

Empire State Manufacturing Survey

Business activity grew modestly in New York State, according to firms responding to the April 2019 *Empire State Manufacturing Survey*. The headline general business conditions index rose six points to 10.1, indicating that growth picked up somewhat but remained fairly subdued. New orders rose slightly, and shipments continued to grow modestly. Delivery times and inventories both increased. Labor market indicators pointed to ongoing employment gains and a small increase in hours worked. The prices paid and prices received indexes moved lower, pointing to a slowing in both input price increases and selling price increases. Indexes assessing the six-month outlook suggested that firms were much less optimistic about future business conditions than last month.

Modest Growth

Manufacturing firms in New York State reported that business activity

expanded modestly. The general business conditions index increased six points to 10.1, indicating growth picked up somewhat but remained fairly subdued. Thirty-three percent of respondents reported that conditions had improved over the month, while 23 percent reported that conditions had worsened. The new orders index rose five points to 7.5, indicating orders picked up slightly. The shipments index edged up a point to 8.6, pointing to continued modest growth in shipments. Unfilled orders were little changed, while delivery times and inventories both increased.

Price Increases Slow

The prices paid index fell seven points to 27.3 and the prices received index declined four points to 14.0, indicating that both input price increases and selling price increases slowed. The

index for number of employees edged down two points to 11.9, pointing to ongoing employment gains. After dipping into negative territory last month, the average workweek index rose eight points to 4.3, suggesting hours worked increased slightly.

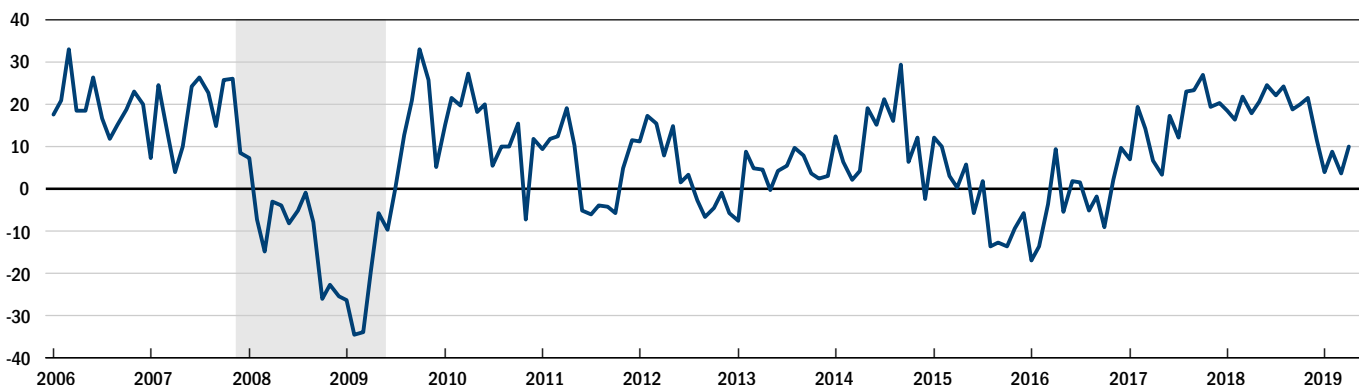
Optimism Wanes

Optimism about the six-month outlook was much lower than last month. The index for future business conditions dropped seventeen points to 12.4—its lowest level in more than three years. The indexes for future new orders and shipments were also well below last month's levels. Nonetheless, firms continued to expect solid increases in employment and hours worked in the months ahead. The capital expenditures index edged down to 25.2, and the technology spending index was unchanged at 20.3. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

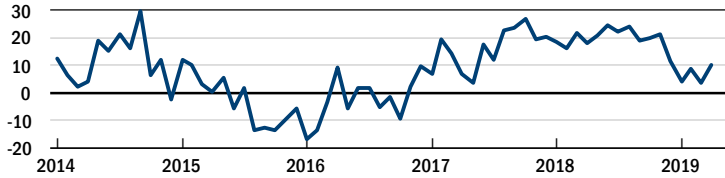


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

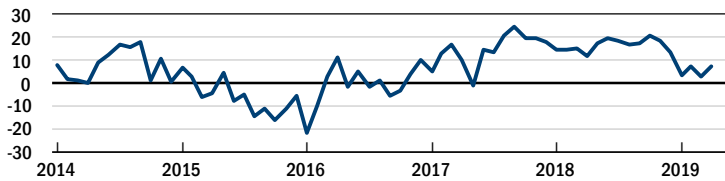
Change from Preceding Month

General Business Conditions



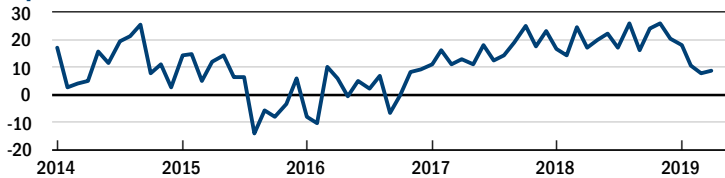
	Percent Reporting		Index
	Higher	Lower	
Mar	29.1	25.4	3.7
Apr	32.7	22.6	10.1
Change			6.4

New Orders



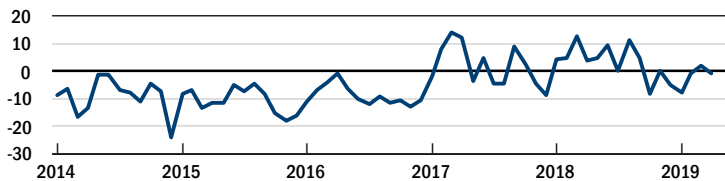
	Percent Reporting		Index
	Higher	Lower	
Mar	27.9	24.9	3.0
Apr	31.7	24.2	7.5
Change			4.5

Shipments



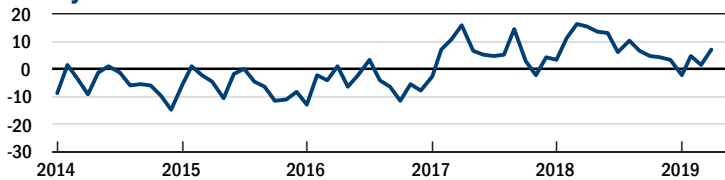
	Percent Reporting		Index
	Higher	Lower	
Mar	32.3	24.6	7.7
Apr	34.0	25.4	8.6
Change			0.9

Unfilled Orders



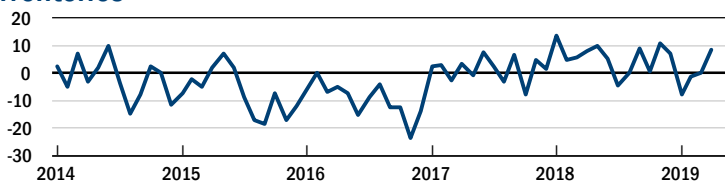
	Percent Reporting		Index
	Higher	Lower	
Mar	17.4	15.2	2.2
Apr	15.4	16.1	-0.7
Change			-2.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Mar	12.3	10.9	1.4
Apr	15.4	8.4	7.0
Change			5.6

Inventories

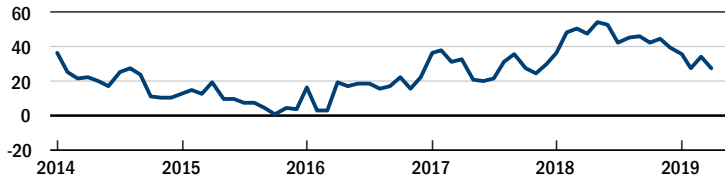


	Percent Reporting		Index
	Higher	Lower	
Mar	21.7	21.7	0.0
Apr	26.6	18.2	8.4
Change			8.4

Current Indicators, *continued*

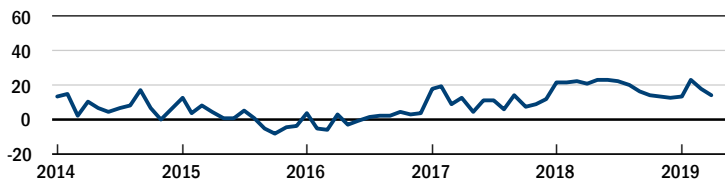
Change from Preceding Month

Prices Paid



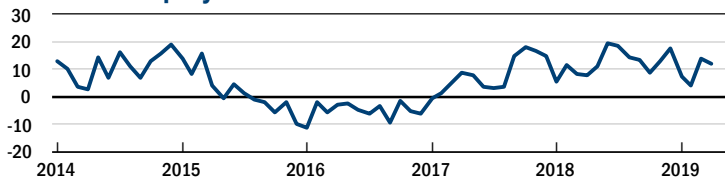
	Percent Reporting		Index
	Higher	Lower	
Mar	37.0	2.9	34.1
Apr	32.9	5.6	27.3
Change			-6.8

Prices Received



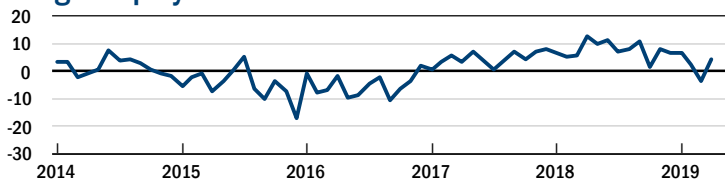
	Percent Reporting		Index
	Higher	Lower	
Mar	21.7	3.6	18.1
Apr	19.6	5.6	14.0
Change			-4.1

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Mar	18.3	4.5	13.8
Apr	19.9	8.0	11.9
Change			-1.9

Average Employee Workweek



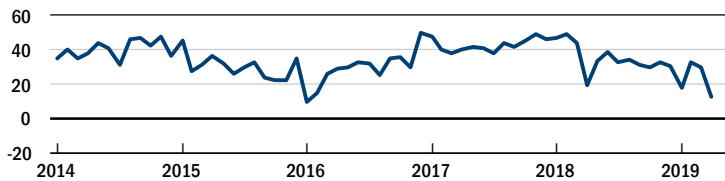
	Percent Reporting		Index
	Higher	Lower	
Mar	11.1	14.5	-3.4
Apr	18.0	13.7	4.3
Change			7.7

Note: Data are seasonally adjusted.

Forward-Looking Indicators

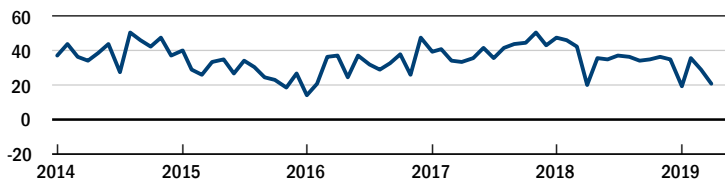
Expectations Six Months Ahead

General Business Conditions



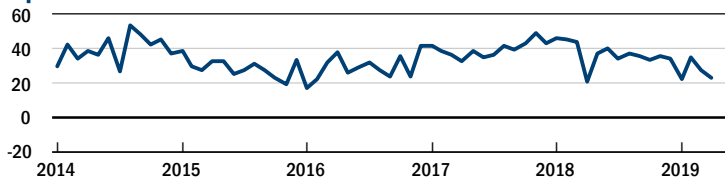
	Percent Reporting		Index
	Higher	Lower	
Mar	42.9	13.3	29.6
Apr	38.2	25.8	12.4
Change			-17.2

New Orders



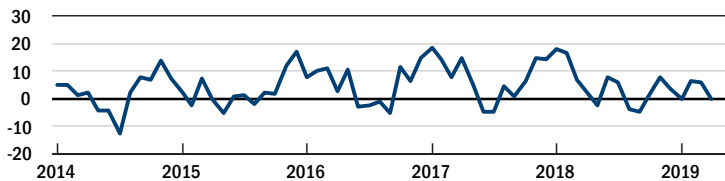
	Percent Reporting		Index
	Higher	Lower	
Mar	45.4	16.4	29.0
Apr	42.7	22.2	20.5
Change			-8.5

Shipments



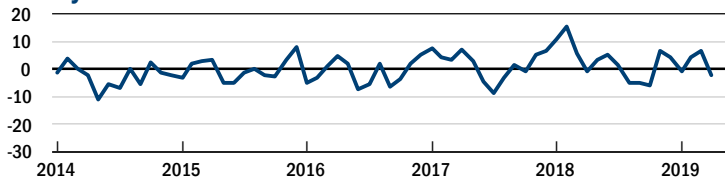
	Percent Reporting		Index
	Higher	Lower	
Mar	45.4	17.7	27.7
Apr	43.4	20.8	22.7
Change			-5.0

Unfilled Orders



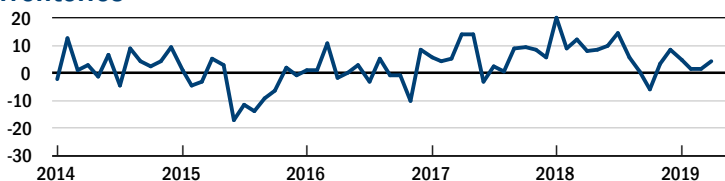
	Percent Reporting		Index
	Higher	Lower	
Mar	18.1	12.3	5.8
Apr	15.4	15.4	0.0
Change			-5.8

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Mar	16.7	10.1	6.5
Apr	12.6	14.7	-2.1
Change			-8.6

Inventories

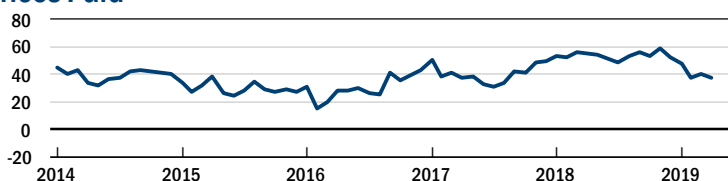


	Percent Reporting		Index
	Higher	Lower	
Mar	25.4	23.9	1.4
Apr	26.6	22.4	4.2
Change			2.8

Forward-Looking Indicators, *continued*

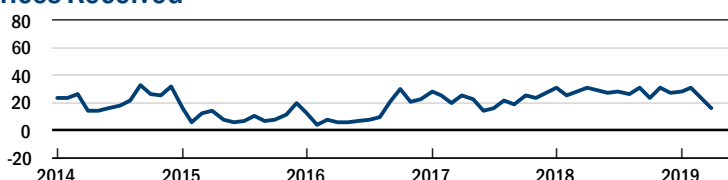
Expectations Six Months Ahead

Prices Paid



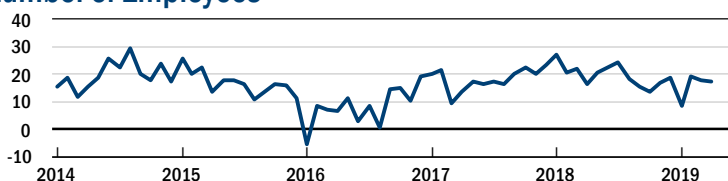
	Percent Reporting		Index
	Higher	Lower	
Mar	43.5	2.9	40.6
Apr	42.0	4.9	37.1
Change			-3.5

Prices Received



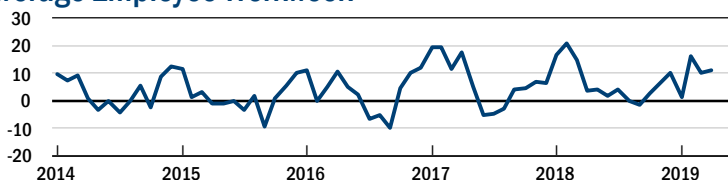
	Percent Reporting		Index
	Higher	Lower	
Mar	29.7	5.8	23.9
Apr	25.9	9.8	16.1
Change			-7.8

Number of Employees



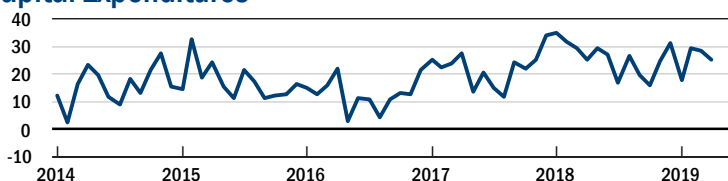
	Percent Reporting		Index
	Higher	Lower	
Mar	27.8	10.2	17.6
Apr	28.4	11.1	17.3
Change			-0.3

Average Employee Workweek



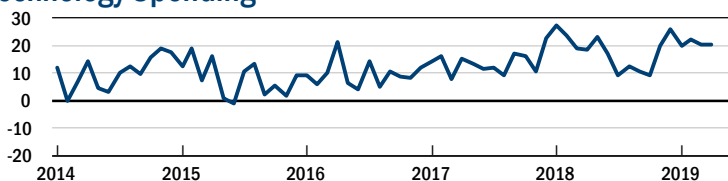
	Percent Reporting		Index
	Higher	Lower	
Mar	17.4	7.2	10.1
Apr	20.3	9.1	11.2
Change			1.1

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Mar	34.8	6.5	28.3
Apr	34.3	9.1	25.2
Change			-3.1

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Mar	25.4	5.1	20.3
Apr	28.0	7.7	20.3
Change			0.0

Note: Data are seasonally adjusted.