

Empire State Manufacturing Survey

The January 2015 *Empire State Manufacturing Survey* indicates that business activity expanded for New York manufacturers. The headline general business conditions index climbed eleven points to 10.0. This month's survey also showed modest growth in new orders and shipments. Labor market conditions were mixed, with the index for number of employees rising several points to 13.7, while the average workweek index remained negative at -8.4. Both the prices paid and prices received indexes came in at 12.6, indicating a continued modest increase in input prices and selling prices. As has been the case for much of the past year, indexes for the six-month outlook

pointed to widespread optimism about future conditions.

Business Activity Expands

After falling slightly below zero last month, the general business conditions index bounced back in January, climbing eleven points to 10.0. Thirty-three percent of respondents reported that conditions had improved, while 23 percent reported that conditions had worsened. The new orders index rose six points to 6.1, signaling a modest increase in orders, and the shipments index rose seven points to 9.6, indicating a similarly modest rise in shipments. The unfilled orders index moved up after a sharp decline

last month, but remained negative at -8.4. The delivery time index was -5.3, pointing to shorter delivery times, and the inventories index was -7.4, suggesting a decline in inventory levels.

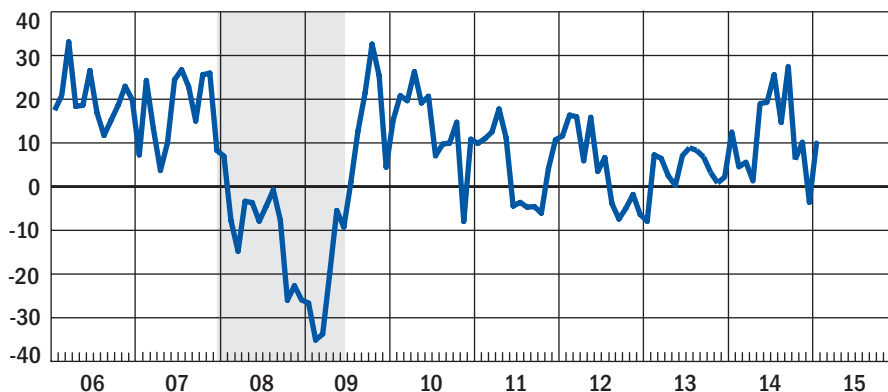
Modest Price Increases Continue

The prices paid index was little changed at 12.6; for a fourth consecutive month, it showed a modest increase in input prices. The prices received index rose for a second month—a sign that selling prices were increasing at a faster pace. Labor market indicators were mixed. The index for number of employees climbed five points to 13.7, suggesting that employment levels continued to increase. The average workweek index, however, remained below zero and, at -8.4, pointed to a decline in hours worked for a fourth consecutive month.

General Business Conditions

Seasonally Adjusted

Diffusion index



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

Optimism Remains Widespread

Indexes assessing the six-month outlook conveyed considerable optimism about future business activity. The index for future general business conditions rose nine points to 48.4, with nearly 60 percent of respondents expecting conditions to improve. The future new orders and shipments indexes both advanced to levels just above 40. The index for expected number of employees rose eleven points to 31.6, its highest level in nearly three years, indicating that a significant expansion in employment is anticipated in the months ahead. The capital expenditures index was little changed at 14.7, while the technology spending index fell five points to 12.6. ■

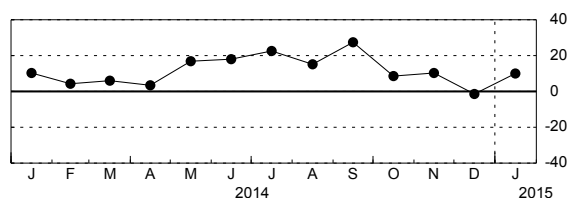
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	21.21	56.35	22.44	-1.23
Jan	32.78	44.39	22.83	9.95

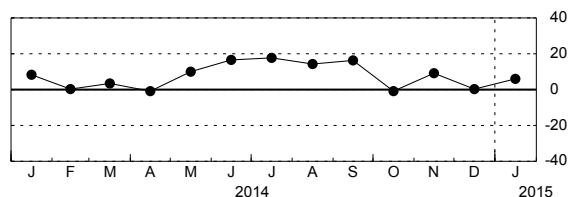
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	26.04	48.32	25.64	0.39
Jan	33.37	39.34	27.28	6.09

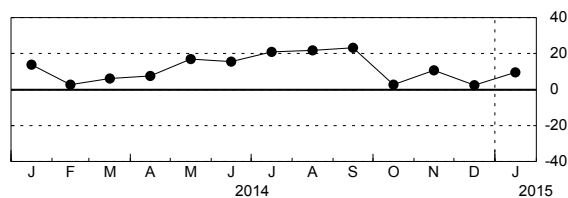
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	29.86	42.83	27.31	2.55
Jan	30.98	47.63	21.39	9.59

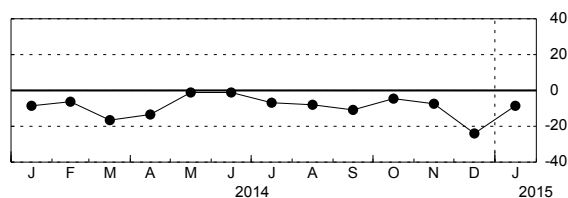
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	9.38	57.29	33.33	-23.96
Jan	13.68	64.21	22.11	-8.42

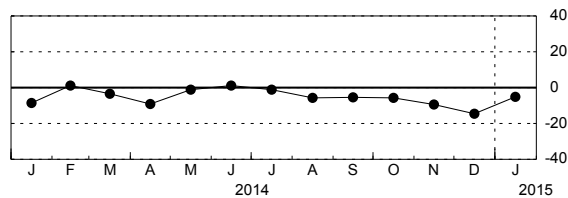
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	5.21	75.00	19.79	-14.58
Jan	7.37	80.00	12.63	-5.26

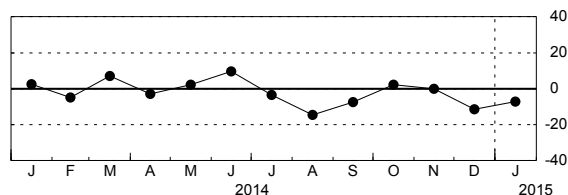
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	18.75	51.04	30.21	-11.46
Jan	20.00	52.63	27.37	-7.37

Inventories - Diffusion Index



Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	19.79	70.83	9.38	10.42
Jan	20.00	72.63	7.37	12.63

Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	11.46	83.33	5.21	6.25
Jan	18.95	74.74	6.32	12.63

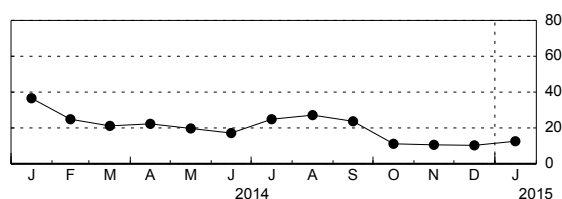
Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	18.75	70.83	10.42	8.33
Jan	23.16	67.37	9.47	13.68

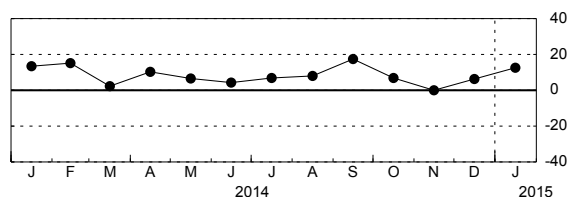
Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	8.33	71.88	19.79	-11.46
Jan	7.37	76.84	15.79	-8.42

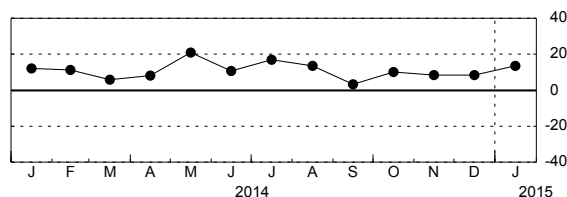
Prices Paid - Diffusion Index



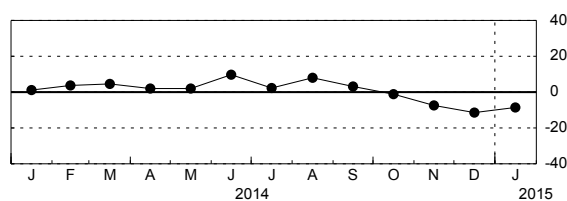
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

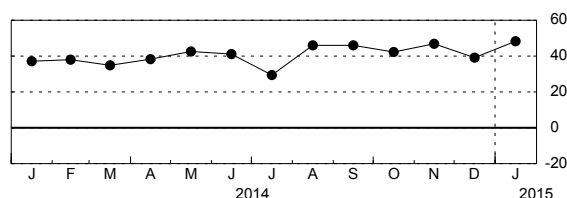
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	49.75	39.81	10.44	39.31
Jan	58.89	30.57	10.54	48.35

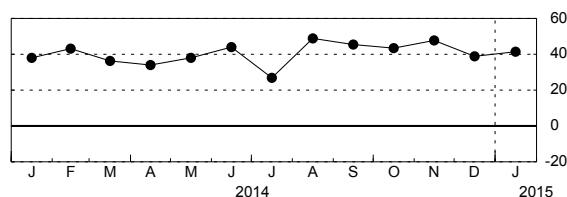
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	52.10	34.65	13.25	38.85
Jan	54.00	33.44	12.56	41.44

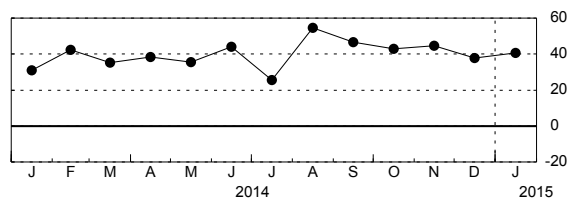
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	49.79	38.18	12.03	37.75
Jan	53.33	33.90	12.76	40.57

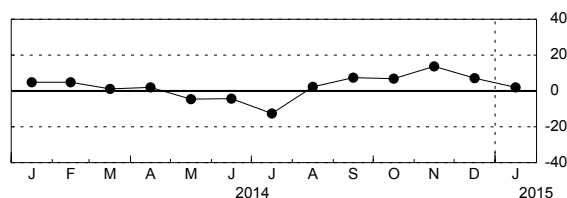
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	20.83	65.63	13.54	7.29
Jan	16.84	68.42	14.74	2.11

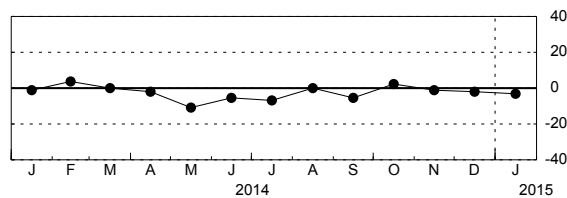
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	11.46	75.00	13.54	-2.08
Jan	11.58	73.68	14.74	-3.16

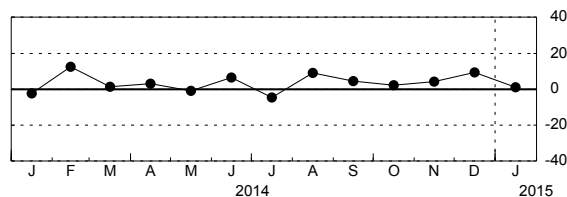
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	29.17	51.04	19.79	9.38
Jan	24.21	52.63	23.16	1.05

Inventories - Diffusion Index



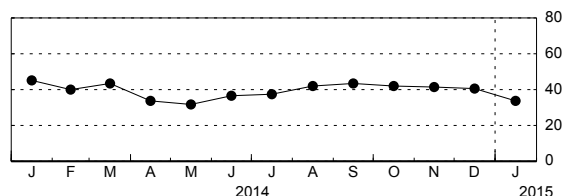
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	44.79	51.04	4.17	40.63
Jan	38.95	55.79	5.26	33.68

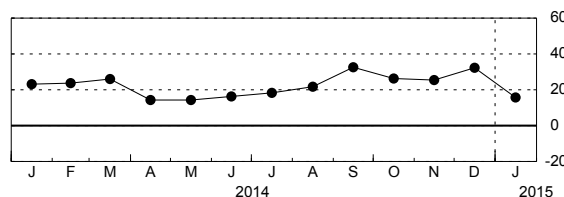
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	38.54	55.21	6.25	32.29
Jan	24.21	67.37	8.42	15.79

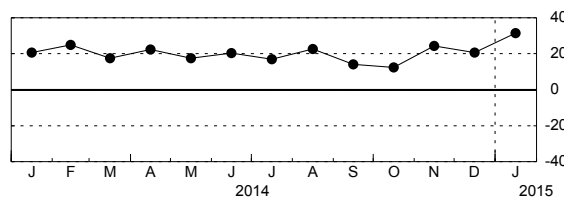
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	31.25	58.33	10.42	20.83
Jan	37.89	55.79	6.32	31.58

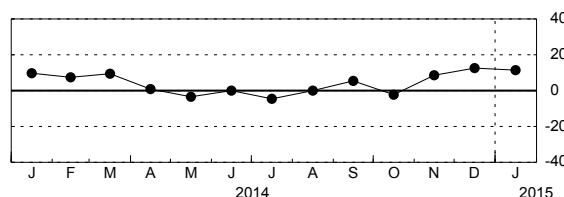
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	19.79	72.92	7.29	12.50
Jan	18.95	73.68	7.37	11.58

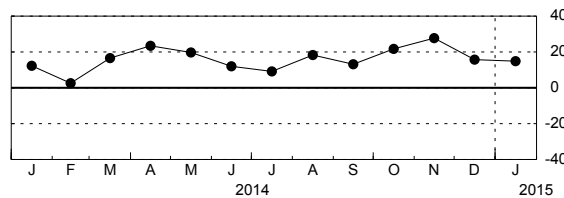
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	27.08	61.46	11.46	15.63
Jan	30.53	53.68	15.79	14.74

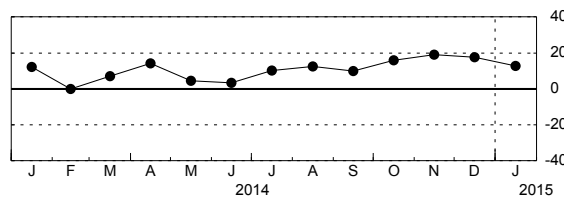
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	25.00	67.71	7.29	17.71
Jan	25.26	62.11	12.63	12.63

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.