

November 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 Non-Manufacturing economy reversed course by increasing in November as the Denver Non-Manufacturing PMI was 53.8. October's index was 43.9. The Production Index also increased with an index of 54.2 which compares to October's rate of 33.3. The Denver Non-Manufacturing Production Index compares to the Institute for Supply Management's (ISM) Business Activity/Production Index of 54.1 percent, indicating a slower rate of growth in business activity compared to October. (ISM publishes the national Business Activity/Production Non-Manufacturing Index).

(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 Non-Manufacturing Survey increased in October. All sectors increased. Lead times in our Denver survey increased in November. The MRO and Services sectors decreased, the Capital Goods, Raw Materials and Components sectors increased and the Computers sector remained unchanged. The New Orders Index decreased in November. The Raw Materials Inventory Index and the Finished Goods Inventory Index decreased in November.

November's Employment Index increased. The Availability of Skilled Workers and the Availability of Unskilled Workers indices both decreased in November.

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

ISM's New Orders Index increased to 51.1 percent in November from the 55.7 percent registered in October. This indicates continued expansion of new orders at a faster rate than in October. ISM's Employment Index was 50.8 percent, a 1 percentage point decrease from the 51.8 percent reported in October. 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 2007 Colorado Front Range Non-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 vs. October</u>	<u>November vs. October</u>	<u>November</u>	<u>November vs. October</u>	<u>November vs. October</u>
Purchasing Managers' Index	53.8	Increasing	From Decreasing	N/A	N/A	N/A
Production	54.2	Increasing	From Decreasing	54.1	Increasing	Slower
New Orders	54.6	Increasing	From Decreasing	51.1	Increasing	Slower
Backlog of Orders	36.1	Decreasing	Slower	48.5	Decreasing	Slower
Prices	60.7	Increasing	From Decreasing	76.5	Increasing	Faster
Lead Times	51.3	Increasing	From Decreasing	51.5	Increasing	From No Change
Raw Material Inventory	45.5	Decreasing	Slower	50.5*	Increasing	From Decreasing
Finished Goods Inventory	32.1	Decreasing	Faster	NA	NA	NA
Employment	58.3	Increasing	Slower	50.8	Increasing	Slower
Availability of Skilled Labor	41.7	Decreasing	No Change	NA	NA	NA
Availability of Unskilled Labor	32.6	Decreasing	Faster	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.

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	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>November</u>	<u>November vs. October</u>	<u>November vs. October</u>
MRO Items	62.5	Increasing	Faster
Capital Goods	62.5	Increasing	From No Change
Raw Materials	61.1	Increasing	From Decreasing
Components	57.1	Increasing	From No Change
Computers	60	Increasing	From Decreasing
Services	69.1	Increasing	Faster
<u>Lead Times</u>			
MRO Items	47.7	Decreasing	From Increasing
Capital Goods	52.4	Increasing	From No Change
Raw Materials	52.4	Increasing	From Decreasing
Components	54.2	Increasing	From Decreasing
Computers	50	No Change	From No Change
Services	47.6	Decreasing	Slower
<u>Supplier Performance</u>			
	<u>November</u>	<u>November vs. October</u>	<u>November vs. October</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	50	No Change	From Improving
Components	43.3	Worsening	From Improving
Computers	52.4	Improving	From No Change
Services	52.4	Improving	Slower