

Empire State Manufacturing Survey

Business activity picked up significantly in New York State, according to firms responding to the May 2019 *Empire State Manufacturing Survey*. The headline general business conditions index climbed eight points to 17.8, its highest level in six months. New orders and shipments also grew at a faster pace than in recent months. Delivery times held steady, and inventories moved slightly lower. Labor market indicators pointed to small increases in employment and hours worked. Price indexes were little changed, suggesting that prices increased at about the same pace as last month. Indexes assessing the six-month outlook indicated that firms were significantly more optimistic about future conditions than they were in April.

Growth Picks Up

Manufacturing firms in New York State reported that business activity expanded

at a solid pace. The general business conditions index rose eight points to 17.8, its second consecutive monthly increase and its highest level since November 2018. Thirty-six percent of respondents reported that conditions had improved over the month, while 18 percent reported that conditions had worsened. The new orders index rose two points to 9.7, indicating an increase in orders, and the shipments index moved up eight points to 16.3, pointing to good increases in shipments. Unfilled orders inched higher, delivery times were little changed, and inventories were somewhat below last month's levels.

A Small Increase in Employment

The index for number of employees fell seven points to 4.7, a level indicating that employment increased only to a small degree. The average workweek

index held steady at 4.4. Price increases were similar to those seen last month. The prices paid index was little changed at 26.2, as was the prices received index at 12.4.

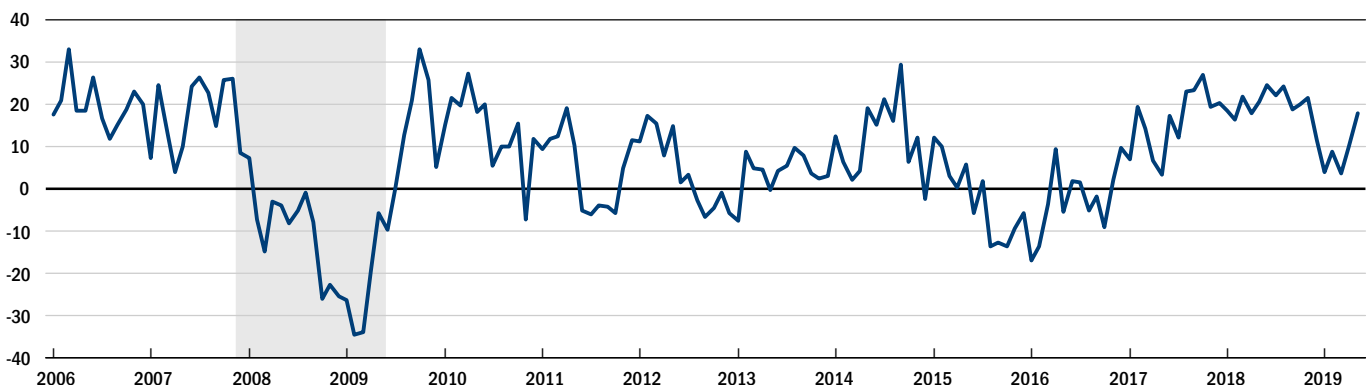
Firms More Optimistic

Manufacturing firms were significantly more optimistic about the six-month outlook than they were last month. The index for future business conditions shot up 18 points to 30.6. The indexes for future new orders and shipments climbed to similar levels. Firms expected solid increases in employment but no change in the average workweek in the months ahead. The capital expenditures index was little changed at 26.2, and the technology spending index came in at 22.8, up slightly from April's reading. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

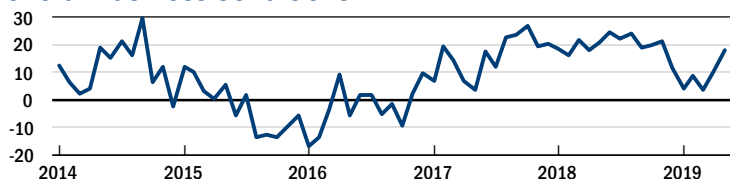


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

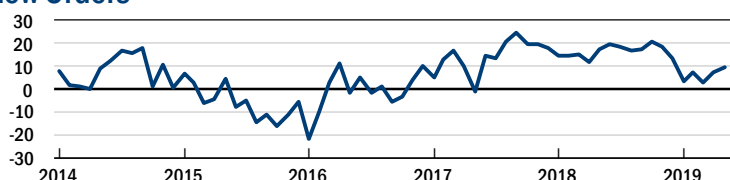
Change from Preceding Month

General Business Conditions



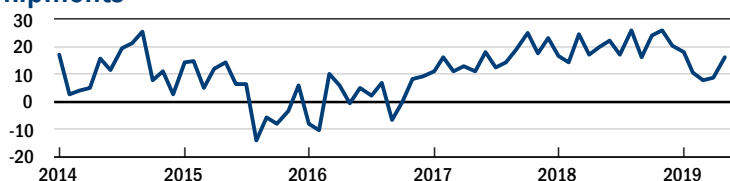
	Percent Reporting		Index
	Higher	Lower	
Apr	32.7	22.6	10.1
May	36.3	18.4	17.8
Change			7.7

New Orders



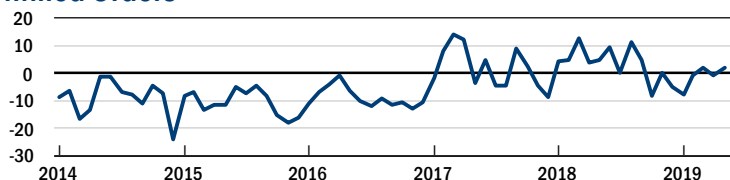
	Percent Reporting		Index
	Higher	Lower	
Apr	31.7	24.2	7.5
May	33.4	23.7	9.7
Change			2.2

Shipments



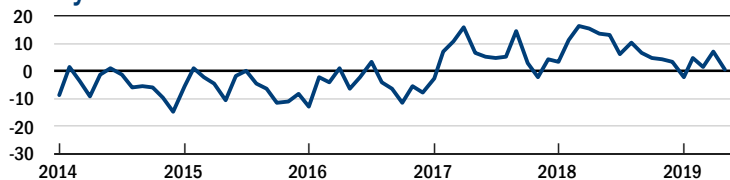
	Percent Reporting		Index
	Higher	Lower	
Apr	34.0	25.4	8.6
May	38.6	22.3	16.3
Change			7.7

Unfilled Orders



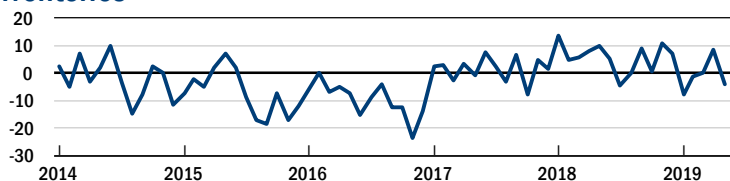
	Percent Reporting		Index
	Higher	Lower	
Apr	15.4	16.1	-0.7
May	15.9	13.8	2.1
Change			2.8

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	15.4	8.4	7.0
May	11.7	11.0	0.7
Change			-6.3

Inventories

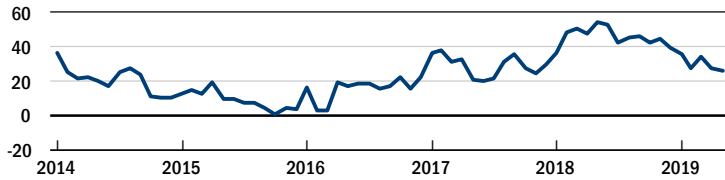


	Percent Reporting		Index
	Higher	Lower	
Apr	26.6	18.2	8.4
May	22.1	26.2	-4.1
Change			-12.5

Current Indicators, *continued*

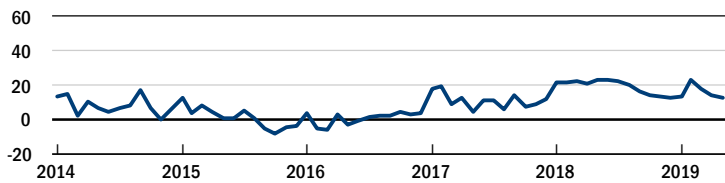
Change from Preceding Month

Prices Paid



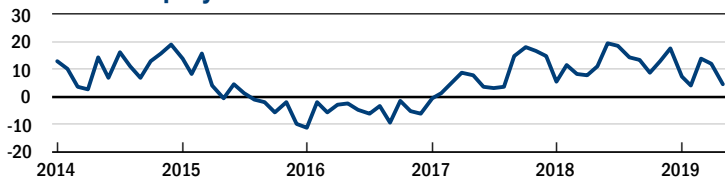
	Percent Reporting		Index
	Higher	Lower	
Apr	32.9	5.6	27.3
May	32.4	6.2	26.2
Change			-1.1

Prices Received



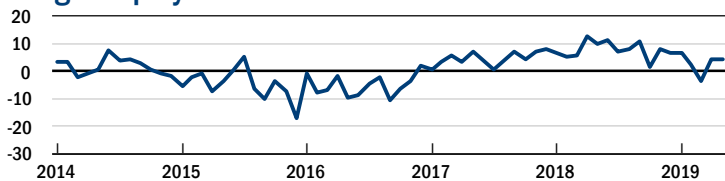
	Percent Reporting		Index
	Higher	Lower	
Apr	19.6	5.6	14.0
May	20.0	7.6	12.4
Change			-1.6

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Apr	19.9	8.0	11.9
May	18.9	14.2	4.7
Change			-7.2

Average Employee Workweek



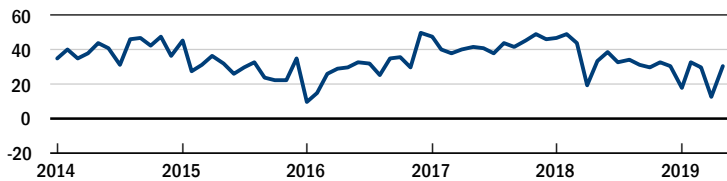
	Percent Reporting		Index
	Higher	Lower	
Apr	18.0	13.7	4.3
May	17.0	12.6	4.4
Change			0.1

Note: Data are seasonally adjusted.

Forward-Looking Indicators

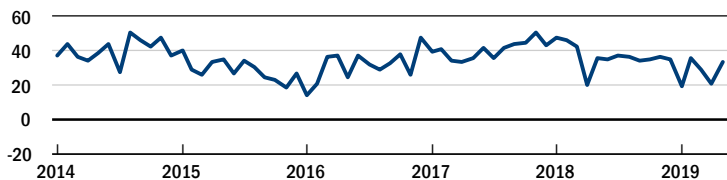
Expectations Six Months Ahead

General Business Conditions



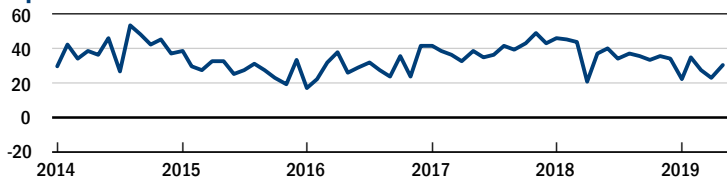
	Percent Reporting		Index
	Higher	Lower	
Apr	38.2	25.8	12.4
May	49.1	18.6	30.6
Change			18.2

New Orders



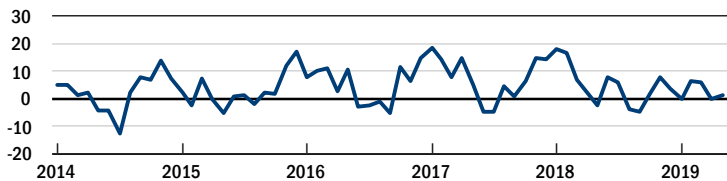
	Percent Reporting		Index
	Higher	Lower	
Apr	42.7	22.2	20.5
May	50.2	16.8	33.4
Change			12.9

Shipments



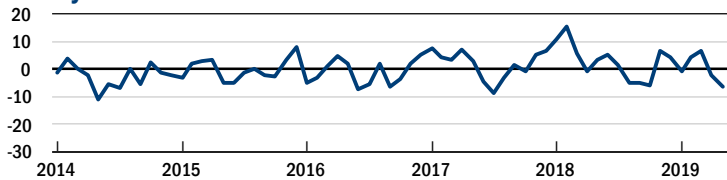
	Percent Reporting		Index
	Higher	Lower	
Apr	43.4	20.8	22.7
May	49.1	18.7	30.4
Change			7.7

Unfilled Orders



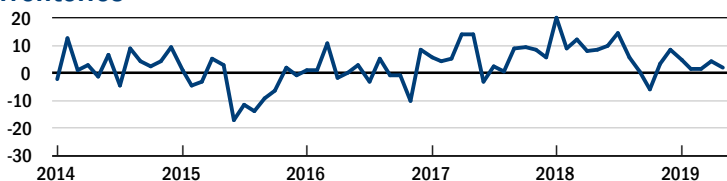
	Percent Reporting		Index
	Higher	Lower	
Apr	15.4	15.4	0.0
May	15.9	14.5	1.4
Change			1.4

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	12.6	14.7	-2.1
May	10.3	16.6	-6.2
Change			-4.1

Inventories

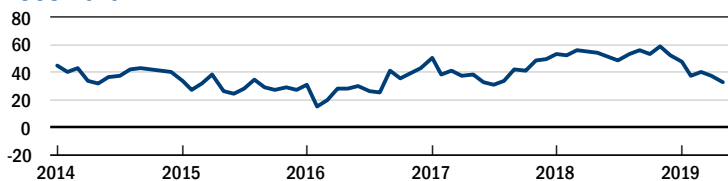


	Percent Reporting		Index
	Higher	Lower	
Apr	26.6	22.4	4.2
May	24.8	22.8	2.1
Change			-2.1

Forward-Looking Indicators, *continued*

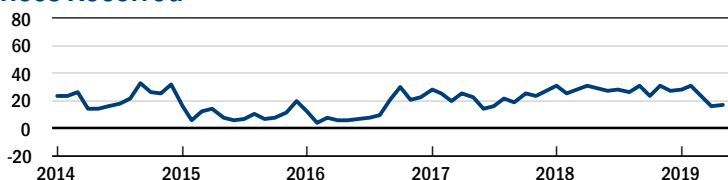
Expectations Six Months Ahead

Prices Paid



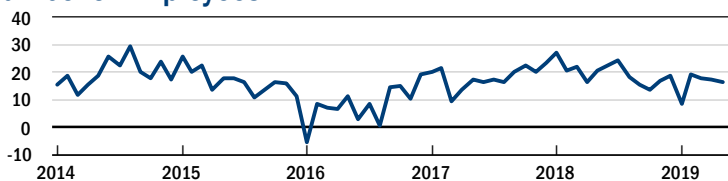
	Percent Reporting		Index
	Higher	Lower	
Apr	42.0	4.9	37.1
May	38.6	5.5	33.1
Change			-4.0

Prices Received



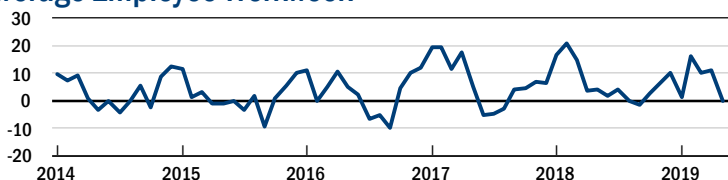
	Percent Reporting		Index
	Higher	Lower	
Apr	25.9	9.8	16.1
May	25.5	8.3	17.2
Change			1.1

Number of Employees



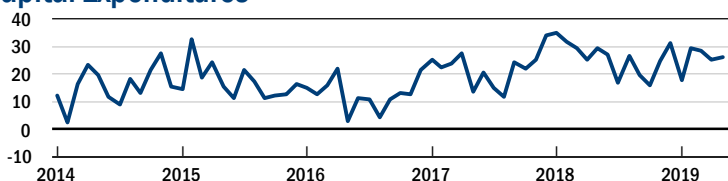
	Percent Reporting		Index
	Higher	Lower	
Apr	28.4	11.1	17.3
May	26.0	9.7	16.3
Change			-1.0

Average Employee Workweek



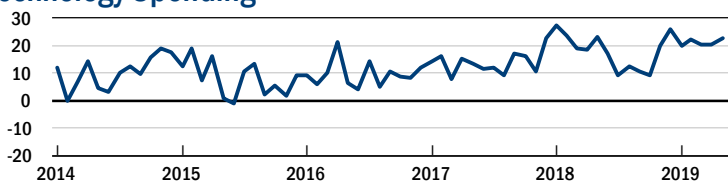
	Percent Reporting		Index
	Higher	Lower	
Apr	20.3	9.1	11.2
May	11.7	11.7	0.0
Change			-11.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Apr	34.3	9.1	25.2
May	35.2	9.0	26.2
Change			1.0

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Apr	28.0	7.7	20.3
May	28.3	5.5	22.8
Change			2.5

Note: Data are seasonally adjusted.