



**November 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 slower with an index of 66.7 in November. This compares to October's increase of 69.6. The Production index was 70, a slower increase than October's 77.3 rate. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 56.6 percent, a decrease of 0.3 percentage point when compared to October's reading of 56.9 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 slower with an index of 56 in November. Prices increased in the MRO, Raw Materials and Services sectors and remained unchanged in the Capital Goods, Components and Computers sectors. Lead times increased faster in November with an index of 64.3. Lead times increased in the MRO, Capital Goods, Raw Materials, Components and Computers sectors and remained unchanged in the Services sector.

The New Orders Index increased slower with an index of 60 in November. The Raw Materials Inventory and the Finished Goods Inventory Indices increased faster in November.

November's Employment Index increased faster in November with an index of 70. The Availability of Skilled Workers Index increased and the Availability of Unskilled Workers Index both increased in November.

Supplier performance in our Denver survey remained unchanged in all sectors.

ISM's New Orders Index registered 56.6 percent in November, which is a decrease of 2.3 percentage points when compared to the 58.9 percent reported in October. This is the 17th consecutive month of growth in the New Orders Index. ISM's Employment Index registered 57.5 percent in November, which is 0.2 percentage point lower than the 57.7 percent reported in October. This is the 12th 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 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 2010 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	66.6	Increasing	Slower	56.6	Increasing	Slightly Slower
Production	70	Increasing	Slower	55	Increasing	Slower
New Orders	60	Increasing	Slower	56.6	Increasing	Slower
Backlog of Orders	80	Increasing	Faster	46	Decreasing	From No Change
Imports	50	No Change	From Increasing	53	Increasing	Faster
Prices	56	Increasing	Slower	69.5	Increasing	Slower
Lead Times	64.3	Increasing	Faster	57.2	Increasing	Faster
Raw Material Inventory	75	Increasing	Faster	56.7*	Increasing	Faster
Finished Goods Inventory	75	Increasing	Faster	NA	NA	NA
Employment	70	Increasing	Faster	57.5	Increasing	Slower
Availability of Skilled Labor	66.7	Increasing	Slower	NA	NA	NA
Availability of Unskilled Labor	58.3	Increasing	Faster	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	60	Increasing	Slower
Capital Goods	50	No Change	From Increasing
Raw Materials	70	Increasing	Faster
Components	50	No Change	From Increasing
Computers	50	No Change	From Increasing
Services	58.3	Increasing	Slower
<u>Lead Times</u>	<u>November</u>	<u>November</u>	<u>November vs. October</u>
MRO Items	60	Increasing	From No Change
Capital Goods	60	Increasing	Slightly Faster
Raw Materials	60	Increasing	From Decreasing
Components	83.3	Increasing	Faster
Computers	58.3	Increasing	From Decreasing
Services	50	No Change	From Increasing
<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	50	No Change	From No Change
Raw Materials	50	No Change	From Increasing
Components	50	No Change	From Increasing
Computers	50	No Change	From No Change
Services	50	No Change	From No Change