

Empire State Manufacturing Survey

Business activity grew only slightly in New York State, according to firms responding to the March 2019 *Empire State Manufacturing Survey*. The headline general business conditions index fell five points to 3.7. New orders increased only marginally, while shipments grew modestly. Delivery times and inventories held steady. Labor market indicators pointed to an increase in employment, but a small decline in hours worked. The prices paid index moved higher for the first time in four months, pointing to a pickup in input price increases, while the prices received index moved lower, indicating a slowing in selling price increases. Indexes assessing the six-month outlook suggested that firms remained fairly optimistic about future conditions.

Sluggish Growth

Manufacturing firms in New York State reported that business activity expanded

only slightly. The general business conditions index fell five points to 3.7, its third consecutive monthly reading below 10, suggesting that growth has remained quite a bit slower so far this year than it was for most of 2018. Thirty percent of respondents reported that conditions had improved over the month, while 25 percent reported that conditions had worsened. The new orders index fell five points to 3.0, indicating that orders grew at a slower pace than last month. The shipments index declined three points to 7.7, a level indicating that shipments grew modestly, though representing the lowest reading in more than two years. Unfilled orders inched higher, and delivery times and inventories were little changed.

Employment Expands, but Workweek Falls

The index for number of employees climbed ten points to 13.8, pointing

to an increase in employment levels, though the average workweek index turned negative for the first time since 2016. The prices paid index moved higher, rising seven points to 34.1, indicating a pickup in input price increases. The prices received index fell five points to 18.1, suggesting that selling price increases slowed.

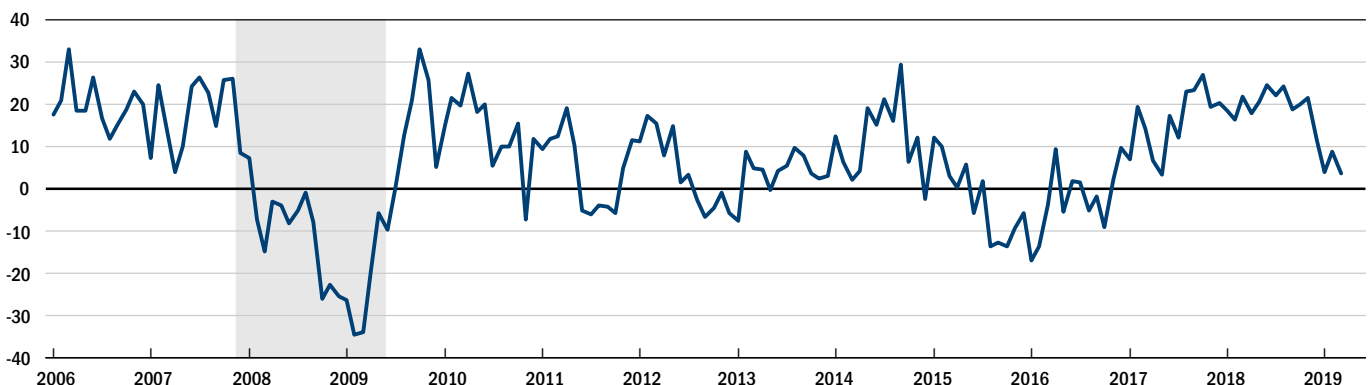
Firms Remain Fairly Optimistic

Optimism about the six-month outlook was slightly lower than last month. The index for future business conditions edged down three points to 29.6. The indexes for future new orders and shipments were also somewhat below last month's levels. Firms expected solid increases in employment and hours worked in the months ahead. The capital expenditures index was little changed at 28.3, and the technology spending index came in at 20.3. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

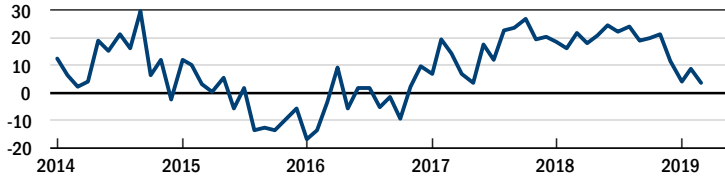


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

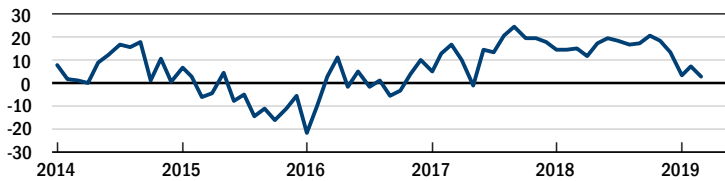
Change from Preceding Month

General Business Conditions



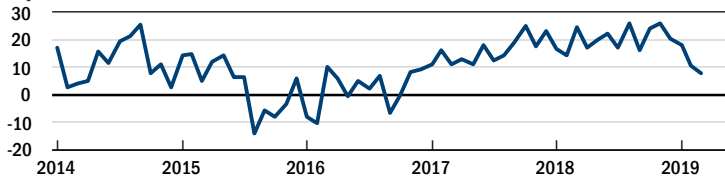
	Percent Reporting		Index
	Higher	Lower	
Feb	31.5	22.7	8.8
Mar	29.1	25.4	3.7
Change			-5.1

New Orders



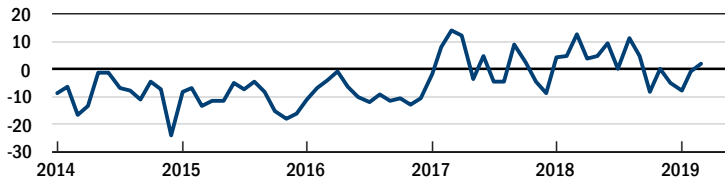
	Percent Reporting		Index
	Higher	Lower	
Feb	29.6	22.2	7.5
Mar	27.9	24.9	3.0
Change			-4.5

Shipments



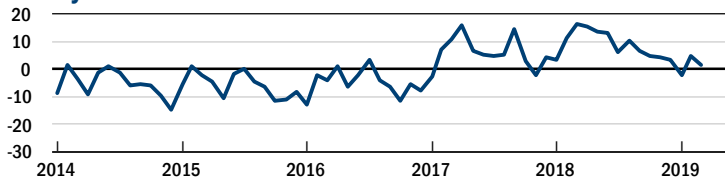
	Percent Reporting		Index
	Higher	Lower	
Feb	33.2	22.8	10.4
Mar	32.3	24.6	7.7
Change			-2.7

Unfilled Orders



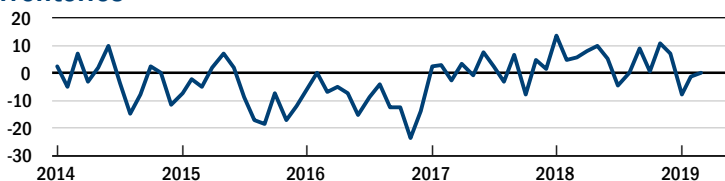
	Percent Reporting		Index
	Higher	Lower	
Feb	16.4	17.1	-0.7
Mar	17.4	15.2	2.2
Change			2.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	16.4	11.4	5.0
Mar	12.3	10.9	1.4
Change			-3.6

Inventories

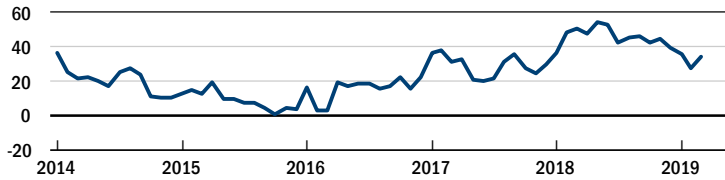


	Percent Reporting		Index
	Higher	Lower	
Feb	22.1	23.6	-1.4
Mar	21.7	21.7	0.0
Change			1.4

Current Indicators, *continued*

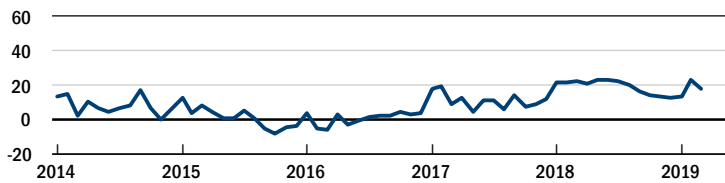
Change from Preceding Month

Prices Paid



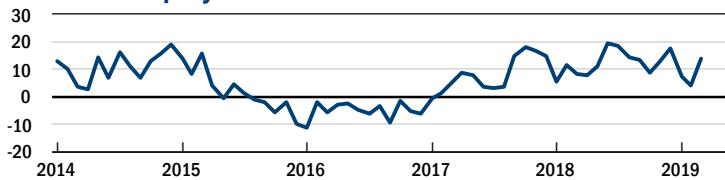
	Percent Reporting		Index
	Higher	Lower	
Feb	31.4	4.3	27.1
Mar	37.0	2.9	34.1
Change			7.0

Prices Received



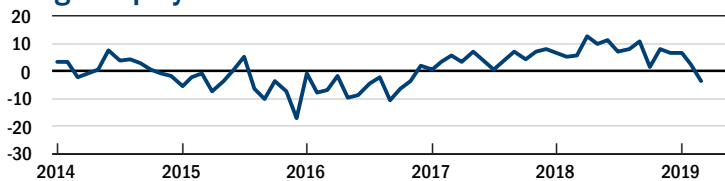
	Percent Reporting		Index
	Higher	Lower	
Feb	23.6	0.7	22.9
Mar	21.7	3.6	18.1
Change			-4.8

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Feb	16.5	12.4	4.1
Mar	18.3	4.5	13.8
Change			9.7

Average Employee Workweek



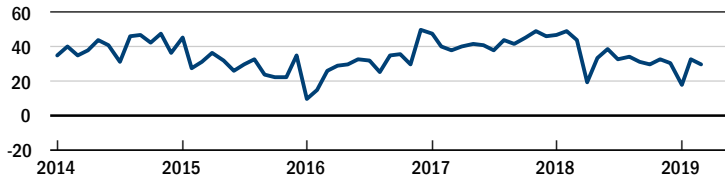
	Percent Reporting		Index
	Higher	Lower	
Feb	14.0	11.5	2.5
Mar	11.1	14.5	-3.4
Change			-5.9

Note: Data are seasonally adjusted.

Forward-Looking Indicators

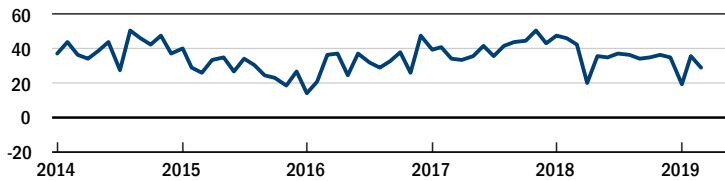
Expectations Six Months Ahead

General Business Conditions



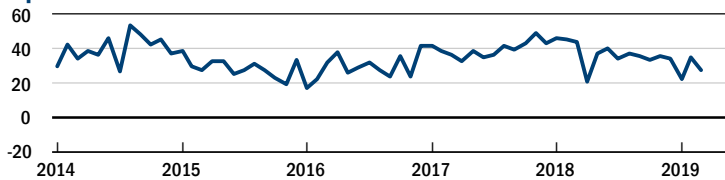
	Percent Reporting		Index
	Higher	Lower	
Feb	47.7	15.4	32.3
Mar	42.9	13.3	29.6
Change			-2.7

New Orders



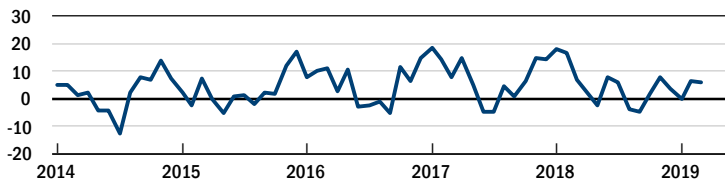
	Percent Reporting		Index
	Higher	Lower	
Feb	50.3	14.5	35.7
Mar	45.4	16.4	29.0
Change			-6.7

Shipments



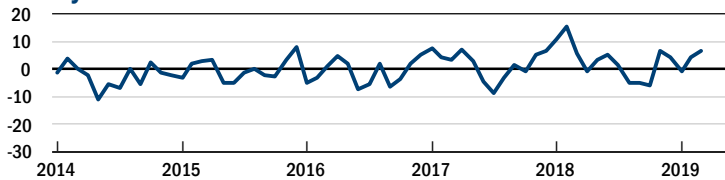
	Percent Reporting		Index
	Higher	Lower	
Feb	49.3	14.3	35.1
Mar	45.4	17.7	27.7
Change			-7.4

Unfilled Orders



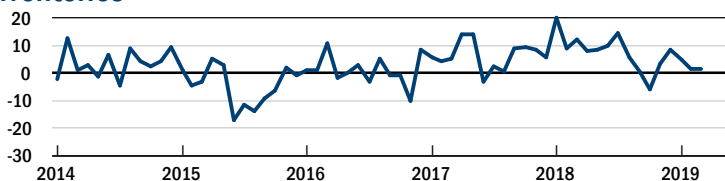
	Percent Reporting		Index
	Higher	Lower	
Feb	20.0	13.6	6.4
Mar	18.1	12.3	5.8
Change			-0.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	17.1	12.9	4.3
Mar	16.7	10.1	6.5
Change			2.2

Inventories

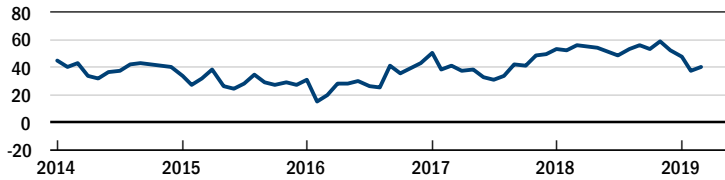


	Percent Reporting		Index
	Higher	Lower	
Feb	23.6	22.1	1.4
Mar	25.4	23.9	1.4
Change			0.0

Forward-Looking Indicators, *continued*

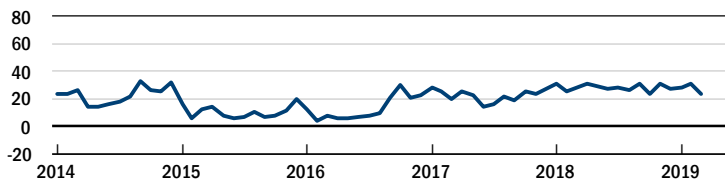
Expectations Six Months Ahead

Prices Paid



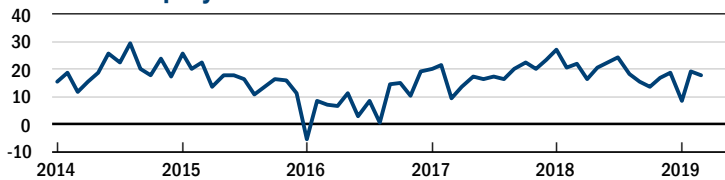
	Percent Reporting		Index
	Higher	Lower	
Feb	43.6	6.4	37.1
Mar	43.5	2.9	40.6
Change			3.5

Prices Received



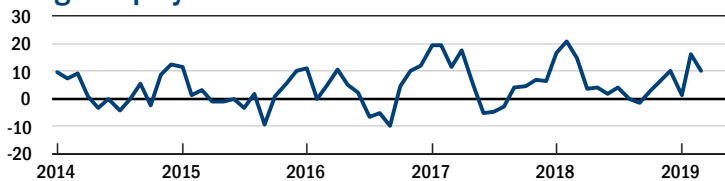
	Percent Reporting		Index
	Higher	Lower	
Feb	35.7	5.0	30.7
Mar	29.7	5.8	23.9
Change			-6.8

Number of Employees



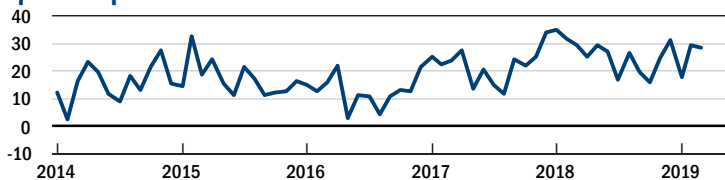
	Percent Reporting		Index
	Higher	Lower	
Feb	30.5	11.4	19.1
Mar	27.8	10.2	17.6
Change			-1.5

Average Employee Workweek



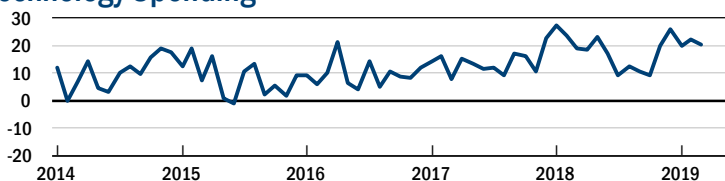
	Percent Reporting		Index
	Higher	Lower	
Feb	22.9	6.4	16.4
Mar	17.4	7.2	10.1
Change			-6.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	37.1	7.9	29.3
Mar	34.8	6.5	28.3
Change			-1.0

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	27.1	5.0	22.1
Mar	25.4	5.1	20.3
Change			-1.8

Note: Data are seasonally adjusted.