

# Empire State Manufacturing Survey

The February 2015 *Empire State Manufacturing Survey* indicates that business activity continued to expand at a modest pace for New York manufacturers. The headline general business conditions index edged down two points to 7.8. The new orders index fell five points to 1.2—evidence that orders were flat—while the shipments index climbed to 14.1. Employment indexes pointed to an increase in employment levels and little change in the average workweek. The prices paid index inched up two points to 14.6, indicating continued moderate input price increases, while the prices received index fell nine points to 3.4, suggesting a slowdown in selling price increases. Indexes for the six-month outlook, while generally positive, conveyed markedly less optimism than in recent months, with the index for future general business conditions

falling twenty-three points. The capital spending index shot up eighteen points to 32.6, its highest level in more than three years.

## Business Conditions Improve Modestly

The general business conditions index edged down two points to 7.8 in February, suggesting that conditions for New York manufacturers improved modestly for a second consecutive month. Twenty-nine percent of respondents reported that conditions had improved, while 21 percent reported that conditions had worsened. The new orders index fell five points to 1.2, indicating that orders were essentially flat. The shipments index climbed five points to 14.1, signaling that shipments increased at a faster pace this month. The unfilled orders index remained negative at -6.7. The delivery time index

rose out of negative territory for the first time in several months: At 1.1, the index suggested that delivery times had not shortened as in previous months, but rather were little changed. The inventories index, at -2.3, showed that inventory levels were slightly lower.

## Price Increases Remain Subdued

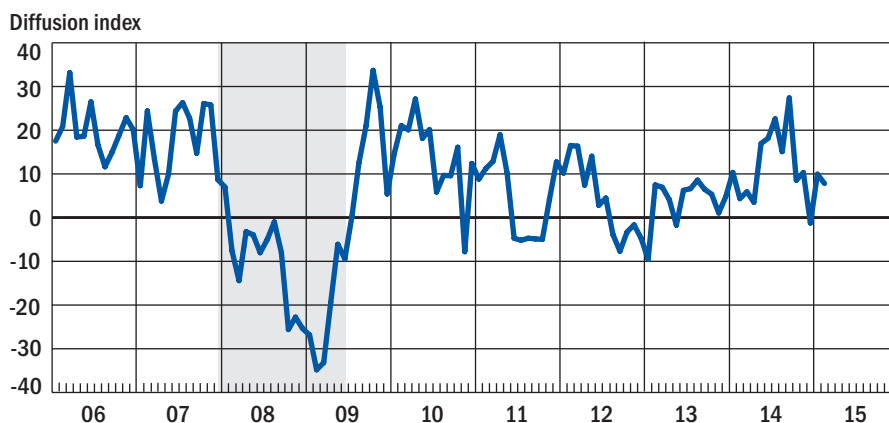
The prices paid index inched up two points to 14.6, signaling a moderate increase in input prices for a fifth consecutive month. The prices received index fell nine points to 3.4, indicating that the pace of selling price increases slowed. Labor market indicators pointed to an increase in employment levels, but little change in hours worked: the index for number of employees dipped four points to 10.1, while the average workweek index came in at -1.1.

## Firms Less Optimistic

Indexes assessing the six-month outlook, though generally positive, conveyed considerably less optimism about future business activity than in recent months. The index for future general business conditions plunged twenty-three points to 25.6, its lowest level in more than two years. The future new orders and shipments indexes also posted significant declines. The future prices paid index fell several points to 27.0, and the future prices received index declined ten points to 5.6, its lowest level in more than five years. The index for expected number of employees, though lower, remained positive at 24.7. The capital expenditures index surged eighteen points to 32.6, its highest level in more than three years, and the technology spending index rose to 19.1. ■

## General Business Conditions

Seasonally Adjusted



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

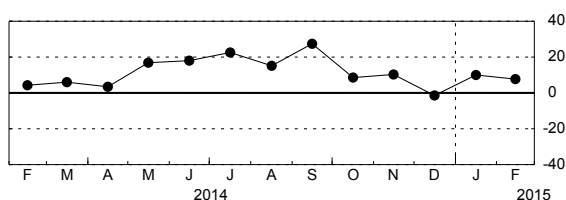
# Current Indicators

Change from Preceding Month

## General Business Conditions

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 32.78         | 44.39       | 22.83        | 9.95         |
| Feb | 29.00         | 49.77       | 21.23        | 7.78         |

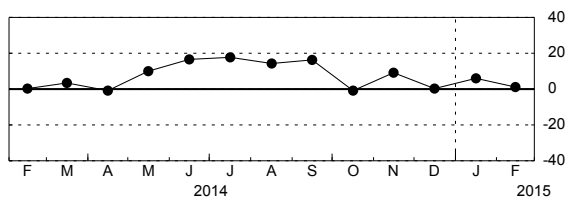
General Business Conditions - Diffusion Index



## New Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 33.37         | 39.34       | 27.28        | 6.09         |
| Feb | 31.66         | 37.90       | 30.44        | 1.22         |

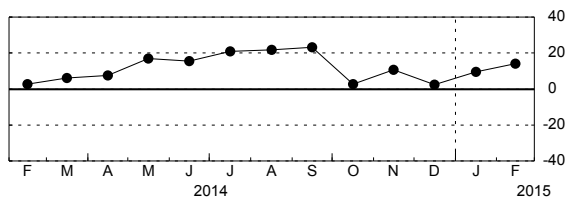
New Orders - Diffusion Index



## Shipments

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 30.98         | 47.63       | 21.39        | 9.59         |
| Feb | 32.62         | 48.89       | 18.50        | 14.12        |

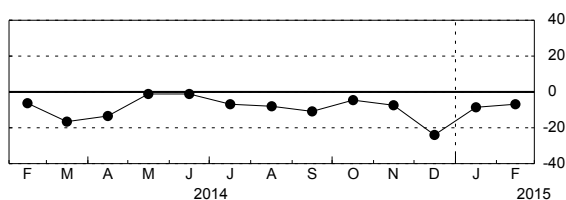
Shipments - Diffusion Index



## Unfilled Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 13.68         | 64.21       | 22.11        | -8.42        |
| Feb | 13.48         | 66.29       | 20.22        | -6.74        |

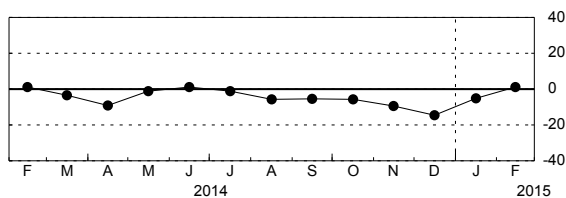
Unfilled Orders - Diffusion Index



## Delivery Time

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 7.37          | 80.00       | 12.63        | -5.26        |
| Feb | 12.36         | 76.40       | 11.24        | 1.12         |

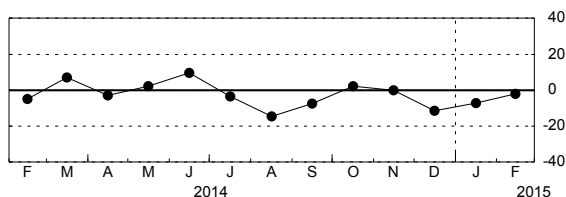
Delivery Time - Diffusion Index



## Inventories

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 20.00         | 52.63       | 27.37        | -7.37        |
| Feb | 20.22         | 57.30       | 22.47        | -2.25        |

Inventories - Diffusion Index



## Current Indicators, *continued*

### Change from Preceding Month

#### Prices Paid

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 20.00         | 72.63       | 7.37         | 12.63        |
| Feb | 22.47         | 69.66       | 7.87         | 14.61        |

#### Prices Received

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 18.95         | 74.74       | 6.32         | 12.63        |
| Feb | 12.36         | 78.65       | 8.99         | 3.37         |

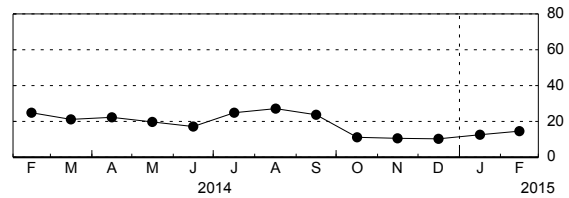
#### Number of Employees

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 23.16         | 67.37       | 9.47         | 13.68        |
| Feb | 20.22         | 69.66       | 10.11        | 10.11        |

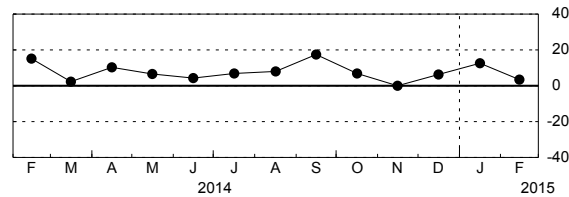
#### Average Employee Workweek

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 7.37          | 76.84       | 15.79        | -8.42        |
| Feb | 8.99          | 80.90       | 10.11        | -1.12        |

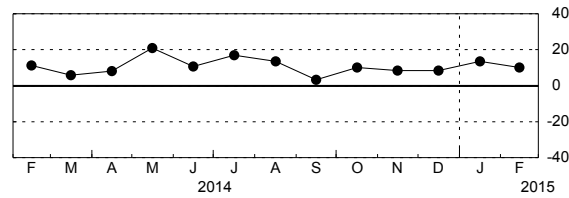
Prices Paid - Diffusion Index



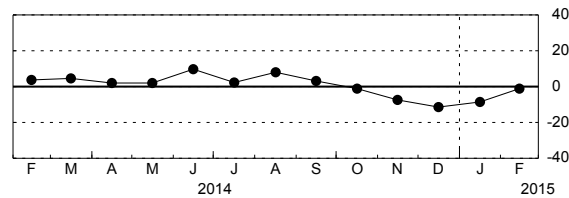
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

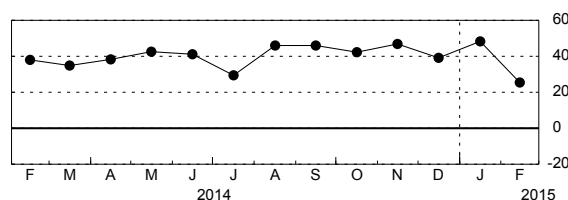
# Forward-Looking Indicators

Expectations Six Months Ahead

## General Business Conditions

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 58.89         | 30.57       | 10.54        | 48.35        |
| Feb | 42.08         | 41.41       | 16.51        | 25.58        |

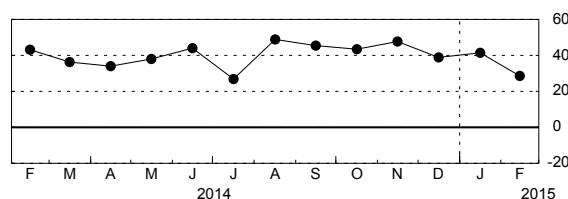
General Business Conditions - Diffusion Index



## New Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 54.00         | 33.44       | 12.56        | 41.44        |
| Feb | 44.05         | 40.52       | 15.44        | 28.61        |

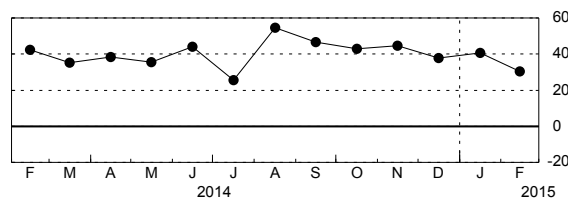
New Orders - Diffusion Index



## Shipments

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 53.33         | 33.90       | 12.76        | 40.57        |
| Feb | 42.09         | 46.16       | 11.75        | 30.34        |

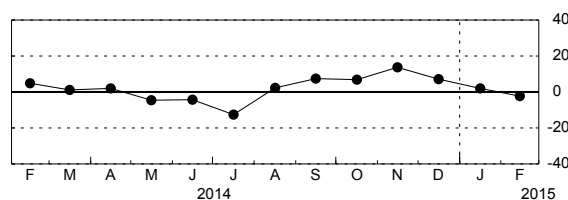
Shipments - Diffusion Index



## Unfilled Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 16.84         | 68.42       | 14.74        | 2.11         |
| Feb | 13.48         | 70.79       | 15.73        | -2.25        |

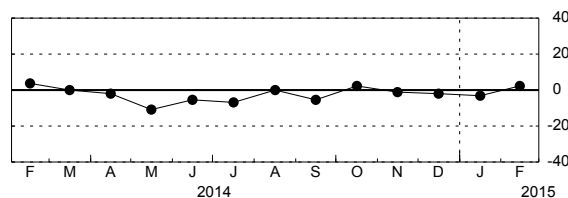
Unfilled Orders - Diffusion Index



## Delivery Time

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 11.58         | 73.68       | 14.74        | -3.16        |
| Feb | 12.36         | 77.53       | 10.11        | 2.25         |

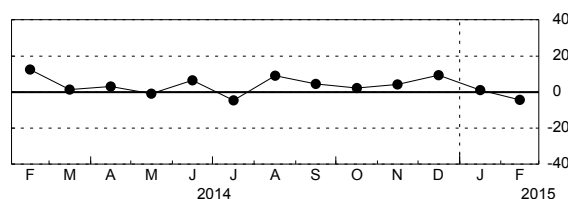
Delivery Time - Diffusion Index



## Inventories

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 24.21         | 52.63       | 23.16        | 1.05         |
| Feb | 20.22         | 55.06       | 24.72        | -4.49        |

Inventories - Diffusion Index



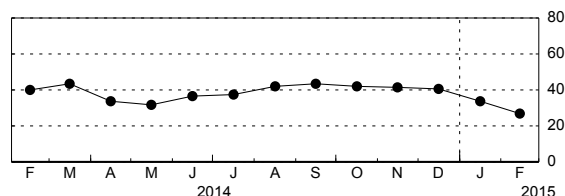
## Forward-Looking Indicators, *continued*

### Expectations Six Months Ahead

#### Prices Paid

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 38.95         | 55.79       | 5.26         | 33.68        |
| Feb | 30.34         | 66.29       | 3.37         | 26.97        |

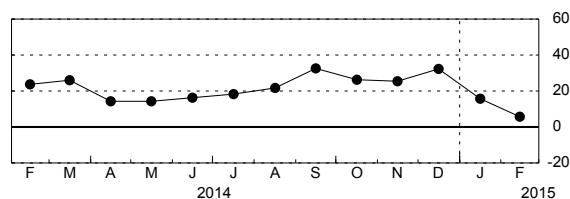
Prices Paid - Diffusion Index



#### Prices Received

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 24.21         | 67.37       | 8.42         | 15.79        |
| Feb | 14.61         | 76.40       | 8.99         | 5.62         |

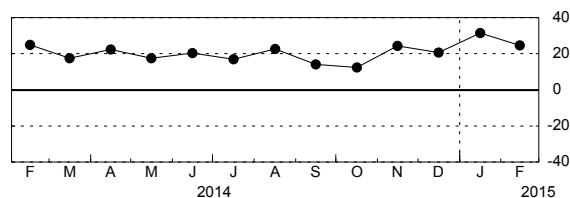
Prices Received - Diffusion Index



#### Number of Employees

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 37.89         | 55.79       | 6.32         | 31.58        |
| Feb | 28.09         | 68.54       | 3.37         | 24.72        |

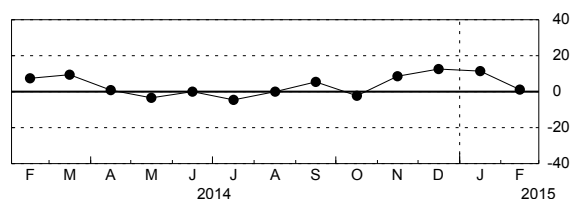
Number of Employees - Diffusion Index



#### Average Employee Workweek

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 18.95         | 73.68       | 7.37         | 11.58        |
| Feb | 13.48         | 74.16       | 12.36        | 1.12         |

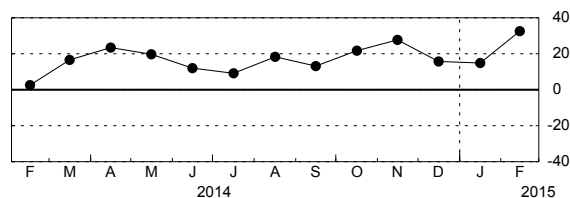
Average Employee Workweek - Diffusion Index



#### Capital Expenditures

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 30.53         | 53.68       | 15.79        | 14.74        |
| Feb | 39.33         | 53.93       | 6.74         | 32.58        |

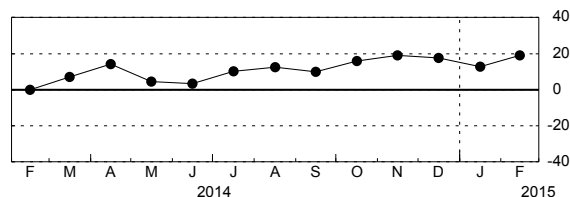
Capital Expenditures - Diffusion Index



#### Technology Spending

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Jan | 25.26         | 62.11       | 12.63        | 12.63        |
| Feb | 25.84         | 67.42       | 6.74         | 19.10        |

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.