

**September 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 continued its improvement in September at a faster rate as the Denver Manufacturing PMI was 52.8. August's index was 51. The Production index increased in September with a rate of 53.7. August's Production index was 50. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 52 percent, a decrease of 0.9 percentage point when compared to August's reading of 52.9 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 faster rate than in August. All sectors increased except for the Computers sector which decreased. Lead times in our Denver survey increased in September at a slower rate than in August. All sectors increased except the MRO and Services sectors which remained unchanged. The New Orders Index increased in September reversing the decreasing rate recorded in August. The Imports Index remained unchanged in September. The Raw Materials Inventory Index increased. The Finished Goods Inventory Index decreased at a faster rate than in August.

September's Employment Index was unchanged in September. The Availability of Skilled Workers Index decreased at a slightly faster rate than in August and the Availability of Unskilled Workers Index decreased in September.

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

ISM's New Orders Index registered 53.4 percent in September. The index is 1.9 percentage points lower than the 55.3 percent reported in August. ISM's Employment Index registered 51.7 percent in September, which is an increase of 0.4 percentage point when compared to August's reading of 51.3 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 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 2007 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 vs. August</u>	<u>September vs. August</u>	<u>September</u>	<u>September vs. August</u>	<u>September vs. August</u>
<b>Purchasing Managers' Index</b>	52.8	Increasing	Faster	52	Increasing	Slightly Slower
<b>Production</b>	53.7	Increasing	From No Change	54.6	Increasing	Slower
<b>New Orders</b>	51.9	Increasing	From Decreasing	53.4	Increasing	Slower
<b>Backlog of Orders</b>	62.5	Increasing	Faster	51	Increasing	Slightly Faster
<b>Prices</b>	54.2	Increasing	Faster	59	Increasing	Slower
<b>Lead Times</b>	55.2	Increasing	Slower	51.9	Increasing	From No Change
<b>Import Orders</b>	50	No Change	From Increasing	53	Increasing	Slightly Faster
<b>Raw Material Inventory</b>	55.6	Increasing	Slightly Faster	41.6*	Decreasing	Faster
<b>Finished Goods Inventory</b>	42	Decreasing	Faster	NA	NA	NA
<b>Employment</b>	50	No Change	From No Change	51.7	Increasing	Slightly Faster
<b>Availability of Skilled Labor</b>	37.9	Decreasing	Slightly Faster	NA	NA	NA
<b>Availability of Unskilled Labor</b>	46.3	Decreasing	From No Change	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>			
	<u>September</u>	<u>September vs. August</u>	<u>September vs. August</u>
MRO Items	55.4	Increasing	Faster
Capital Goods	57.1	Increasing	Faster
Raw Materials	53.7	Increasing	Slower
Components	58.6	Increasing	Faster
Computers	46.3	Decreasing	Faster
Services	55.2	Increasing	Slightly Faster
<b><u>Lead Times</u></b>			
MRO Items	50	No Change	From Increasing
Capital Goods	53.9	Increasing	Slower
Raw Materials	59.3	Increasing	Slower
Components	55.4	Increasing	Slower
Computers	57.4	Increasing	Slower
Services	50	No Change	From No Change
<b><u>Supplier Performance</u></b>			
	<u>September</u>	<u>September vs. August</u>	<u>September vs. August</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	51.9	Improving	Slightly Slower
Components	51.9	Improving	Slightly Slower
Computers	50	No Change	From No Change
Services	50	No Change	From No Change