

Empire State Manufacturing Survey

The November 2015 *Empire State Manufacturing Survey* indicates that business activity declined for a fourth consecutive month for New York manufacturers. The headline general business conditions index was little changed at -10.7. New orders and shipments also declined, although at a slower pace than last month. Price indexes suggested that input prices increased slightly, while selling prices were slightly lower. Labor market conditions continued to deteriorate, with survey indicators pointing to a decline in both employment levels and hours worked. Indexes for the six-month outlook were little changed from last month, and suggested that optimism about future conditions remained tepid, even though employment is expected to increase.

Business Conditions Continue to Worsen

Business activity declined for a fourth consecutive month for New York manufacturers, according to the November 2015 survey. The general business conditions index was little changed at -10.7. Nineteen percent of respondents reported that conditions had improved over the month, while 29 percent reported that conditions had worsened. The new orders index climbed seven points, but at -11.8, it pointed to an ongoing decline in orders. Similarly, the shipments index climbed ten points to -4.1, signaling that shipments also declined. The unfilled orders index fell three points to -18.2. Delivery times were shorter again this month, with the delivery

time index holding steady at -10.9. The inventories index fell ten points to -17.3, indicating a significant reduction in inventory levels.

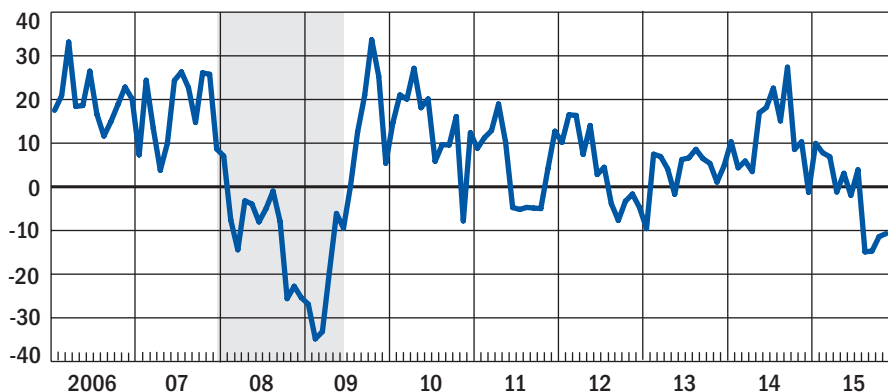
Labor Market Conditions Weaken Further

The prices paid index edged up to 4.6, suggesting that input prices increased somewhat after holding steady last month. The prices received index remained negative at -4.6, indicating that selling prices declined for a third consecutive month. Labor market conditions continued to weaken. The index for number of employees was little changed at -7.3, a sign that employment levels fell for a third consecutive month, and the average workweek index moved down seven points to -14.6, its lowest level since mid-2011.

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 Muted

Indexes for the six-month outlook were little changed from last month, and suggested that optimism about future business conditions remained muted. The index for future business conditions was slightly lower at 20.3, and the indexes for future new orders and future shipments, while positive, also edged lower. Employment was expected to improve, with the index for expected number of employees climbing to 16.4 and the index for expected workweek rising to 5.5. The capital expenditures index was little changed at 12.7, and the technology spending index fell four points to 1.8. ■

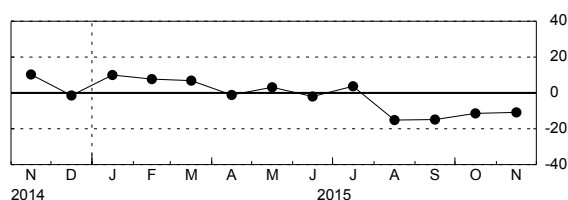
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	21.24	46.16	32.60	-11.36
Nov	18.61	52.04	29.35	-10.74

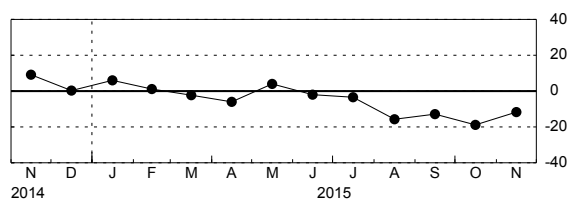
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	18.25	44.60	37.15	-18.91
Nov	21.39	45.40	33.21	-11.82

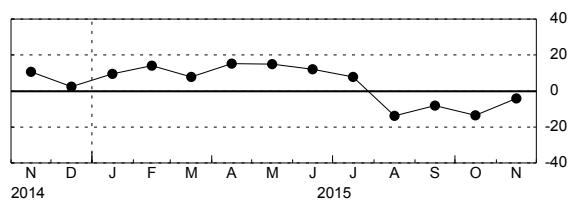
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	21.30	43.80	34.90	-13.61
Nov	28.15	39.61	32.25	-4.10

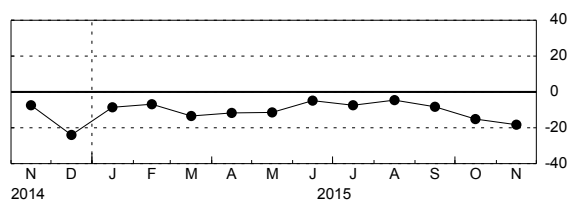
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	11.32	62.26	26.42	-15.09
Nov	6.36	69.09	24.55	-18.18

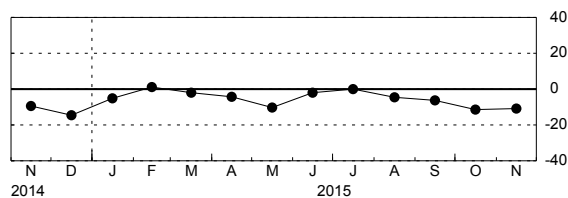
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	4.72	79.25	16.04	-11.32
Nov	6.36	76.36	17.27	-10.91

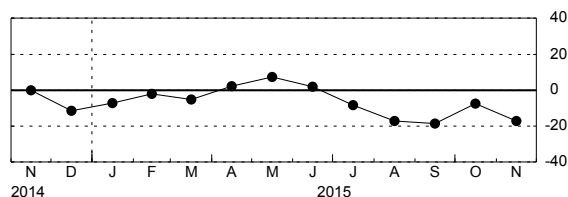
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	21.70	49.06	29.25	-7.55
Nov	14.55	53.64	31.82	-17.27

Inventories - Diffusion Index



Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	16.04	68.87	15.09	0.94
Nov	10.91	82.73	6.36	4.55

Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	5.66	80.19	14.15	-8.49
Nov	7.27	80.91	11.82	-4.55

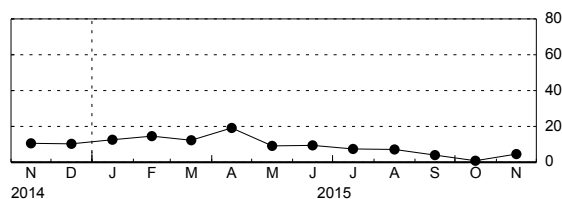
Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	10.38	70.75	18.87	-8.49
Nov	10.00	72.73	17.27	-7.27

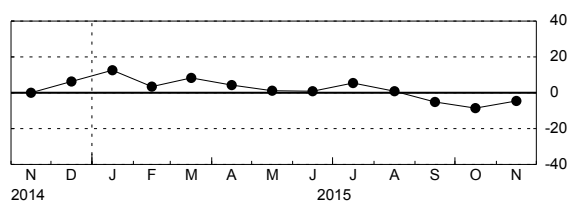
Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	14.15	64.15	21.70	-7.55
Nov	7.27	70.91	21.82	-14.55

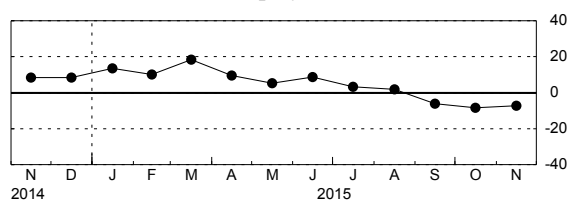
Prices Paid - Diffusion Index



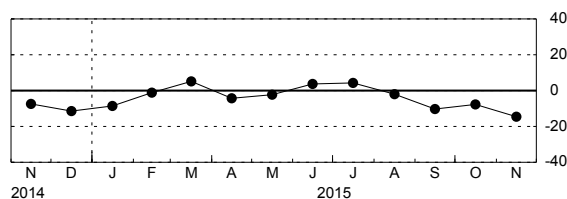
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

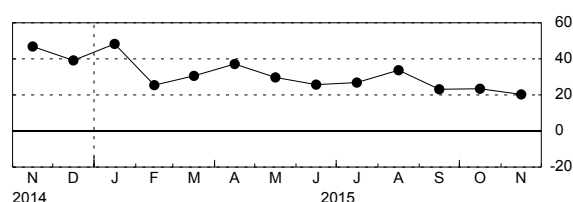
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	42.27	38.82	18.91	23.36
Nov	41.39	37.54	21.06	20.33

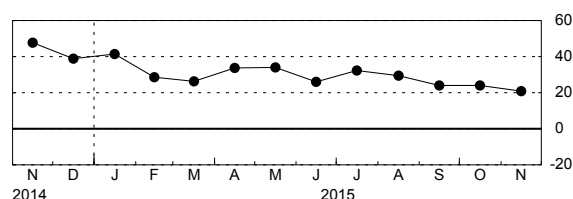
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	46.46	31.08	22.46	24.00
Nov	39.85	41.11	19.03	20.82

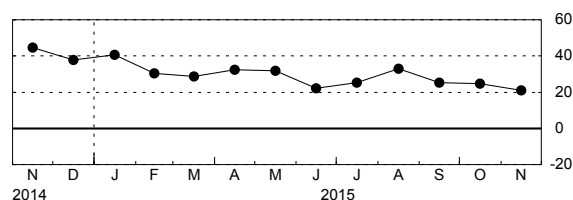
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	44.38	35.87	19.75	24.63
Nov	41.07	38.93	20.00	21.07

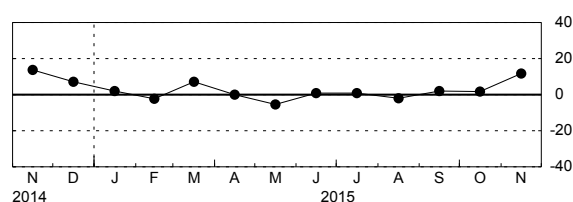
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	16.04	69.81	14.15	1.89
Nov	19.09	73.64	7.27	11.82

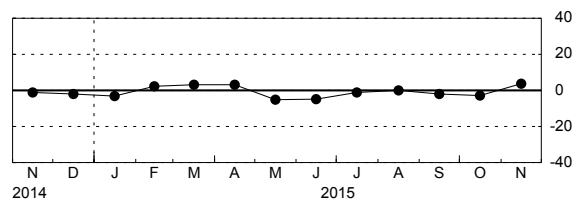
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	7.55	82.08	10.38	-2.83
Nov	13.64	76.36	10.00	3.64

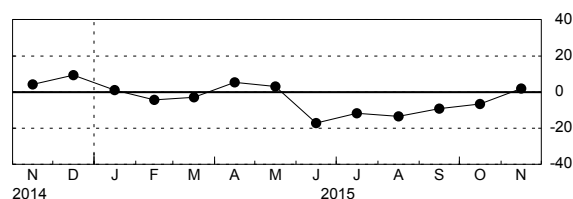
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	19.81	53.77	26.42	-6.60
Nov	20.00	61.82	18.18	1.82

Inventories - Diffusion Index



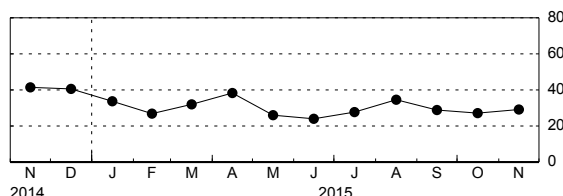
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	36.79	53.77	9.43	27.36
Nov	35.45	58.18	6.36	29.09

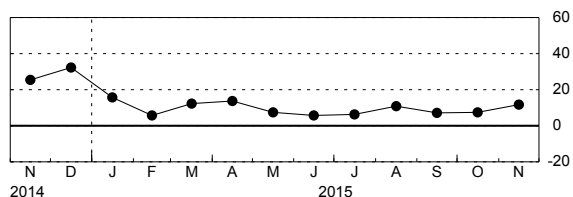
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	19.81	67.92	12.26	7.55
Nov	23.64	64.55	11.82	11.82

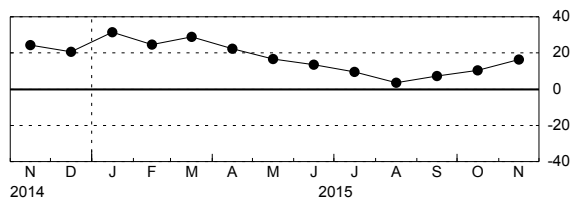
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	26.42	57.55	16.04	10.38
Nov	28.18	60.00	11.82	16.36

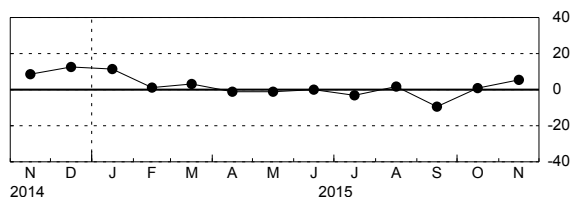
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	13.21	74.53	12.26	0.94
Nov	13.64	78.18	8.18	5.45

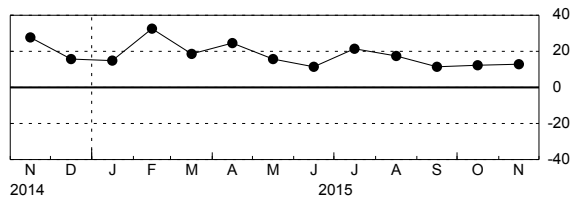
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	25.47	61.32	13.21	12.26
Nov	27.27	58.18	14.55	12.73

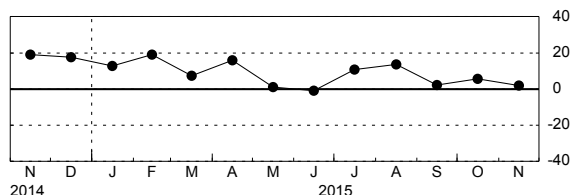
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	17.92	69.81	12.26	5.66
Nov	17.27	67.27	15.45	1.82

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.