

Empire State Manufacturing Survey

Business activity rebounded modestly in New York State, according to firms responding to the July 2019 *Empire State Manufacturing Survey*. The headline general business conditions index climbed out of negative territory, rising thirteen points to 4.3. New orders were little changed, and shipments increased. Unfilled orders and inventories continued to move lower, while delivery times were longer. The employment index remained negative, falling to its lowest level in nearly three years. Input price increases continued to moderate somewhat, while the pace of selling price increases remained modest. Indexes assessing the six-month outlook indicated that firms were fairly optimistic about future conditions.

Growth Resumes

Manufacturing firms in New York State reported that business activity grew

modestly in July. After declining substantially last month, the general business conditions index returned to positive territory, rising thirteen points to 4.3. Thirty percent of respondents reported that conditions had improved over the month, while 26 percent reported that conditions had worsened. The new orders index rose, but it remained negative at -1.5. The shipments index moved slightly lower to 7.2, pointing to a small increase in shipments. Unfilled orders declined for a second consecutive month. Delivery times were somewhat longer, and inventories fell.

Employment Falls for a Second Consecutive Month

After falling below zero last month, the index for number of employees slid further, dropping six points to -9.6, pointing to a decline in employment levels. The average workweek index, at 3.8,

signaled somewhat longer workweeks. The prices paid index edged down two points to 25.5, suggesting a slightly slower pace of input price increases than last month. The prices received index was little changed at 5.8, pointing to ongoing modest selling price increases.

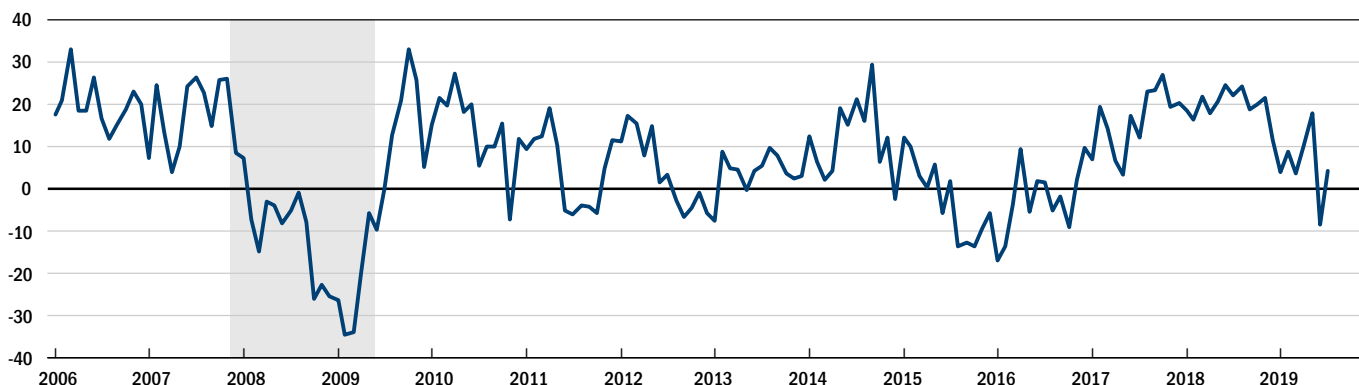
Optimism Picks Up a Bit

Indexes assessing the six-month outlook were generally somewhat higher than they were last month. The index for future business conditions increased five points to 30.8, and the index for future new orders also moved higher. Firms expected increases in employment levels but no change in the average workweek in the months ahead. After posting a substantial decline last month, the capital expenditures index rose nine points to 19.0, and the technology spending index inched up to 14.6. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

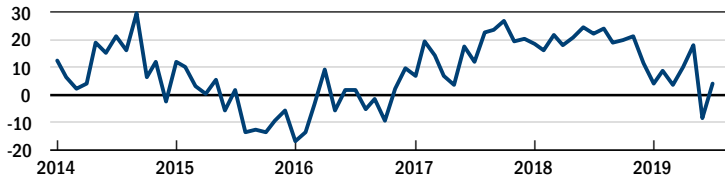


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

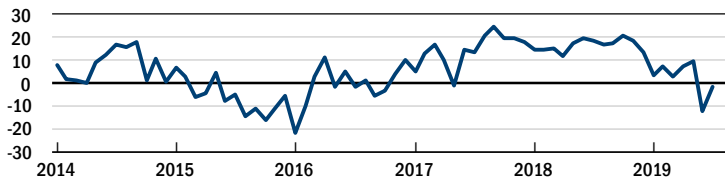
Change from Preceding Month

General Business Conditions



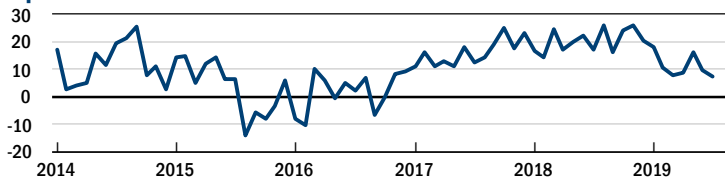
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 21.8 | 30.4 | -8.6 |
| Jul | 29.8 | 25.6 | 4.3 |
| Change | | | 12.9 |

New Orders



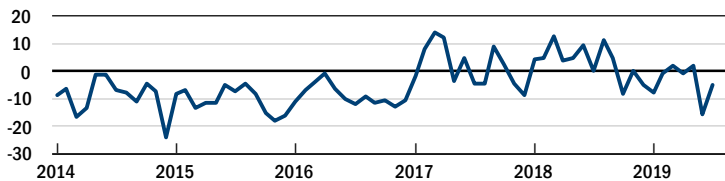
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 23.4 | 35.4 | -12.0 |
| Jul | 27.1 | 28.6 | -1.5 |
| Change | | | 10.5 |

Shipments



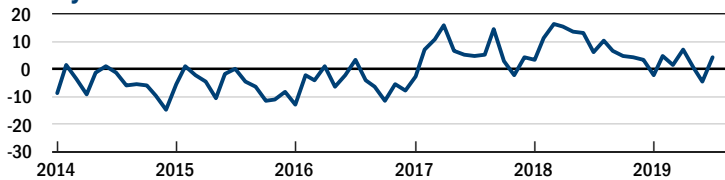
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 31.7 | 22.0 | 9.7 |
| Jul | 30.8 | 23.6 | 7.2 |
| Change | | | -2.5 |

Unfilled Orders



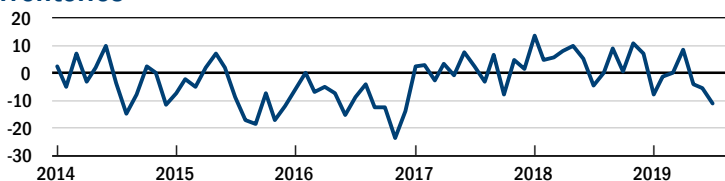
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 9.8 | 25.6 | -15.8 |
| Jul | 13.9 | 19.0 | -5.1 |
| Change | | | 10.7 |

Delivery Time



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 7.5 | 12.0 | -4.5 |
| Jul | 13.9 | 9.5 | 4.4 |
| Change | | | 8.9 |

Inventories

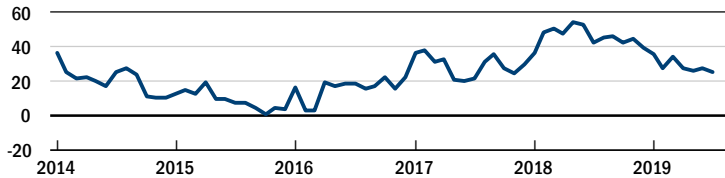


| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 18.0 | 23.3 | -5.3 |
| Jul | 13.9 | 24.8 | -10.9 |
| Change | | | -5.6 |

Current Indicators, *continued*

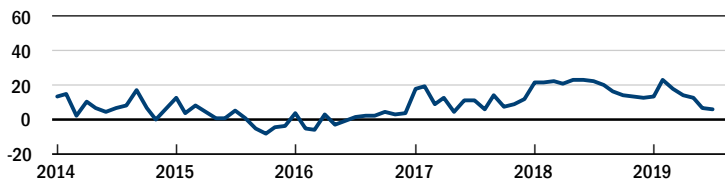
Change from Preceding Month

Prices Paid



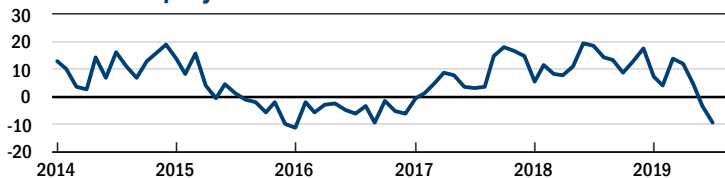
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 32.3 | 4.5 | 27.8 |
| Jul | 32.1 | 6.6 | 25.5 |
| Change | | | -2.3 |

Prices Received



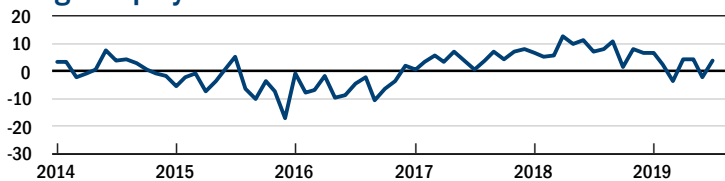
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 11.3 | 4.5 | 6.8 |
| Jul | 14.6 | 8.8 | 5.8 |
| Change | | | -1.0 |

Number of Employees



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 11.8 | 15.3 | -3.5 |
| Jul | 10.1 | 19.7 | -9.6 |
| Change | | | -6.1 |

Average Employee Workweek



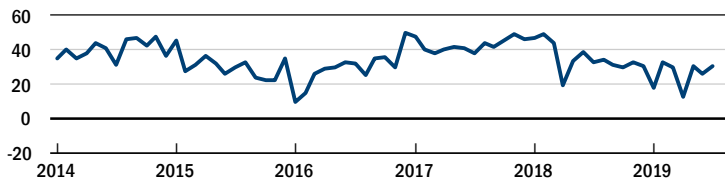
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 10.7 | 12.9 | -2.2 |
| Jul | 16.8 | 13.0 | 3.8 |
| Change | | | 6.0 |

Note: Data are seasonally adjusted.

Forward-Looking Indicators

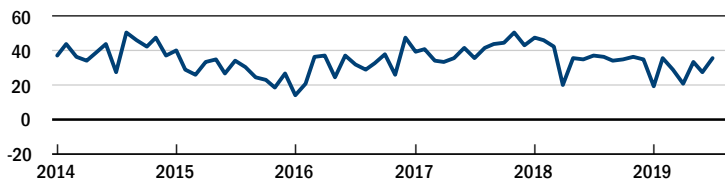
Expectations Six Months Ahead

General Business Conditions



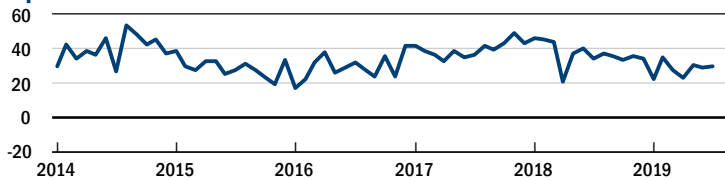
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 42.2 | 16.6 | 25.7 |
| Jul | 48.6 | 17.9 | 30.8 |
| Change | | | 5.1 |

New Orders



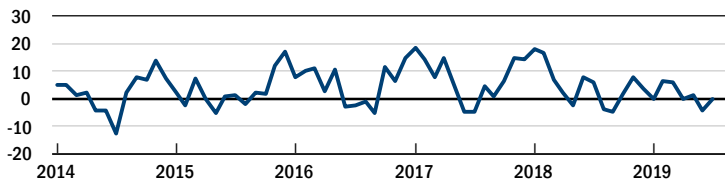
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 45.8 | 18.0 | 27.8 |
| Jul | 50.1 | 14.7 | 35.4 |
| Change | | | 7.6 |

Shipments



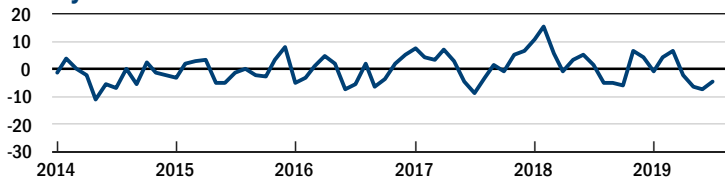
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 45.3 | 16.1 | 29.2 |
| Jul | 45.6 | 16.1 | 29.5 |
| Change | | | 0.3 |

Unfilled Orders



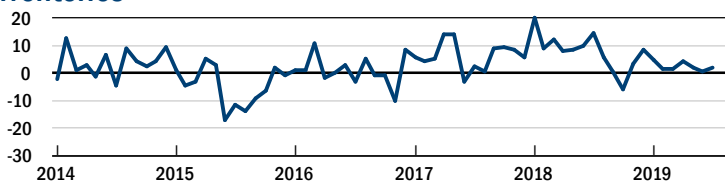
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 9.8 | 14.3 | -4.5 |
| Jul | 14.6 | 14.6 | 0.0 |
| Change | | | 4.5 |

Delivery Time



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 6.0 | 13.5 | -7.5 |
| Jul | 9.5 | 13.9 | -4.4 |
| Change | | | 3.1 |

Inventories

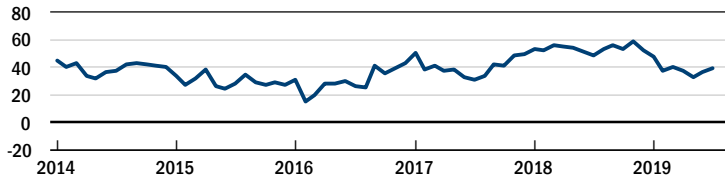


| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 24.1 | 23.3 | 0.8 |
| Jul | 24.1 | 21.9 | 2.2 |
| Change | | | 1.4 |

Forward-Looking Indicators, *continued*

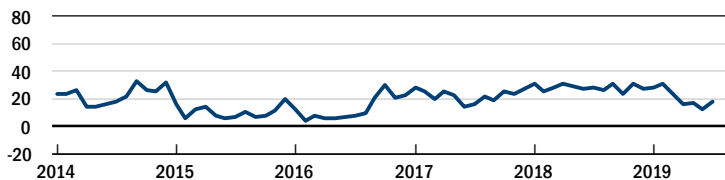
Expectations Six Months Ahead

Prices Paid



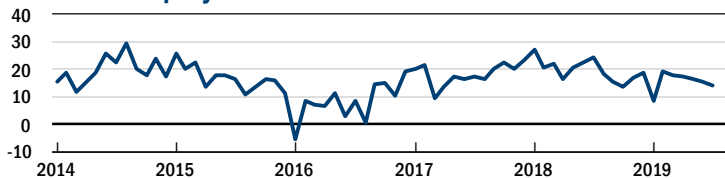
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 42.1 | 5.3 | 36.8 |
| Jul | 42.3 | 2.9 | 39.4 |
| Change | | | 2.6 |

Prices Received



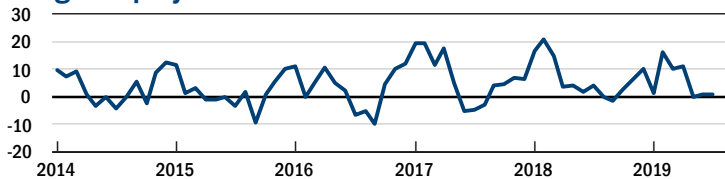
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 20.3 | 7.5 | 12.8 |
| Jul | 26.3 | 8.0 | 18.2 |
| Change | | | 5.4 |

Number of Employees



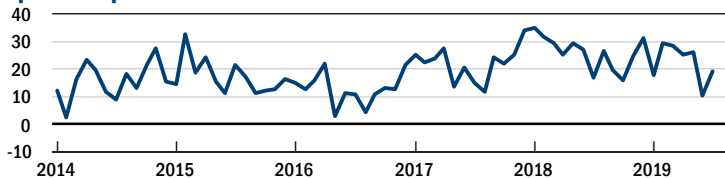
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 27.6 | 12.0 | 15.6 |
| Jul | 23.5 | 9.3 | 14.2 |
| Change | | | -1.4 |

Average Employee Workweek



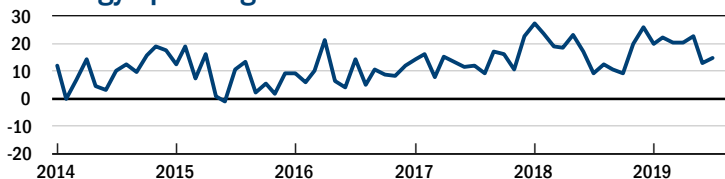
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 11.3 | 10.5 | 0.8 |
| Jul | 13.9 | 13.1 | 0.7 |
| Change | | | -0.1 |

Capital Expenditures



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 24.8 | 14.3 | 10.5 |
| Jul | 30.7 | 11.7 | 19.0 |
| Change | | | 8.5 |

Technology Spending



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Jun | 22.6 | 9.8 | 12.8 |
| Jul | 24.1 | 9.5 | 14.6 |
| Change | | | 1.8 |

Note: Data are seasonally adjusted.