

# Empire State Manufacturing Survey

The March 2014 *Empire State Manufacturing Survey* indicates that business conditions continued to improve for New York manufacturers, though activity grew slowly. At 5.6, the general business conditions index was little changed from last month. The new orders index climbed three points to 3.1, indicating that orders were slightly higher, and the shipments index inched up to 4.0. The unfilled orders index fell further into negative territory, declining ten points to -16.5, and the inventories index advanced to 7.1, pointing to rising inventory levels. The indexes for both prices paid and prices received declined but remained positive, indicating slower price growth. Employment indexes were positive and suggested a small increase in employment levels and hours worked. Indexes for the six-month outlook were down somewhat from last month's levels, but continued to convey a fairly strong degree of

optimism about future conditions, and the capital spending index rose to its highest level in several months.

## Business Conditions Continue to Improve Modestly

According to the March 2014 survey, business conditions continued to improve for New York manufacturers, but the pace of growth remained modest. The general business conditions index was little changed at 5.6. Roughly 30 percent of respondents reported that conditions had improved over the month, while 25 percent reported that conditions had worsened. The new orders index climbed three points to 3.1, pointing to a slight increase in orders. The shipments index inched up two points to 4.0, indicating a small rise in shipments, and the unfilled orders index fell ten points to -16.5. The delivery time index dropped to -3.5, indicating somewhat shorter delivery times, and

the inventories index climbed twelve points to 7.1—a sign that inventory levels had risen over the month.

## Price Increases Slow, Employment Expands

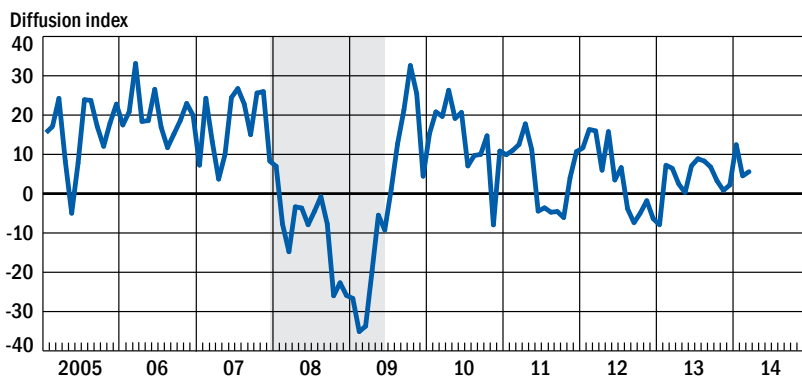
Price indexes were lower in March, and pointed to a slowing in the pace of both input price increases and selling price increases. The prices paid index fell four points to 21.2, while the prices received index fell thirteen points to 2.4, suggesting only a slight increase in selling prices. Labor market conditions continued to improve. The employment index fell five points but, at 5.9, indicated a small increase in employment levels. The average workweek index, holding steady at 4.7, pointed to a small increase in hours worked.

## Six-Month Outlook Remains Optimistic

Indexes for the six-month outlook continued to convey a solid degree of optimism about future business conditions, though to a somewhat lesser degree than last month. The index for expected general business conditions fell six points to 33.2, and the index for future new orders dropped to 36.0, down nine points from last month's two-year high. Indexes for future price increases inched higher. The index for expected number of employees, though lower than last month, remained firmly in positive territory. After falling sharply last month, the capital expenditures index rose fourteen points to 16.5, and the technology spending index increased to 7.1. ■

## General Business Conditions

Seasonally adjusted



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

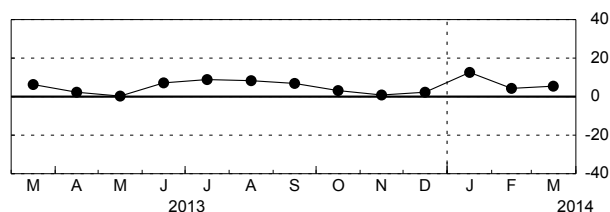
# Current Indicators

Change from Preceding Month

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	29.43	45.62	24.95	4.48
Mar	30.26	45.08	24.65	5.61

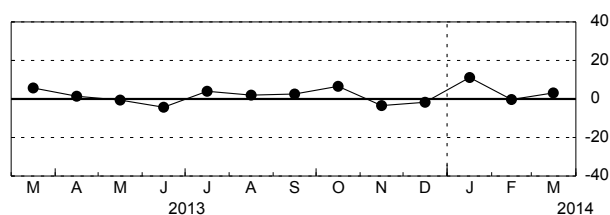
General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	26.09	47.61	26.30	-0.21
Mar	30.39	42.34	27.27	3.13

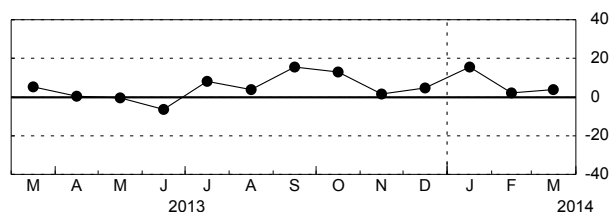
New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	28.31	45.51	26.18	2.13
Mar	34.65	34.66	30.69	3.97

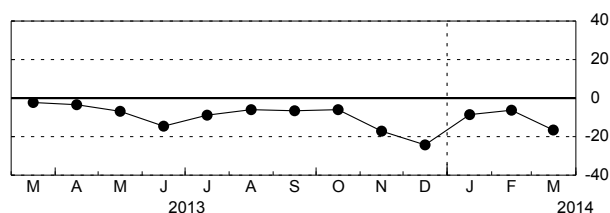
Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	15.00	63.75	21.25	-6.25
Mar	12.94	57.65	29.41	-16.47

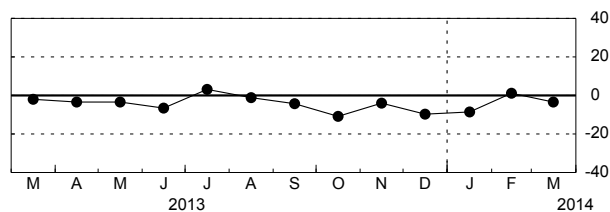
Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	13.75	73.75	12.50	1.25
Mar	9.41	77.65	12.94	-3.53

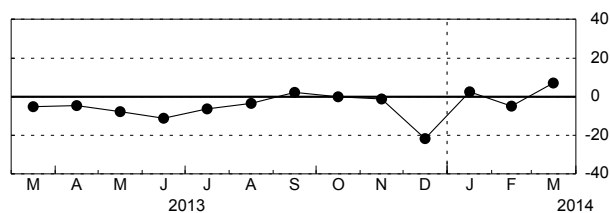
Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	13.75	67.50	18.75	-5.00
Mar	24.71	57.65	17.65	7.06

Inventories - Diffusion Index



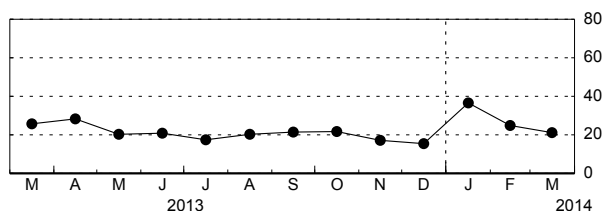
## Current Indicators, *continued*

### Change from Preceding Month

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	26.25	72.50	1.25	25.00
Mar	23.53	74.12	2.35	21.18

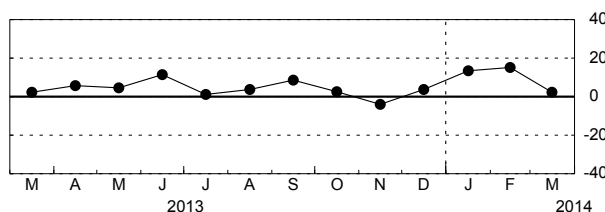
Prices Paid - Diffusion Index



#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	18.75	77.50	3.75	15.00
Mar	11.76	78.82	9.41	2.35

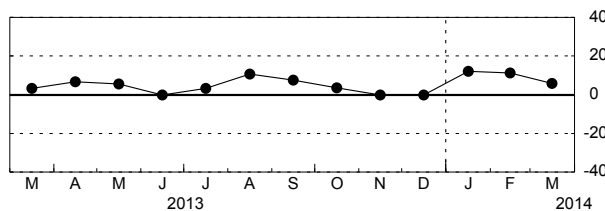
Prices Received - Diffusion Index



#### Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	26.25	58.75	15.00	11.25
Mar	18.82	68.24	12.94	5.88

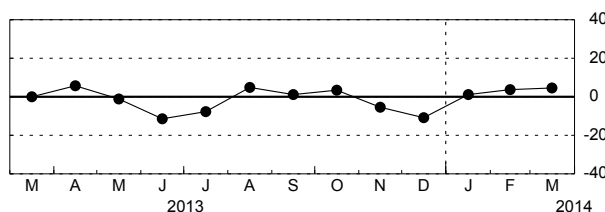
Number of Employees - Diffusion Index



#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	15.00	73.75	11.25	3.75
Mar	14.12	76.47	9.41	4.71

Average Employee Workweek - Diffusion Index



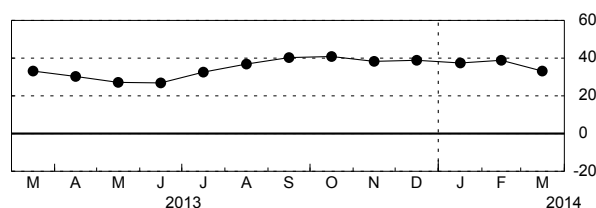
# Forward-Looking Indicators

Expectations Six Months Ahead

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	53.18	32.63	14.19	38.99
Mar	47.75	37.71	14.54	33.21

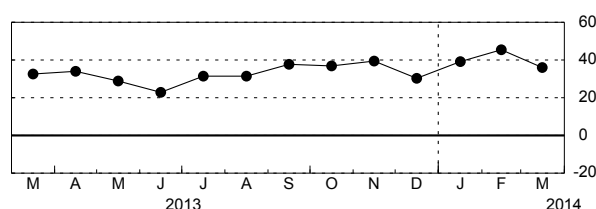
General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	55.04	35.24	9.73	45.31
Mar	47.73	40.56	11.71	36.02

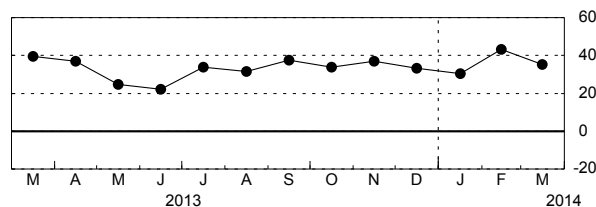
New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	54.43	34.47	11.10	43.33
Mar	48.03	39.10	12.87	35.17

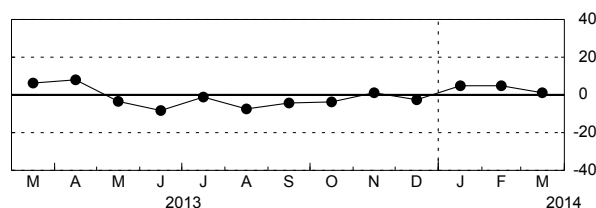
Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	16.25	72.50	11.25	5.00
Mar	16.47	68.24	15.29	1.18

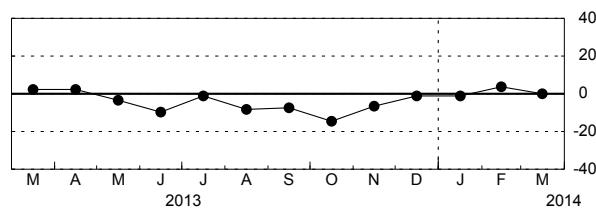
Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	12.50	78.75	8.75	3.75
Mar	11.76	76.47	11.76	0.00

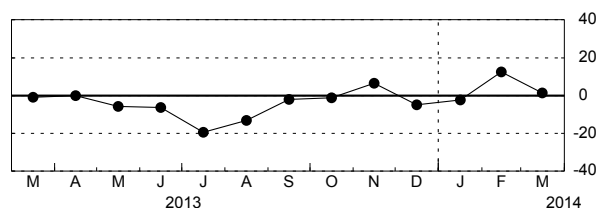
Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	31.25	50.00	18.75	12.50
Mar	22.35	56.47	21.18	1.18

Inventories - Diffusion Index



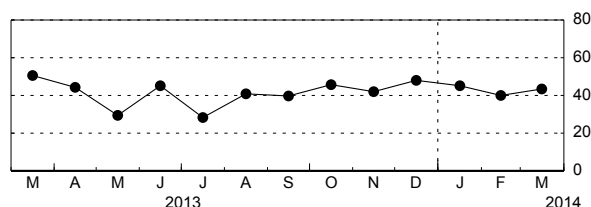
## Forward-Looking Indicators, *continued*

### Expectations Six Months Ahead

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	45.00	50.00	5.00	40.00
Mar	48.24	47.06	4.71	43.53

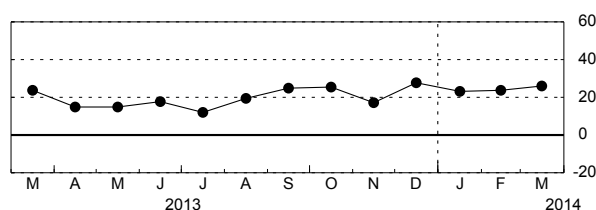
Prices Paid - Diffusion Index



#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	28.75	66.25	5.00	23.75
Mar	31.76	62.35	5.88	25.88

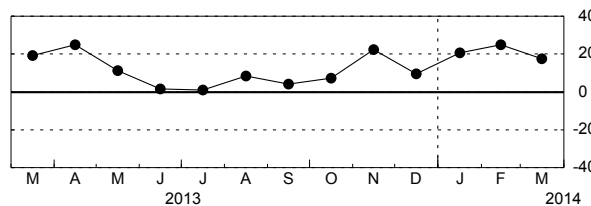
Prices Received - Diffusion Index



#### Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	33.75	57.50	8.75	25.00
Mar	28.24	61.18	10.59	17.65

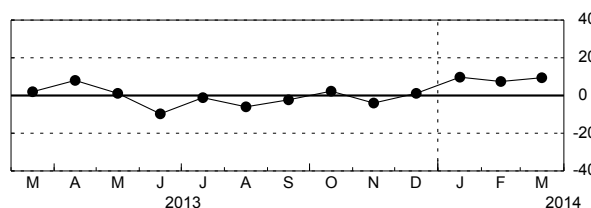
Number of Employees - Diffusion Index



#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	17.50	72.50	10.00	7.50
Mar	18.82	71.76	9.41	9.41

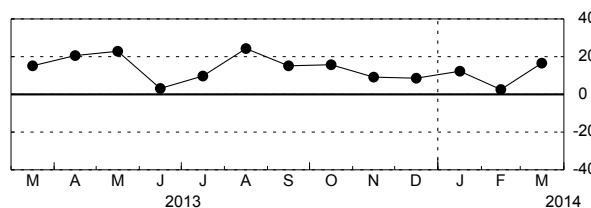
Average Employee Workweek - Diffusion Index



#### Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	22.50	57.50	20.00	2.50
Mar	31.76	52.94	15.29	16.47

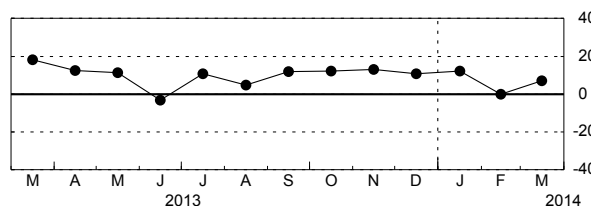
Capital Expenditures - Diffusion Index



#### Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	16.25	67.50	16.25	0.00
Mar	22.35	62.35	15.29	7.06

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.