials</b>	50	No Change	From No Change
<b>Components</b>	50	No Change	From Improving
<b>Computers</b>	50	No Change	From No Change
<b>Services</b>	51.4	Improving	From Worsening