

Empire State Manufacturing Survey

Business activity grew modestly in New York State, according to firms responding to the July 2017 *Empire State Manufacturing Survey*. The headline general business conditions index fell ten points to 9.8. The new orders index moved down to 13.3, and the shipments index fell to 10.5, suggesting that orders and shipments continued to grow, though at a somewhat slower pace than in June. Delivery times continued to lengthen, and inventory levels were fairly steady. Labor market indicators pointed to a small increase in employment and no change in hours worked. Input prices and selling prices rose at about the same pace as last month. Indexes assessing the six-month outlook suggested that firms remained positive about future conditions, though they were less optimistic than in June.

Growth Continues, Though Not Quite as Strongly

Manufacturing firms in New York State reported that business activity

continued to expand in July. After reaching its highest level in more than two years last month, the general business conditions index retreated ten points to 9.8, indicating that activity grew at a slower rate than in June. Thirty percent of respondents reported that conditions had improved over the month, while 20 percent reported that conditions had worsened. The new orders index edged down five points, but at 13.3, it still showed that orders increased at a fairly solid clip. The shipments index fell twelve points to 10.5, suggesting that shipments grew, but at a slower pace than last month. The unfilled orders index dropped below zero. The delivery time index was little changed at 4.7, pointing to somewhat longer deliver times, and the inventories index fell to 2.4.

Pace of Price Increases Little Changed

The index for number of employees fell for a third consecutive month, though

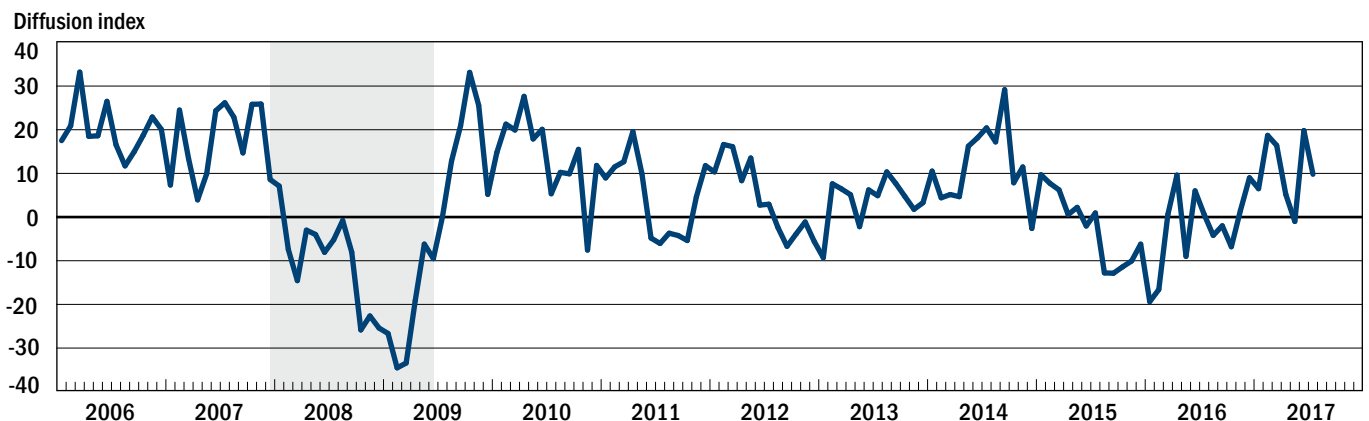
it remained positive at 3.9—a sign that employment was growing, but not as rapidly as in earlier months. The average workweek index fell to zero, indicating that hours worked remained the same. The prices paid index was little changed at 21.3, as was the prices received index at 11.0, suggesting that the pace of price increases held steady.

Optimism Declines Somewhat

Indexes assessing the six-month outlook remained favorable, though firms were somewhat less optimistic about future conditions than in June. The index for future business conditions fell seven points to 34.9, and the index for future new orders fell nine points to 33.4. Employment was expected to increase modestly, though the average workweek was expected to decline slightly. The capital expenditures index slipped to 15.0, and the technology spending index was 11.8. ■

General Business Conditions

Seasonally Adjusted

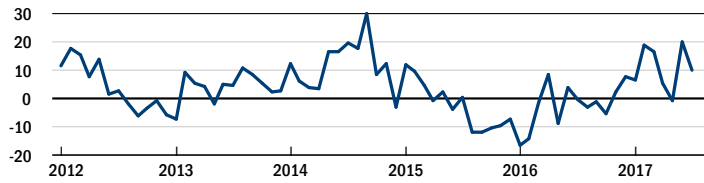


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

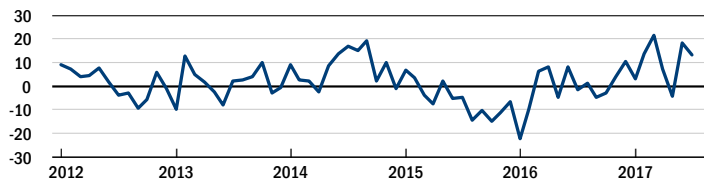
Change from Preceding Month

General Business Conditions



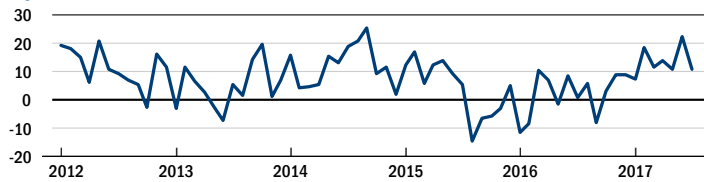
	Percent Reporting		Index
	Higher	Lower	
Jun	36.0	16.2	19.8
Jul	30.0	20.2	9.8
Change			-10.0

New Orders



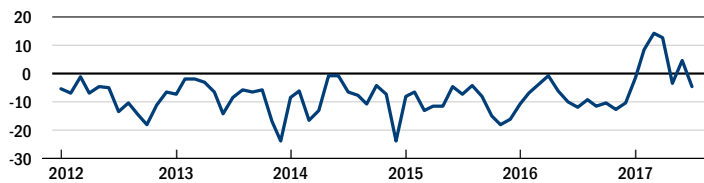
	Percent Reporting		Index
	Higher	Lower	
Jun	35.1	17.0	18.1
Jul	35.6	22.3	13.3
Change			-4.8

Shipments



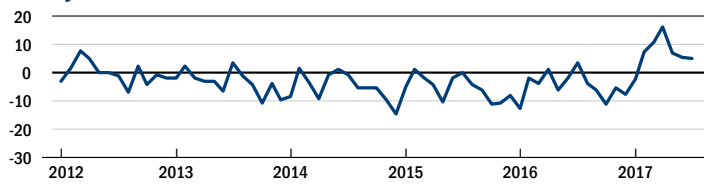
	Percent Reporting		Index
	Higher	Lower	
Jun	40.9	18.7	22.3
Jul	33.0	22.5	10.5
Change			-11.8

Unfilled Orders



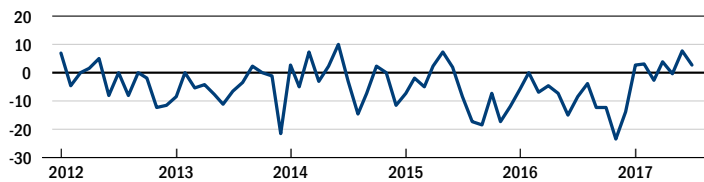
	Percent Reporting		Index
	Higher	Lower	
Jun	15.4	10.8	4.6
Jul	11.8	16.5	-4.7
Change			-9.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	15.4	10.0	5.4
Jul	14.2	9.4	4.7
Change			-0.7

Inventories

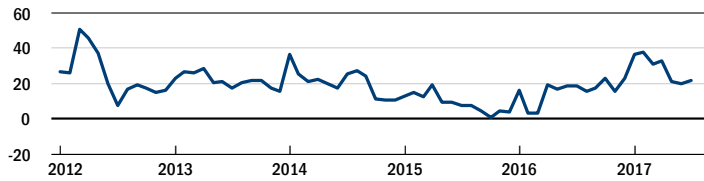


	Percent Reporting		Index
	Higher	Lower	
Jun	23.8	16.2	7.7
Jul	22.0	19.7	2.4
Change			-5.3

Current Indicators, *continued*

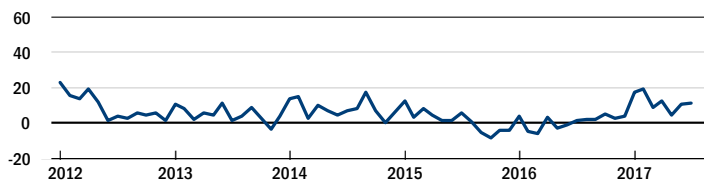
Change from Preceding Month

Prices Paid



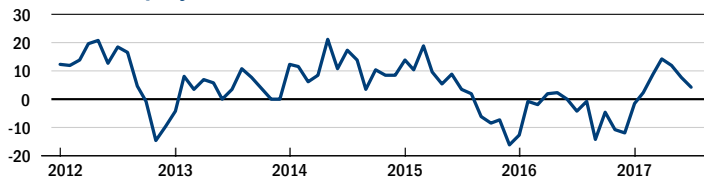
	Percent Reporting		Index
	Higher	Lower	
Jun	26.2	6.2	20.0
Jul	26.0	4.7	21.3
Change			1.3

Prices Received



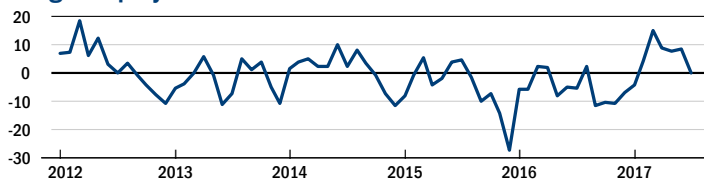
	Percent Reporting		Index
	Higher	Lower	
Jun	17.7	6.9	10.8
Jul	17.3	6.3	11.0
Change			0.2

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jun	17.7	10.0	7.7
Jul	14.2	10.2	3.9
Change			-3.8

Average Employee Workweek



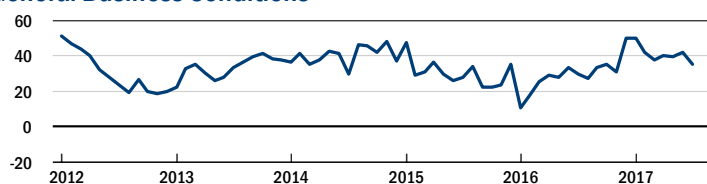
	Percent Reporting		Index
	Higher	Lower	
Jun	17.7	9.2	8.5
Jul	14.2	14.2	0.0
Change			-8.5

Note: Data are not seasonally adjusted.

Forward-Looking Indicators

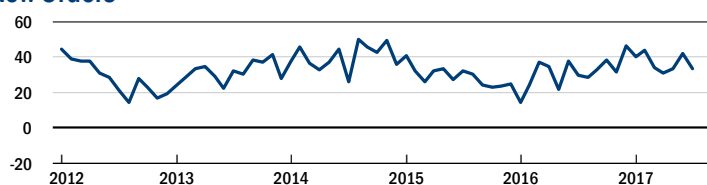
Expectations Six Months Ahead

General Business Conditions



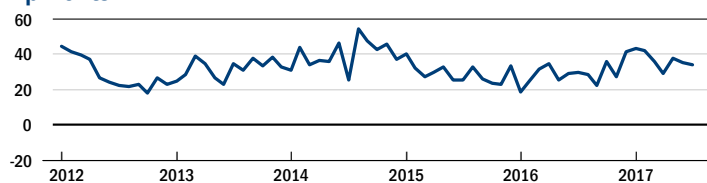
	Percent Reporting		Index
	Higher	Lower	
Jun	54.4	12.6	41.7
Jul	45.9	11.0	34.9
Change			-6.8

New Orders



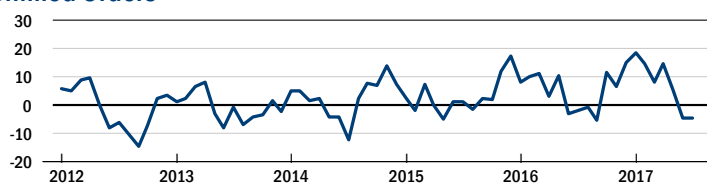
	Percent Reporting		Index
	Higher	Lower	
Jun	53.8	11.6	42.2
Jul	46.8	13.4	33.4
Change			-8.8

Shipments



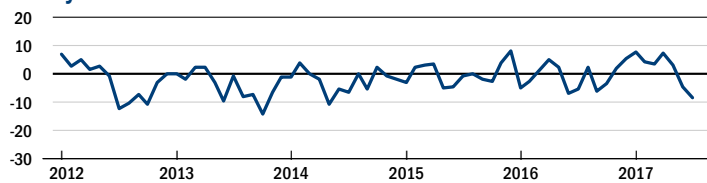
	Percent Reporting		Index
	Higher	Lower	
Jun	51.5	16.5	35.0
Jul	46.6	12.7	33.9
Change			-1.1

Unfilled Orders



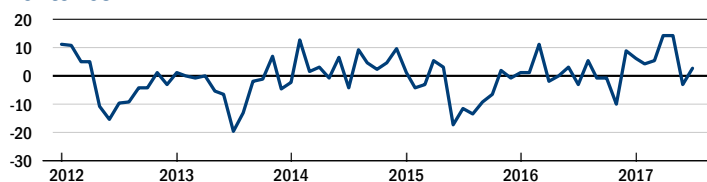
	Percent Reporting		Index
	Higher	Lower	
Jun	11.5	16.2	-4.6
Jul	9.4	14.2	-4.7
Change			-0.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	8.5	13.1	-4.6
Jul	6.3	15.0	-8.7
Change			-4.1

Inventories

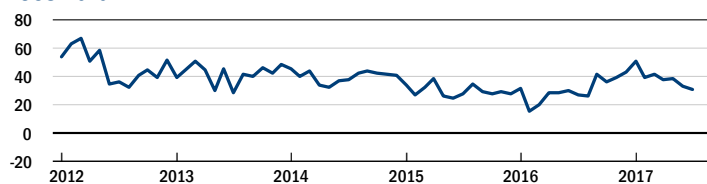


	Percent Reporting		Index
	Higher	Lower	
Jun	17.7	20.8	-3.1
Jul	23.6	21.3	2.4
Change			5.5

Forward-Looking Indicators, *continued*

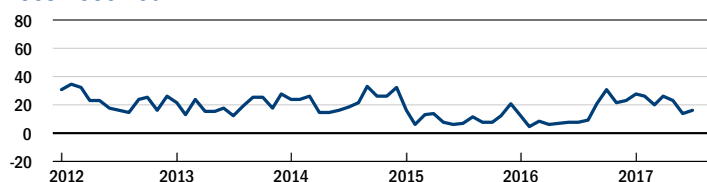
Expectations Six Months Ahead

Prices Paid



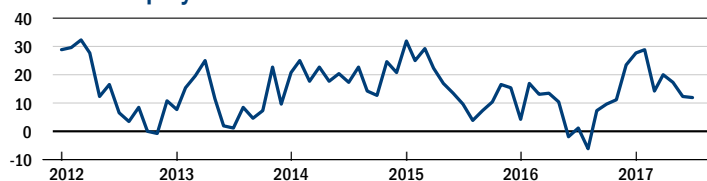
	Percent Reporting		Index
	Higher	Lower	
Jun	38.5	5.4	33.1
Jul	35.4	4.7	30.7
Change			-2.4

Prices Received



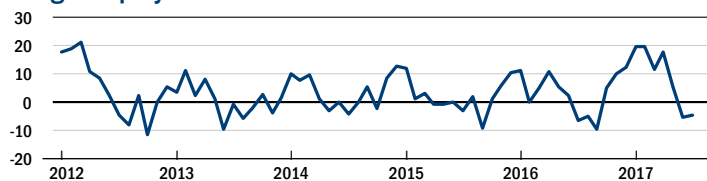
	Percent Reporting		Index
	Higher	Lower	
Jun	23.1	9.2	13.8
Jul	22.0	6.3	15.7
Change			1.9

Number of Employees



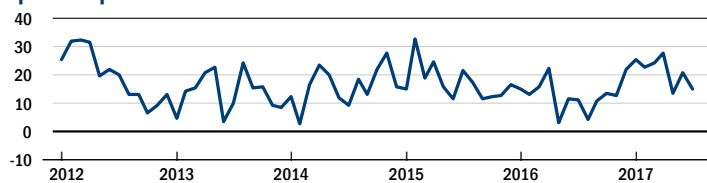
	Percent Reporting		Index
	Higher	Lower	
Jun	23.1	10.8	12.3
Jul	22.0	10.2	11.8
Change			-0.5

Average Employee Workweek



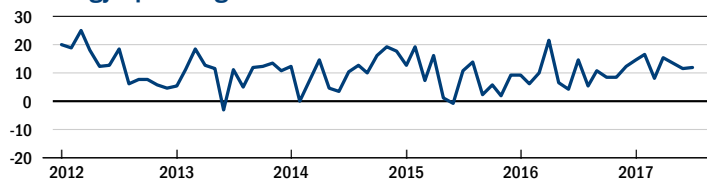
	Percent Reporting		Index
	Higher	Lower	
Jun	8.5	13.8	-5.4
Jul	10.2	15.0	-4.7
Change			0.7

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jun	29.2	8.5	20.8
Jul	22.8	7.9	15.0
Change			-5.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jun	19.2	7.7	11.5
Jul	19.7	7.9	11.8
Change			0.3

Note: Data are not seasonally adjusted.