

Empire State Manufacturing Survey

The June 2015 *Empire State Manufacturing Survey* indicates that business conditions worsened slightly for New York manufacturers. The headline general business conditions index fell five points to -2.0, its second negative reading in the past three months. The new orders index fell six points to -2.1, and the shipments index edged down to 12.0. Labor market indicators pointed to a small increase in employment levels and the average workweek. Price indexes were little changed. At 9.6, the prices paid index remained near last month's multiyear low, and the prices received index held steady at 1.0, indicating that selling prices were flat for a second consecutive month. The index for future general business conditions retreated in June, suggesting that optimism about future business conditions waned.

Business Conditions Decline Slightly

Business conditions worsened marginally for New York manufacturers, according to the June 2015 survey. The general business conditions index dropped five points to -2.0. This index has been hovering near zero for the past three months, suggesting that activity has remained flat since April. Twenty-six percent of respondents reported that conditions had improved, while 28 percent reported that conditions had worsened. After a brief foray into positive territory last month, the new orders index fell back below zero: at -2.1, it indicated a small decline in orders. The shipments index was little changed at 12.0, suggesting that shipments continued to grow steadily. The unfilled orders index advanced seven points but, at -4.8, it pointed to a small decline in unfilled orders.

The delivery time index climbed to -1.9, and the inventories index fell to 1.9, suggesting little change in delivery times and inventory levels.

Price Increases Remain Subdued

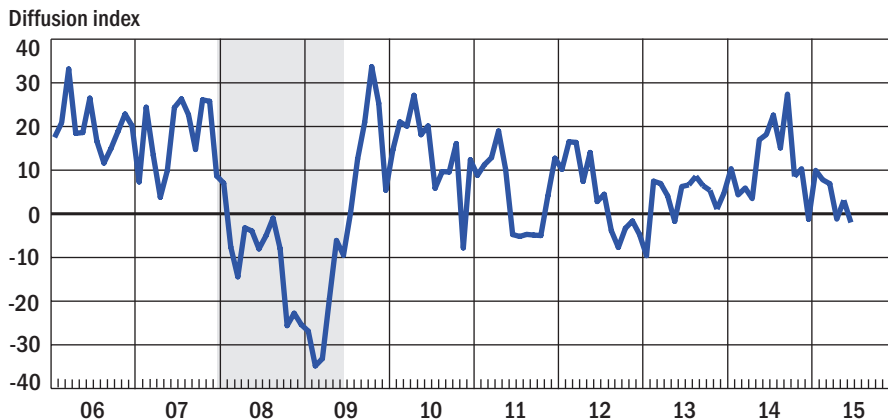
Price increases continued to be restrained. After reaching a multiyear low last month, the prices paid index was little changed at 9.6, indicating a modest increase in input prices. The prices received index held steady at 1.0—a sign that selling prices remained flat. Labor market conditions pointed to a modest increase in employment and a small increase in hours worked. The index for number of employees edged up three points to 8.7, and the average workweek index climbed six points to 3.9.

Optimism Wanes Further in June

The index for future general business conditions fell for a second consecutive month. The four-point drop, to 25.8, signaled that optimism about the six-month outlook ebbed further in June. The future new orders index fell eight points to 26.1, and the index for future shipments fell ten points to 22.1. The future inventories index plunged twenty points to -17.3, suggesting a widespread belief that inventory levels would decline in the months ahead. Indexes for future prices paid and received were little changed. The index for future employment declined for a third consecutive month but, at 13.5, it still suggested that manufacturers expected employment levels to rise. The capital expenditures index moved down four points to 11.5, and the technology spending index fell to -1.0. ■

General Business Conditions

Seasonally Adjusted



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

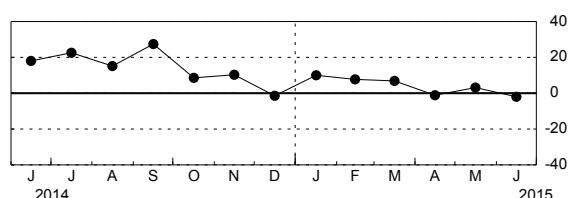
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	29.74	43.61	26.65	3.09
Jun	25.90	46.21	27.89	-1.98

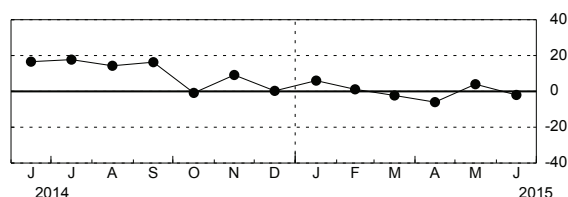
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	27.71	48.42	23.87	3.85
Jun	24.82	48.24	26.94	-2.12

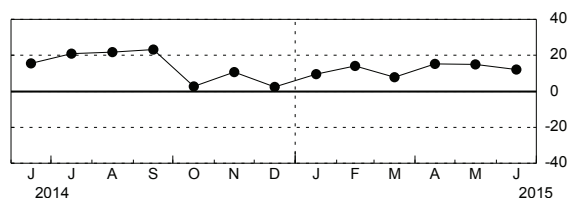
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	36.93	41.08	21.99	14.94
Jun	36.39	39.23	24.38	12.01

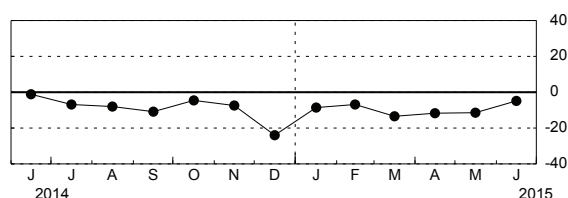
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	14.58	59.38	26.04	-11.46
Jun	13.46	68.27	18.27	-4.81

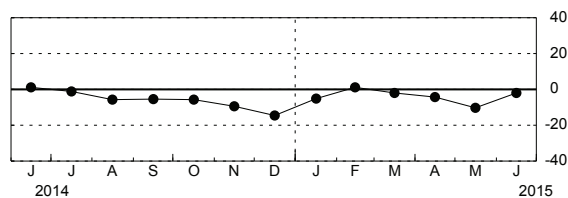
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	9.38	70.83	19.79	-10.42
Jun	13.46	71.15	15.38	-1.92

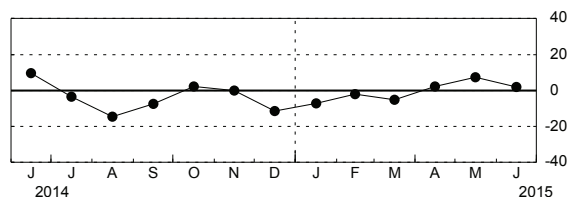
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	27.08	53.13	19.79	7.29
Jun	25.00	51.92	23.08	1.92

Inventories - Diffusion Index



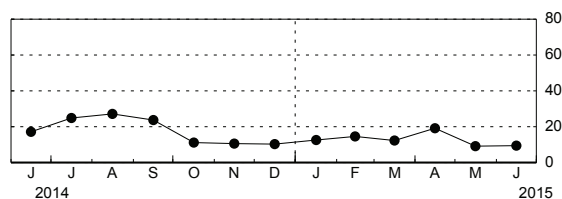
Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	16.67	76.04	7.29	9.38
Jun	14.42	80.77	4.81	9.62

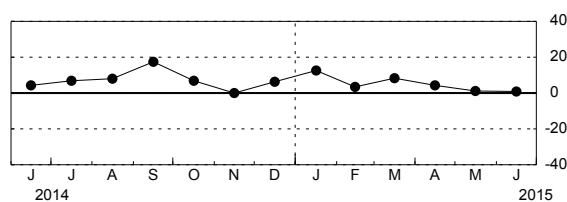
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	9.38	82.29	8.33	1.04
Jun	6.73	87.50	5.77	0.96

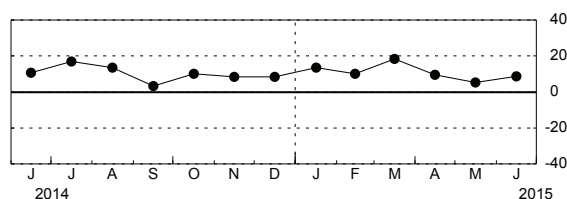
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	20.83	63.54	15.63	5.21
Jun	21.15	66.35	12.50	8.65

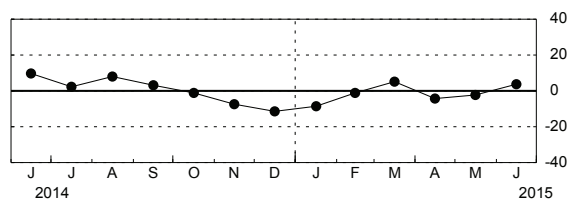
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	13.54	70.83	15.63	-2.08
Jun	14.42	75.00	10.58	3.85

Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

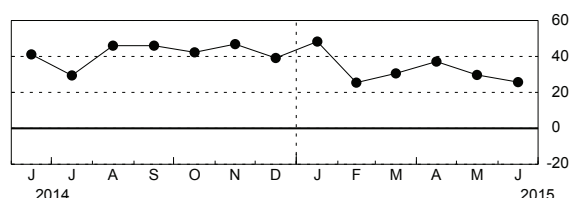
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	43.34	43.13	13.53	29.81
Jun	41.00	43.84	15.16	25.84

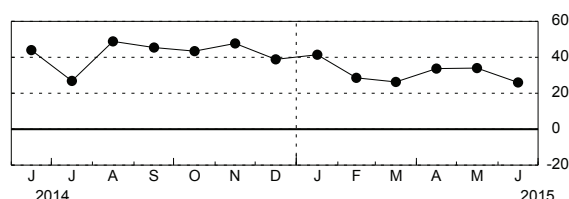
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	45.26	43.43	11.32	33.94
Jun	42.69	40.71	16.60	26.10

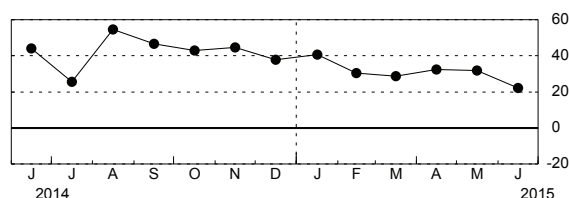
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	43.28	45.18	11.53	31.75
Jun	39.95	42.20	17.85	22.11

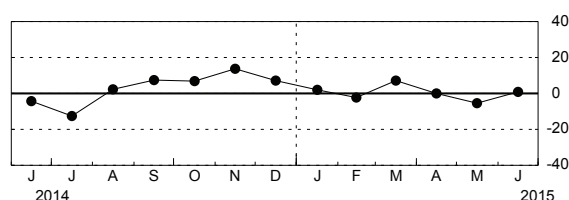
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	10.42	73.96	15.63	-5.21
Jun	13.46	74.04	12.50	0.96

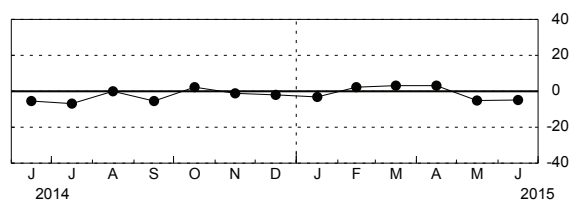
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	7.29	80.21	12.50	-5.21
Jun	8.65	77.88	13.46	-4.81

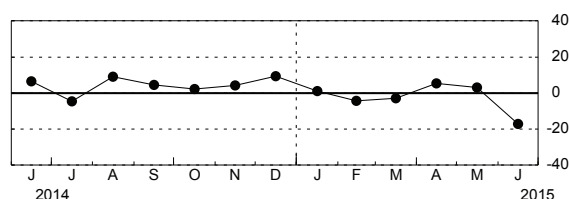
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	22.92	57.29	19.79	3.13
Jun	12.50	57.69	29.81	-17.31

Inventories - Diffusion Index



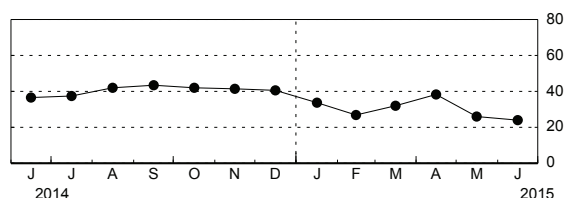
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	28.13	69.79	2.08	26.04
Jun	28.85	66.35	4.81	24.04

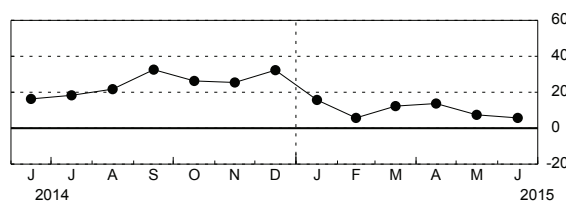
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	18.75	69.79	11.46	7.29
Jun	14.42	76.92	8.65	5.77

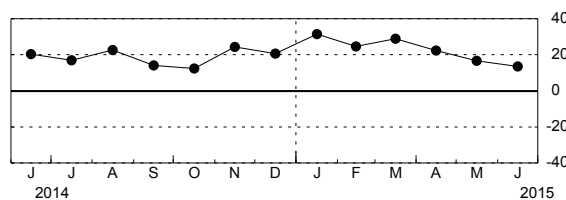
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	30.21	56.25	13.54	16.67
Jun	24.04	65.38	10.58	13.46

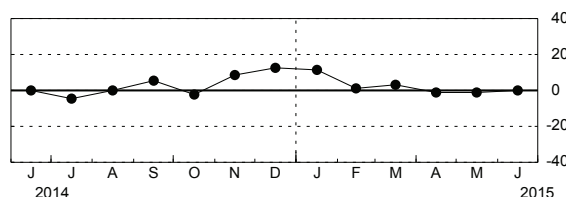
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	10.42	78.13	11.46	-1.04
Jun	14.42	71.15	14.42	0.00

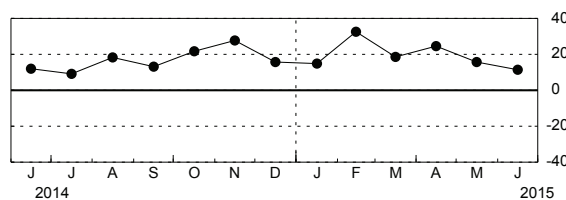
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	28.13	59.38	12.50	15.63
Jun	24.04	63.46	12.50	11.54

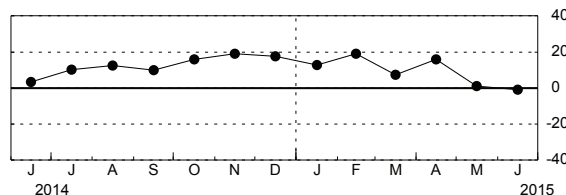
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	13.54	73.96	12.50	1.04
Jun	9.62	79.81	10.58	-0.96

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.