



September 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 decreased with an index of 39.1 in September. The Production index was 33.3. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 52.6 percent in September, which is 0.3 percentage point lower than the 52.9 percent reported in August, and the second month of expansion following 18 months of decline. (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 49.9 in September. Prices increased in the MRO, Raw Materials and Components sectors and decreased in the Capital Goods, Computers and Services sectors. Lead times increased in September with an index of 55.8. Lead times decreased in the Services sector, increased in the Capital Goods, Components and Computers sectors and had an index of 50 in the MRO and Raw Materials sectors.

The New Orders Index registered 38.9 in September. The Imports Index registered 33.3 in September. The Raw Materials Inventory Index decreased and the Finished Goods Inventory Index increased in September.

September's Employment Index decreased in September. The Availability of Skilled Workers and the Availability of Unskilled Workers Indices both decreased in September.

Supplier performance in our Denver survey worsened in all sectors.

ISM's New Orders Index registered 60.8 percent in September, 4.1 percentage points lower than the 64.9 percent registered in August. This is the third consecutive month of growth in the New Orders Index. ISM's Employment Index registered 46.2 percent in September, which is 0.2 percentage point lower than the 46.4 percent reported in August. This is the 14th consecutive month of decline in 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 September'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.

September 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>September</u>	<u>September</u>	<u>September vs. August</u>	<u>September</u>	<u>September vs. August</u>	<u>September vs. August</u>
Purchasing Managers' Index	39.1	Decreasing	Slower	52.6	Increasing	Slightly Slower
Production	33.3	Decreasing	Slightly Slower	55.7	Increasing	Slower
New Orders	38.9	Decreasing	Slower	60.8	Increasing	Slower
Backlog of Orders	33.3	Decreasing	Faster	53.5	Increasing	Faster
Prices	49.9	Decreasing	Slightly Slower	63.5	Increasing	Slower
Lead Times	55.8	Increasing	Faster	58	Increasing	Slightly Faster
Import Orders	33.3	Decreasing	From No Change	52	Increasing	From Decreasing
Raw Material Inventory	43.8	Decreasing	No Change	42.5*	Decreasing	Slower
Finished Goods Inventory	71.4	Increasing	From Decreasing	NA	NA	NA
Employment	31.8	Decreasing	Faster	46.2	Decreasing	Slightly Faster
Availability of Skilled Labor	40.9	Decreasing	From No Change	NA	NA	NA
Availability of Unskilled Labor	40.9	Decreasing	Faster	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>September</u>	<u>September</u>	<u>September vs. August</u>
MRO Items	54.6	Increasing	From No Change
Capital Goods	45.5	Decreasing	From No Change
Raw Materials	61.1	Increasing	From No Change
Components	61.1	Increasing	Faster
Computers	27.3	Decreasing	Faster
Services	45.5	Decreasing	Slower
<u>Lead Times</u>			
MRO Items	50	No Change	From Decreasing
Capital Goods	54.6	Increasing	Slower
Raw Materials	50	No Change	From Increasing
Components	68.8	Increasing	From No Change
Computers	55.6	Increasing	From No Change
Services	45	Decreasing	From Increasing
<u>Supplier Performance</u>	<u>September</u>	<u>September</u>	<u>September vs. August</u>
MRO Items	45.5	Worsening	From No Change
Capital Goods	45.5	Worsening	From No Change
Raw Materials	38.9	Worsening	Slower
Components	38.9	Worsening	Faster
Computers	45.5	Worsening	From No Change
Services	35	Worsening	From No Change