

Empire State Manufacturing Survey

The October 2015 *Empire State Manufacturing Survey* indicates that business activity declined for a third consecutive month for New York manufacturers. The headline general business conditions index edged up three points, but remained negative at -11.4. The survey indicated that new orders, shipments, and unfilled orders all declined at a steeper pace than last month. Price indexes suggested that input prices held steady, while selling prices declined at the fastest pace since 2009. Labor market indicators pointed to a continued decline in 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.

Business Conditions Remain Weak
Business activity declined for a third consecutive month for New York manufacturers, according to the October 2015 survey. The general business conditions index edged up three points to -11.4, marking three straight months of readings below -10, the first such occurrence since 2009. Twenty-one percent of respondents reported that conditions had improved over the month, while 33 percent reported that conditions had worsened. The new orders index showed an ongoing decline in orders, falling six points to -18.9, a multiyear low, and the shipments index fell six points to -13.6. The unfilled orders index dropped seven points to -15.1. Delivery times were shorter again

this month, with the delivery time index falling five points to -11.3. The inventories index rose eleven points to -7.6, indicating that inventory levels declined, though at a somewhat slower pace than in September.

Input Prices Are Flat, Employment Falls

The prices paid index fell to 0.9, its lowest level since 2009, suggesting that input prices were flat. The prices received index edged down three points to -8.5, indicating a decline in selling prices. Labor market conditions worsened. The index for number of employees fell for a fourth consecutive month, slipping two points to -8.5 in a sign that employment levels were lower. The average workweek index remained negative at -7.6, pointing to shorter workweeks.

General Business Conditions

Seasonally Adjusted



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

Optimism Is 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 held steady at 23.4, and the indexes for future new orders and future shipments stayed at similar levels. At 27.4, the index for future prices paid showed that input prices were expected to increase, and the future prices received index, at 7.6, suggested that selling prices were also expected to rise. The index for expected number of employees rose to 10.4, indicating that some increase in employment levels was expected in the months ahead. The capital expenditures index was little changed at 12.3, and the technology spending index edged up to 5.7. ■

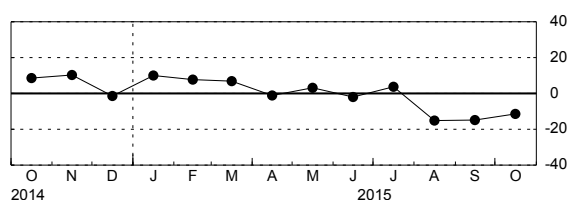
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	20.11	45.11	34.78	-14.67
Oct	21.24	46.16	32.60	-11.36

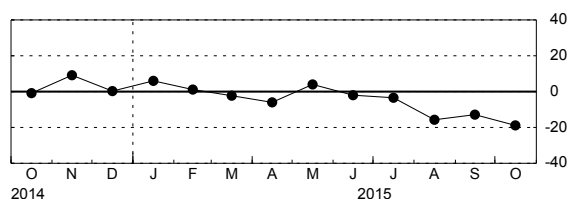
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	21.13	44.84	34.04	-12.91
Oct	18.25	44.60	37.15	-18.91

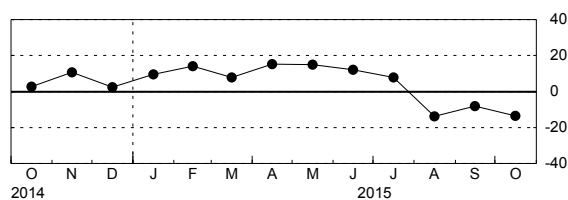
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	22.85	46.31	30.84	-7.98
Oct	21.30	43.80	34.90	-13.61

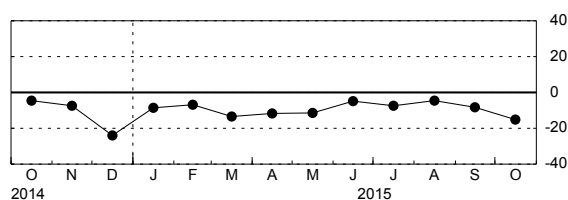
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	11.34	69.07	19.59	-8.25
Oct	11.32	62.26	26.42	-15.09

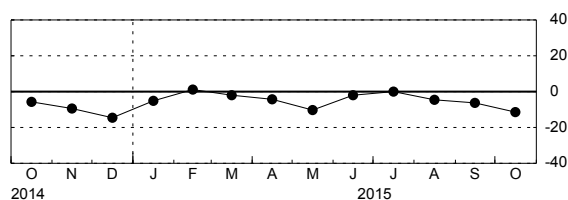
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	8.25	77.32	14.43	-6.19
Oct	4.72	79.25	16.04	-11.32

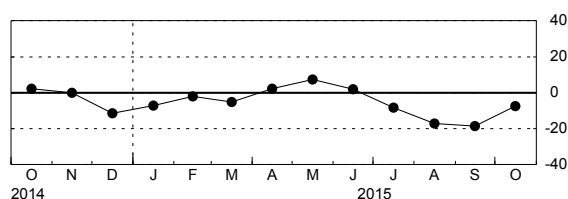
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	11.34	58.76	29.90	-18.56
Oct	21.70	49.06	29.25	-7.55

Inventories - Diffusion Index



Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	17.53	69.07	13.40	4.12
Oct	16.04	68.87	15.09	0.94

Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	9.28	76.29	14.43	-5.15
Oct	5.66	80.19	14.15	-8.49

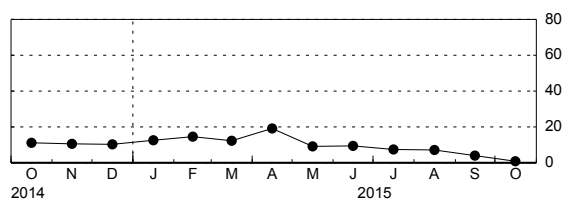
Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	13.40	67.01	19.59	-6.19
Oct	10.38	70.75	18.87	-8.49

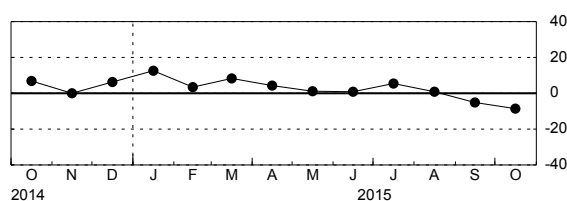
Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	11.34	67.01	21.65	-10.31
Oct	14.15	64.15	21.70	-7.55

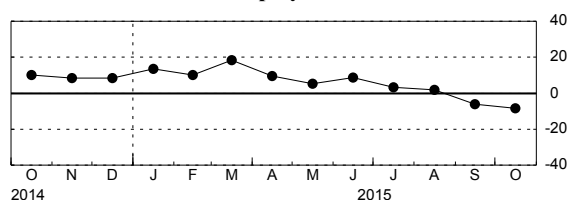
Prices Paid - Diffusion Index



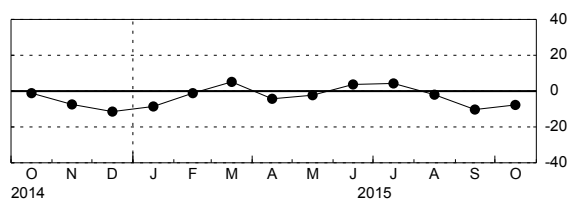
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

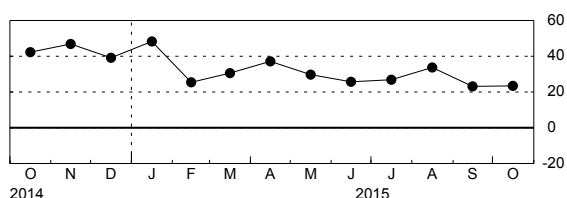
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	39.59	44.04	16.37	23.21
Oct	42.27	38.82	18.91	23.36

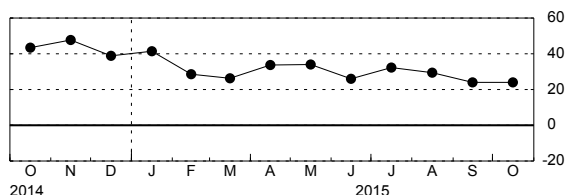
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	38.99	45.91	15.10	23.89
Oct	46.46	31.08	22.46	24.00

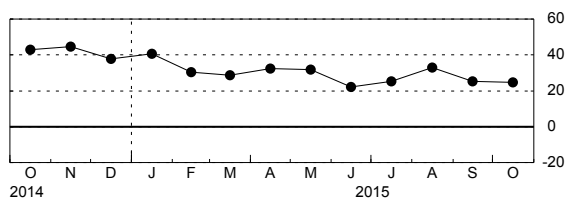
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	42.94	39.41	17.64	25.30
Oct	44.38	35.87	19.75	24.63

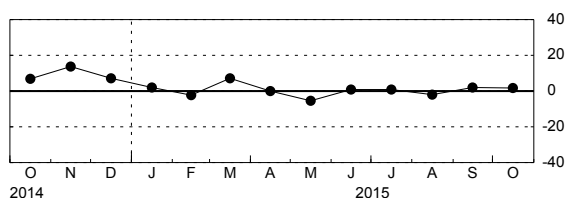
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	12.37	77.32	10.31	2.06
Oct	16.04	69.81	14.15	1.89

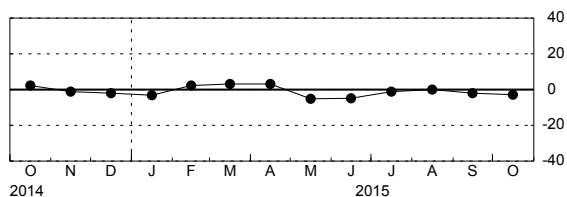
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	9.28	79.38	11.34	-2.06
Oct	7.55	82.08	10.38	-2.83

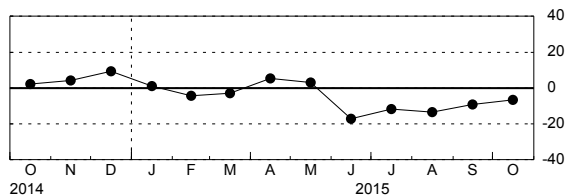
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	15.46	59.79	24.74	-9.28
Oct	19.81	53.77	26.42	-6.60

Inventories - Diffusion Index



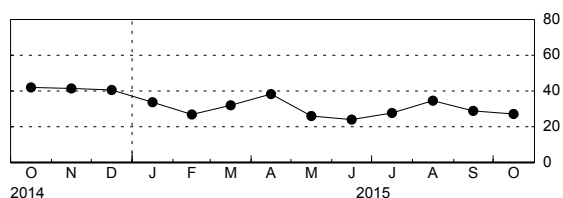
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	34.02	60.82	5.15	28.87
Oct	36.79	53.77	9.43	27.36

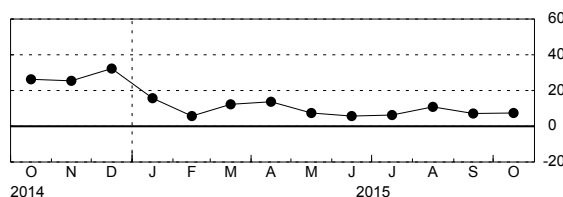
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	18.56	70.10	11.34	7.22
Oct	19.81	67.92	12.26	7.55

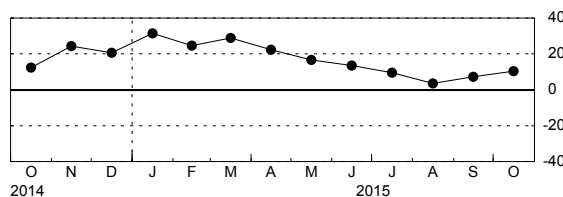
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	23.71	59.79	16.49	7.22
Oct	26.42	57.55	16.04	10.38

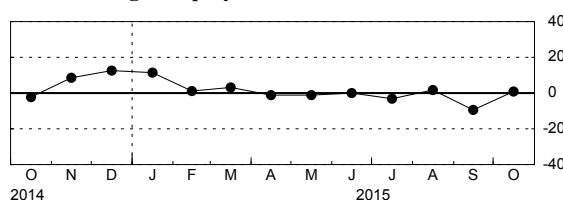
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	8.25	74.23	17.53	-9.28
Oct	13.21	74.53	12.26	0.94

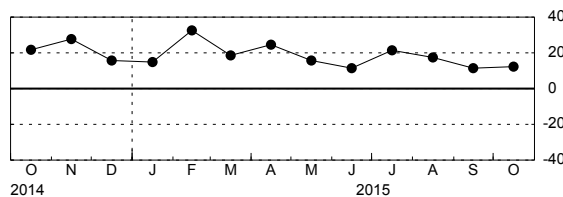
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	23.71	63.92	12.37	11.34
Oct	25.47	61.32	13.21	12.26

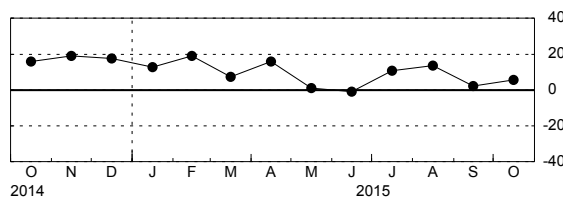
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	12.37	77.32	10.31	2.06
Oct	17.92	69.81	12.26	5.66

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.