

Empire State Manufacturing Survey

The September 2015 *Empire State Manufacturing Survey* indicates that business activity declined for a second consecutive month for New York manufacturers. The headline general business conditions index remained well below zero at -14.7. As in August, declines were reported for both orders and shipments, with the new orders index coming in at -12.9 and the shipments index registering -8.0. The inventories index slipped a point to -18.5, indicating a continuing drop in inventory levels. Price indexes pointed to a small increase in input prices and a small decline in selling prices. Labor market indicators suggested that both employment levels and hours worked contracted. Indexes for the six-month outlook were generally lower than last

month, suggesting that optimism about future conditions waned.

Business Conditions Weaken

Business activity declined for a second consecutive month for New York manufacturers, according to the September 2015 survey. After tumbling nineteen points last month to its lowest level since 2009, the general business conditions index was little changed at -14.7. Twenty percent of respondents reported that conditions had improved over the month, while 35 percent reported that conditions had worsened. Though a few points higher than last month, the new orders index remained negative at -12.9, indicating that orders continued to slide, and the shipments index, at -8.0, pointed to an ongoing decline in ship-

ments. The unfilled orders index fell four points to -8.3. The delivery time index edged down to -6.2, indicating slightly shorter delivery times, and the inventories index fell one point to -18.6, suggesting that inventory levels were significantly lower than last month.

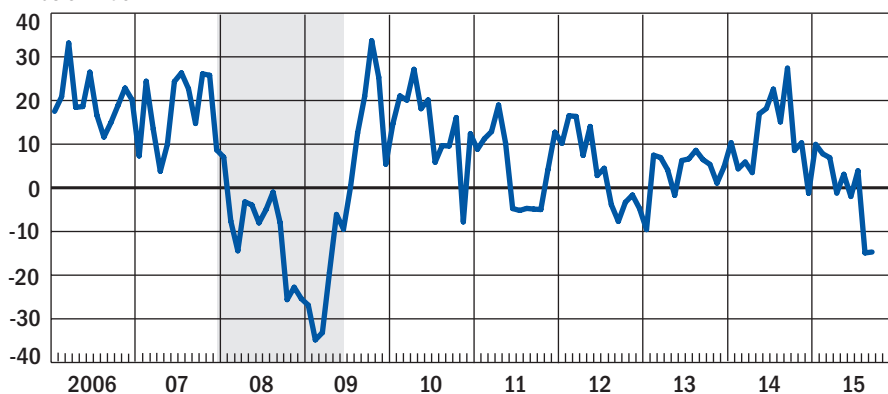
Labor Market Conditions Deteriorate

Price changes were quite modest. The prices paid index slipped to 4.1, its lowest level since the Great Recession. The prices received index dipped below zero, falling six points to -5.2 in a sign that selling prices declined. Labor market conditions worsened, with declines in employment levels and hours worked. The index for number of employees fell below zero for the first time in well over two years, slipping eight points to -6.2, and the average workweek index dropped to -10.3.

General Business Conditions

Seasonally Adjusted

Diffusion index



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

Optimism Wanes

Indexes for the six-month outlook displayed less optimism about future conditions than in August. The index for future business conditions fell ten points to 23.2. Indexes for expected new orders and shipments dropped to similar levels, and the indexes for both future prices paid and future prices received declined. The index for expected number of employees edged up to 7.2, while the index for future average workweek turned negative. The index for expected capital expenditures fell six points to 11.3, and the technology spending index dropped to 2.1, indicating that tech spending plans were essentially flat. ■

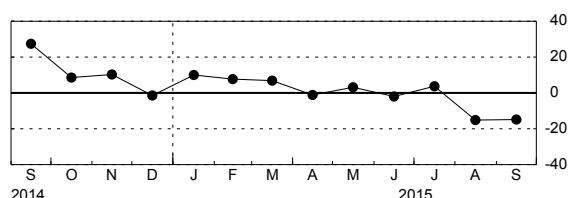
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	19.20	46.68	34.12	-14.92
Sep	20.11	45.11	34.78	-14.67

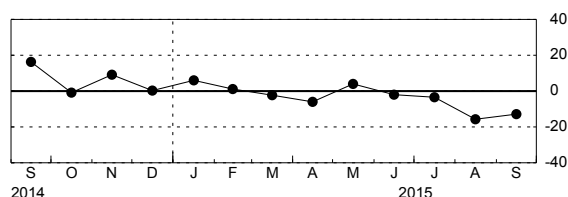
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	18.69	46.91	34.39	-15.70
Sep	21.13	44.84	34.04	-12.91

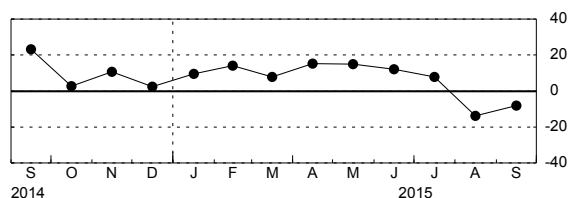
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	16.81	52.59	30.60	-13.79
Sep	22.85	46.31	30.84	-7.98

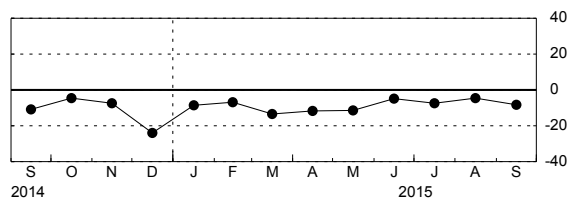
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.73	70.00	17.27	-4.55
Sep	11.34	69.07	19.59	-8.25

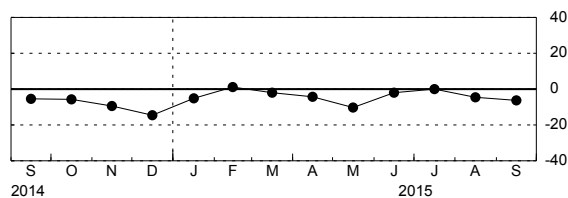
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	10.00	75.45	14.55	-4.55
Sep	8.25	77.32	14.43	-6.19

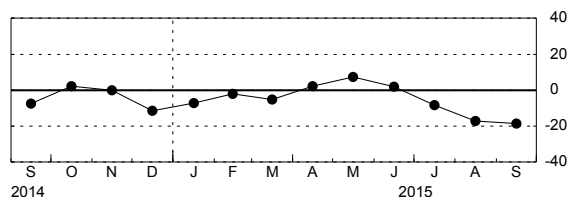
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	16.36	50.00	33.64	-17.27
Sep	11.34	58.76	29.90	-18.56

Inventories - Diffusion Index



Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	18.18	70.91	10.91	7.27
Sep	17.53	69.07	13.40	4.12

Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.73	75.45	11.82	0.91
Sep	9.28	76.29	14.43	-5.15

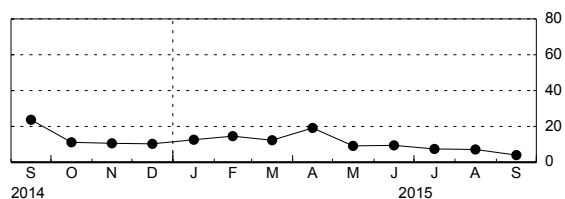
Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	17.27	67.27	15.45	1.82
Sep	13.40	67.01	19.59	-6.19

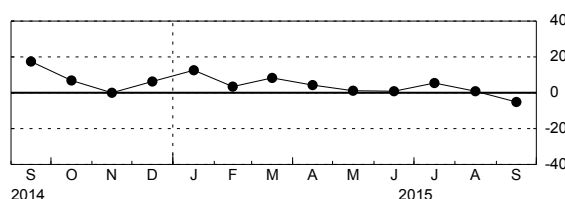
Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	10.00	78.18	11.82	-1.82
Sep	11.34	67.01	21.65	-10.31

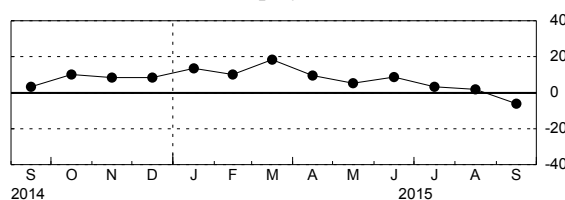
Prices Paid - Diffusion Index



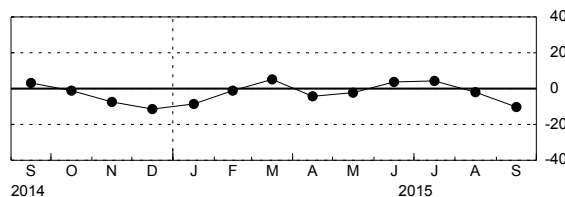
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

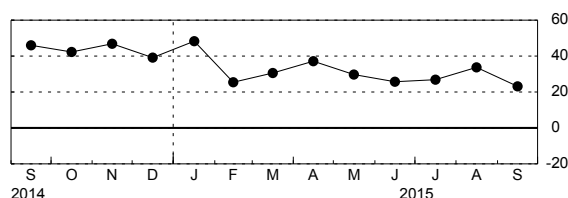
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	45.47	42.70	11.83	33.64
Sep	39.59	44.04	16.37	23.21

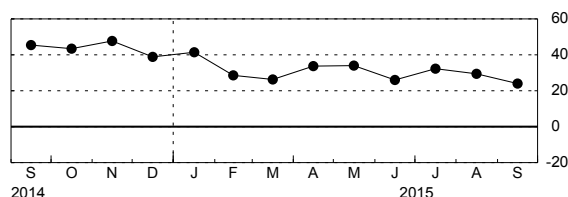
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	43.04	43.28	13.68	29.36
Sep	38.99	45.91	15.10	23.89

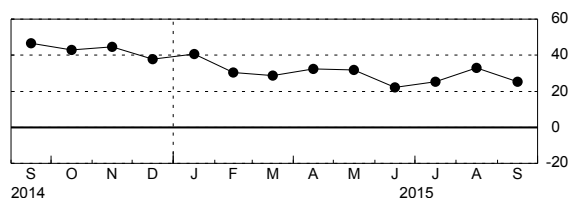
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	44.03	44.92	11.05	32.97
Sep	42.94	39.41	17.64	25.30

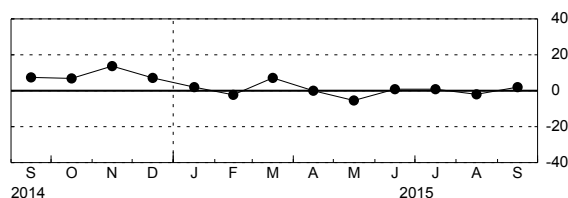
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	11.82	74.55	13.64	-1.82
Sep	12.37	77.32	10.31	2.06

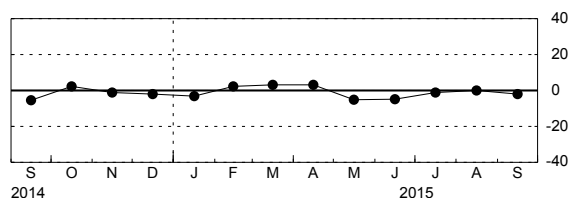
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	10.00	80.00	10.00	0.00
Sep	9.28	79.38	11.34	-2.06

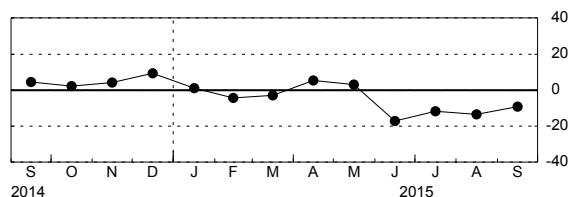
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	16.36	53.64	30.00	-13.64
Sep	15.46	59.79	24.74	-9.28

Inventories - Diffusion Index



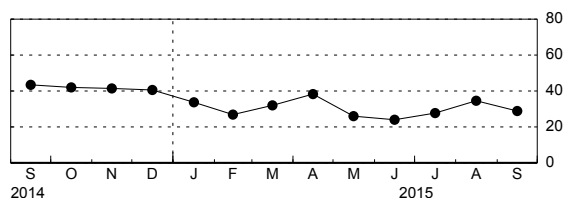
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	39.09	56.36	4.55	34.55
Sep	34.02	60.82	5.15	28.87

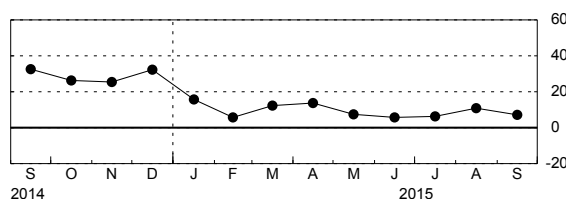
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	21.82	67.27	10.91	10.91
Sep	18.56	70.10	11.34	7.22

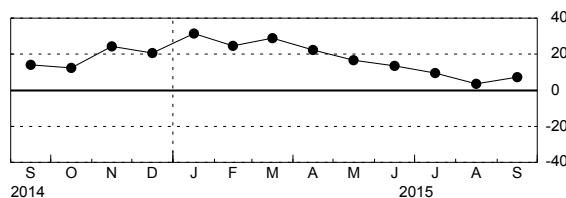
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	20.00	63.64	16.36	3.64
Sep	23.71	59.79	16.49	7.22

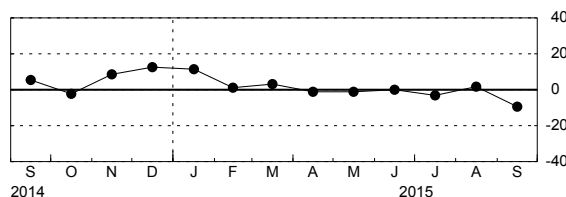
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.73	76.36	10.91	1.82
Sep	8.25	74.23	17.53	-9.28

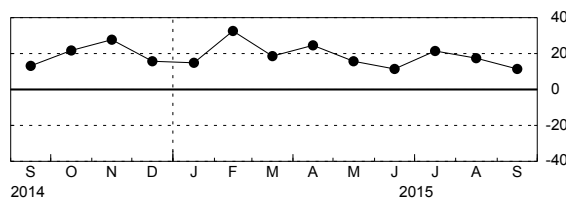
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	27.27	62.73	10.00	17.27
Sep	23.71	63.92	12.37	11.34

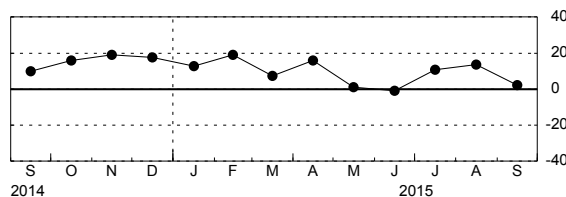
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	21.82	70.00	8.18	13.64
Sep	12.37	77.32	10.31	2.06

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.