

Empire State Manufacturing Survey

Business activity grew to a small degree in New York State, according to firms responding to the January 2020 *Empire State Manufacturing Survey*. The headline general business conditions index was little changed at 4.8. New orders and shipments edged higher. Delivery times were somewhat shorter, and inventories held steady. Employment continued to expand, though the average workweek was unchanged. Both input prices and selling prices increased at a significantly faster pace than in December. Optimism about the six-month outlook remained subdued, and capital spending plans remained firm.

Activity Expands Modestly

Manufacturing firms in New York State reported that business activity edged somewhat higher. The general business

conditions index was little changed at 4.8. Twenty-eight percent of respondents reported that conditions had improved over the month, while 23 percent reported that conditions had worsened. The new orders index moved up five points to 6.6, indicating that orders were higher, and at 8.6, the shipments index pointed to a modest increase in shipments. The unfilled orders index rose eleven points, but remained negative at -2.7, indicating that unfilled orders continued to decline. Delivery times shortened, and inventories held steady.

Price Increases Pick Up Markedly

The index for number of employees held steady at 9.0, indicating that employment expanded for the fifth consecutive month. The average workweek index came in at 1.3, a sign that the average workweek was

essentially unchanged. Price increases picked up noticeably. After falling to a multi-year low last month, the prices paid index rose sixteen points to 31.5, and the prices received index climbed ten points to 14.4.

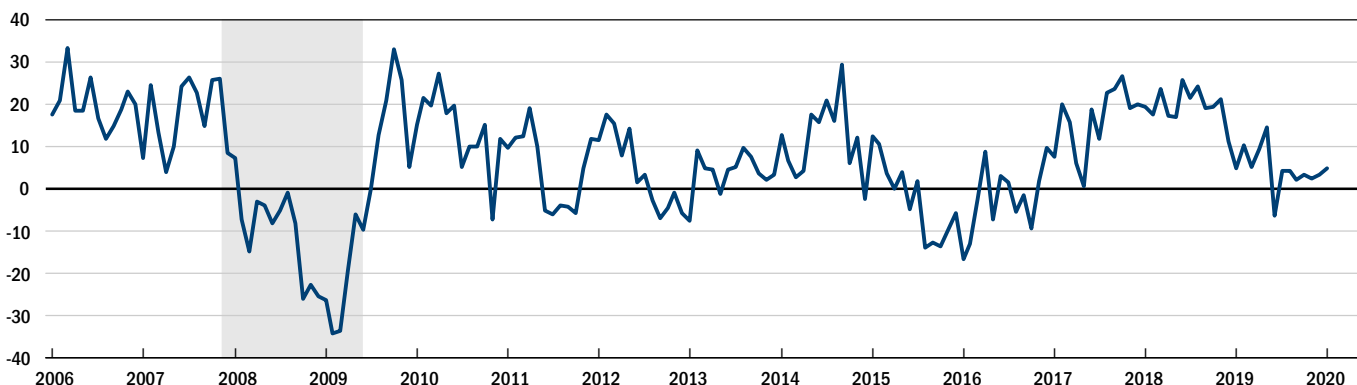
Optimism Remains Subdued

Indexes assessing the six-month outlook suggested that optimism about future conditions remained restrained. The index for future business conditions edged down three points to 23.6. The index for future shipments climbed five points to 32.7, indicating that firms expect shipments to increase in the months ahead, and employment and hours worked are expected to grow modestly. The capital expenditures index held steady at 25.3, and the technology spending index moved down five points to 22.6. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

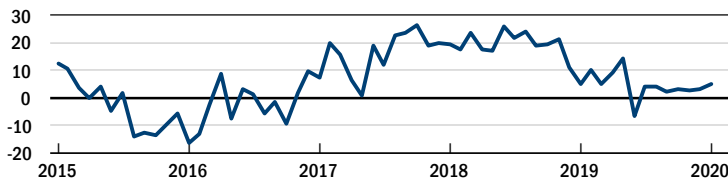


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

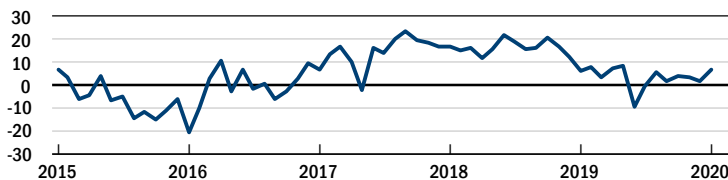
Change from Preceding Month

General Business Conditions



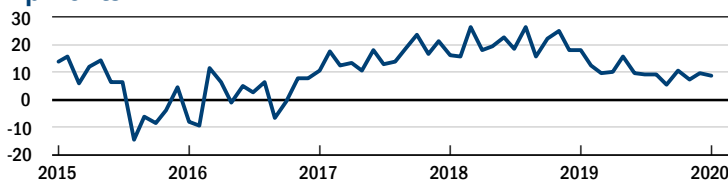
	Percent Reporting		Index
	Higher	Lower	
Dec	28.7	25.4	3.3
Jan	27.7	22.9	4.8
Change			1.5

New Orders



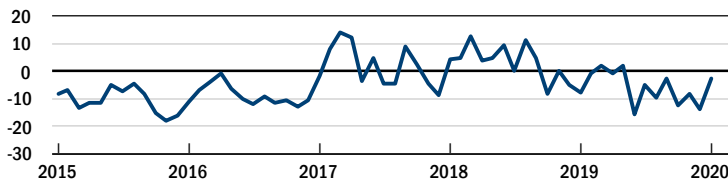
	Percent Reporting		Index
	Higher	Lower	
Dec	29.9	28.2	1.7
Jan	32.0	25.4	6.6
Change			4.9

Shipments



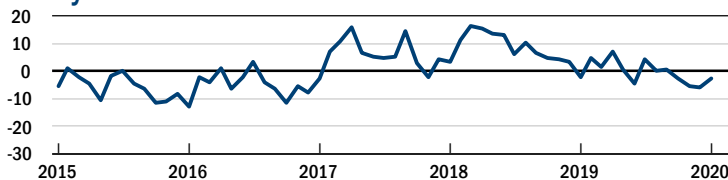
	Percent Reporting		Index
	Higher	Lower	
Dec	34.6	25.1	9.5
Jan	29.5	20.9	8.6
Change			-0.9

Unfilled Orders



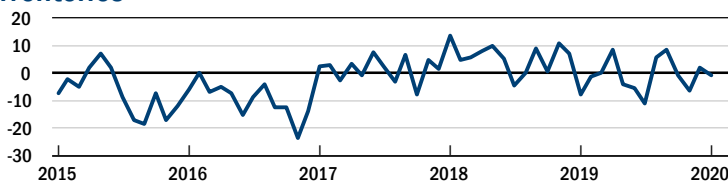
	Percent Reporting		Index
	Higher	Lower	
Dec	11.6	25.4	-13.8
Jan	15.8	18.5	-2.7
Change			11.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	10.9	16.7	-5.8
Jan	11.0	13.7	-2.7
Change			3.1

Inventories

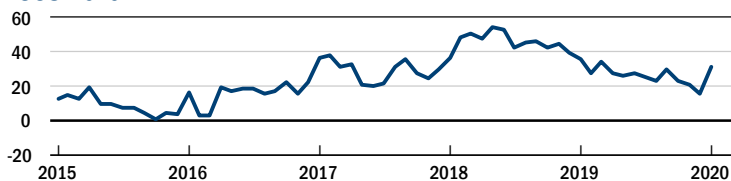


	Percent Reporting		Index
	Higher	Lower	
Dec	22.5	20.3	2.2
Jan	21.2	21.9	-0.7
Change			-2.9

Current Indicators, *continued*

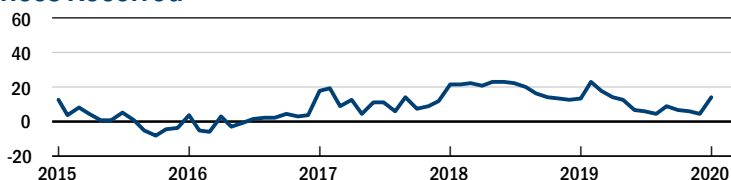
Change from Preceding Month

Prices Paid



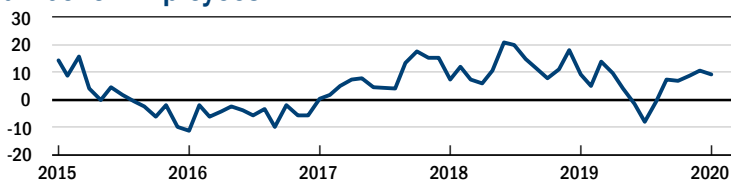
	Percent Reporting		Index
	Higher	Lower	
Dec	19.6	4.3	15.2
Jan	33.6	2.1	31.5
Change			16.3

Prices Received



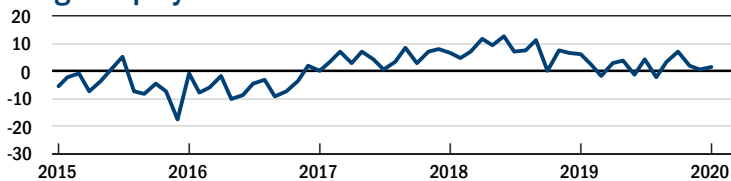
	Percent Reporting		Index
	Higher	Lower	
Dec	10.1	5.8	4.3
Jan	17.1	2.7	14.4
Change			10.1

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Dec	21.0	10.6	10.4
Jan	18.3	9.3	9.0
Change			-1.4

Average Employee Workweek



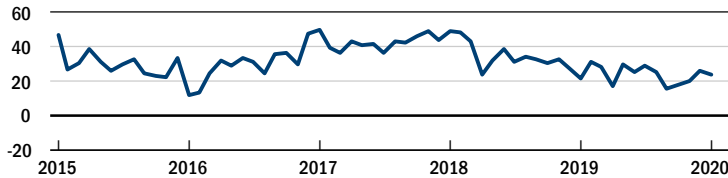
	Percent Reporting		Index
	Higher	Lower	
Dec	13.2	12.5	0.7
Jan	17.4	16.1	1.3
Change			0.6

Note: Data are seasonally adjusted.

Forward-Looking Indicators

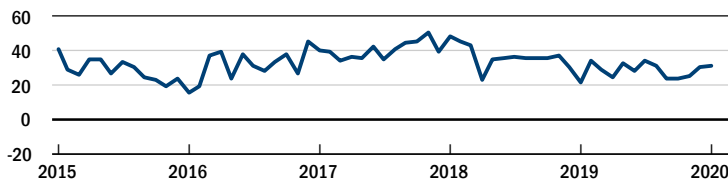
Expectations Six Months Ahead

General Business Conditions



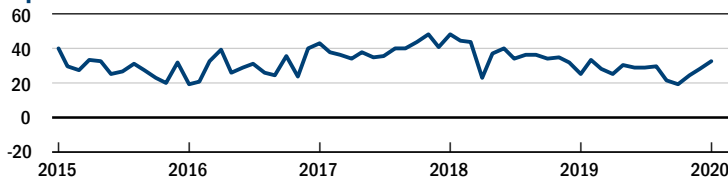
	Percent Reporting		Index
	Higher	Lower	
Dec	42.0	15.9	26.1
Jan	40.1	16.4	23.6
Change			-2.5

New Orders



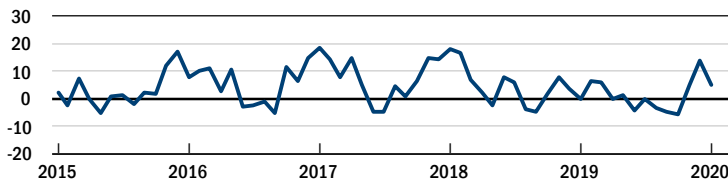
	Percent Reporting		Index
	Higher	Lower	
Dec	46.9	16.1	30.8
Jan	43.7	12.3	31.4
Change			0.6

Shipments



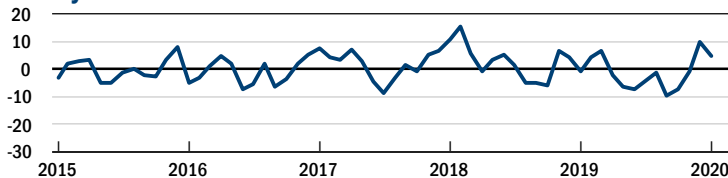
	Percent Reporting		Index
	Higher	Lower	
Dec	40.6	12.7	27.9
Jan	43.0	10.4	32.7
Change			4.8

Unfilled Orders



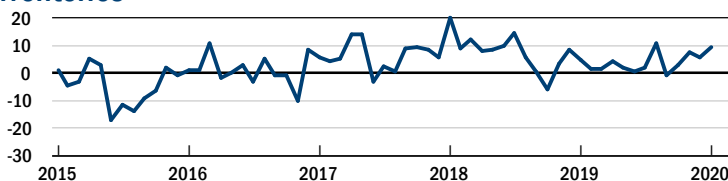
	Percent Reporting		Index
	Higher	Lower	
Dec	21.7	8.0	13.8
Jan	17.8	13.0	4.8
Change			-9.0

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	18.1	8.0	10.1
Jan	15.8	11.0	4.8
Change			-5.3

Inventories

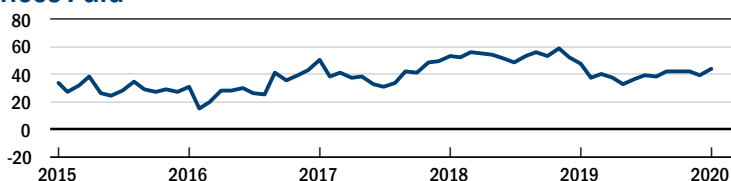


	Percent Reporting		Index
	Higher	Lower	
Dec	27.5	21.7	5.8
Jan	28.1	18.5	9.6
Change			3.8

Forward-Looking Indicators, *continued*

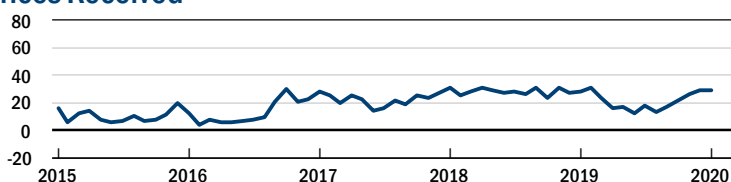
Expectations Six Months Ahead

Prices Paid



	Percent Reporting		Index
	Higher	Lower	
Dec	42.8	3.6	39.1
Jan	47.9	4.1	43.8
Change			4.7

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Dec	37.0	8.0	29.0
Jan	34.9	5.5	29.5
Change			0.5

Number of Employees



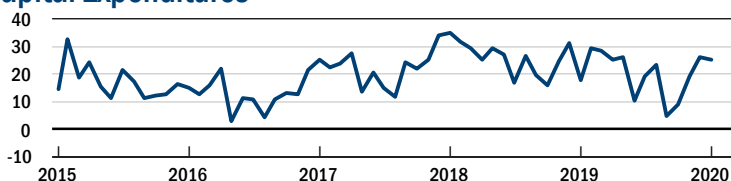
	Percent Reporting		Index
	Higher	Lower	
Dec	25.1	13.2	11.9
Jan	25.9	13.9	12.1
Change			0.2

Average Employee Workweek



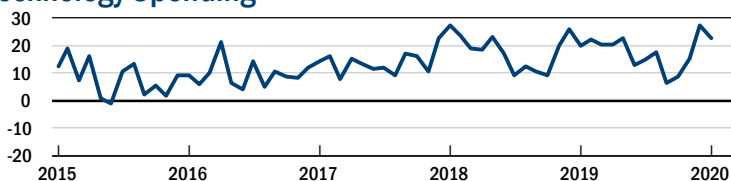
	Percent Reporting		Index
	Higher	Lower	
Dec	20.3	10.1	10.1
Jan	19.9	11.0	8.9
Change			-1.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Dec	35.5	9.4	26.1
Jan	34.9	9.6	25.3
Change			-0.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Dec	34.8	7.2	27.5
Jan	29.5	6.8	22.6
Change			-4.9

Note: Data are seasonally adjusted.