

Empire State Manufacturing Survey

The June 2016 *Empire State Manufacturing Survey* indicates that business activity expanded modestly for New York manufacturers. The headline general business conditions index climbed fifteen points to 6.0. The new orders index and the shipments index rose from negative values to 10.9 and 9.3, respectively—a sign that orders and shipments were increasing after last month's decline. The inventories index fell to -15.3, indicating that inventories were lower, and the employment index was zero, signaling that employment counts were unchanged. The prices paid index held steady at 18.4, suggesting that moderate input price increases

were continuing, and the prices received index was near zero, indicating that selling prices were stable. Firms were more optimistic about the six-month outlook this month, and capital spending plans picked up.

Business Conditions Improve

Business activity expanded modestly for New York manufacturing firms, according to the June 2016 survey. After dipping below zero in May, the general business conditions index advanced fifteen points to 6.0. Twenty-eight percent of respondents reported that conditions had improved over the month, while 22 percent reported that conditions had worsened. The new orders index also

rose above zero, its sixteen-point climb to 10.9 pointing to an increase in orders. Shipments were higher, with the shipments index rising to 9.3, while the unfilled orders index fell to -10.2. The delivery time index moved up to -2.0, and at -15.3, the inventories index indicated that firms drew down inventories in June.

Employment Remains Flat

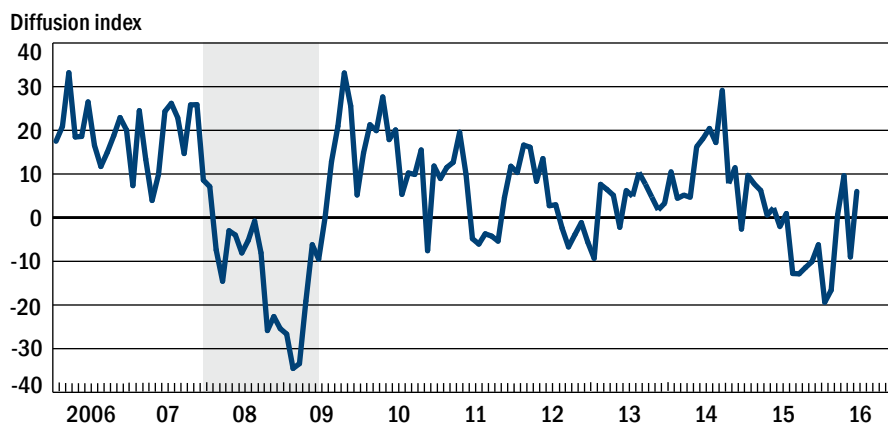
The prices paid index was little changed at 18.4, an indication that input prices continued to increase at a moderate pace. The prices received index edged up to -1.0, suggesting that selling prices were largely stable. The employment index came in at a reading of zero, indicating that employment levels remained flat—a pattern evident since February. At -5.1, the average workweek index showed that hours worked declined this month.

Greater Optimism about the Six-Month Outlook

Indexes for the six-month outlook suggested that respondents were more sanguine about future conditions. The index for future business conditions rose six points to 34.8, reaching its highest level of 2016. Indexes for future new orders and shipments also increased, and firms expected employment levels and the average workweek to hold steady in the coming months. After a sharp decline last month, the capital expenditures index rose eight points to 11.2, and the technology spending index edged down to 4.1. ■

General Business Conditions

Seasonally Adjusted



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

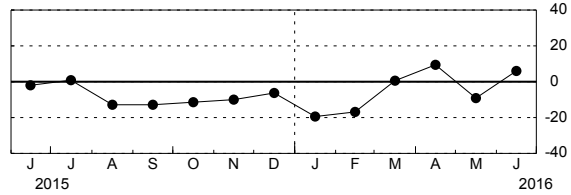
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	18.67	53.65	27.69	-9.02
Jun	28.40	49.21	22.39	6.01

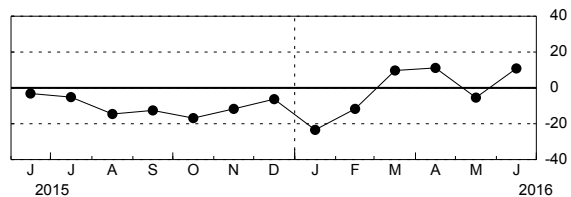
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	22.13	50.20	27.67	-5.54
Jun	34.20	42.49	23.30	10.90

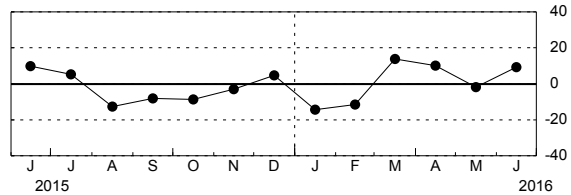
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	26.74	44.58	28.68	-1.94
Jun	29.34	50.64	20.02	9.32

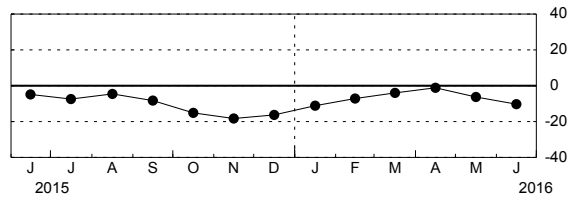
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	14.58	64.58	20.83	-6.25
Jun	12.24	65.31	22.45	-10.20

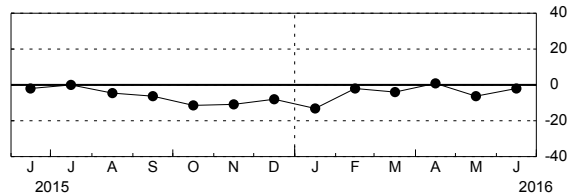
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	9.38	75.00	15.63	-6.25
Jun	11.22	75.51	13.27	-2.04

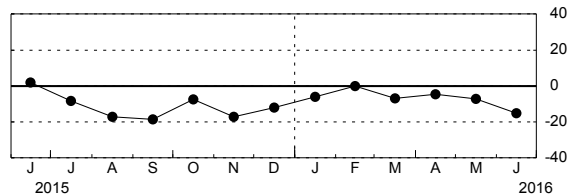
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	14.58	63.54	21.88	-7.29
Jun	17.35	50.00	32.65	-15.31

Inventories - Diffusion Index



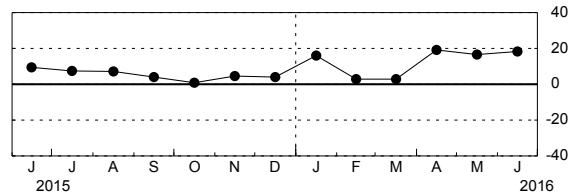
Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	21.88	72.92	5.21	16.67
Jun	22.45	73.47	4.08	18.37

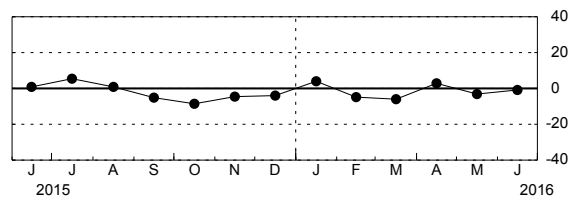
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	11.46	73.96	14.58	-3.13
Jun	10.20	78.57	11.22	-1.02

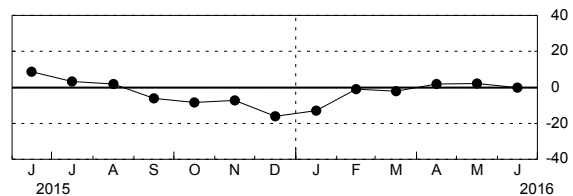
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	15.63	70.83	13.54	2.08
Jun	17.35	65.31	17.35	0.00

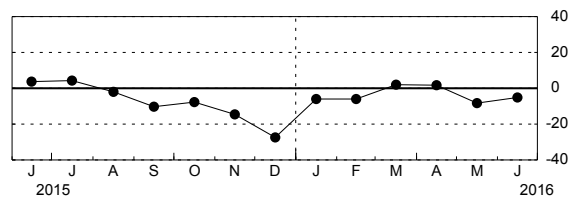
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	7.29	77.08	15.63	-8.33
Jun	11.22	72.45	16.33	-5.10

Average Employee Workweek - Diffusion Index



Note: Data are seasonally adjusted.

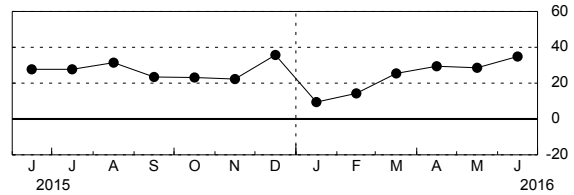
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	42.22	44.05	13.73	28.48
Jun	46.01	42.81	11.18	34.84

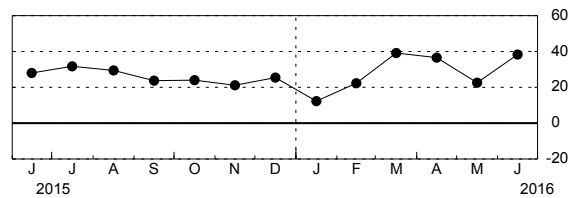
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	39.57	43.29	17.14	22.43
Jun	48.52	41.20	10.28	38.24

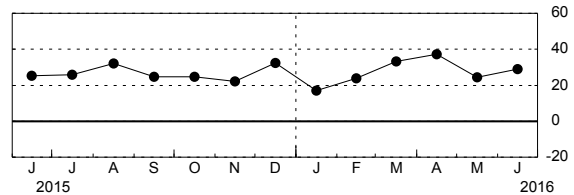
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	40.70	42.97	16.33	24.37
Jun	42.37	44.38	13.25	29.13

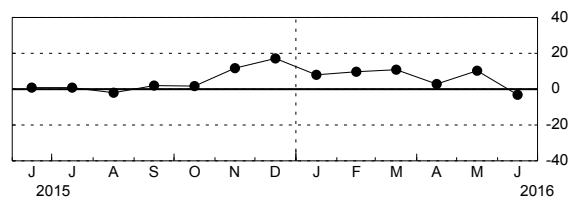
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	19.79	70.83	9.38	10.42
Jun	10.20	76.53	13.27	-3.06

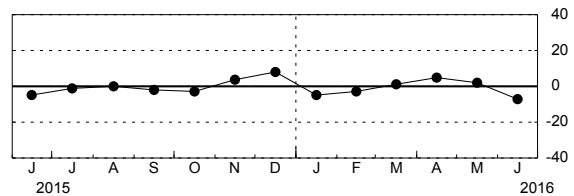
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	10.42	81.25	8.33	2.08
Jun	7.14	78.57	14.29	-7.14

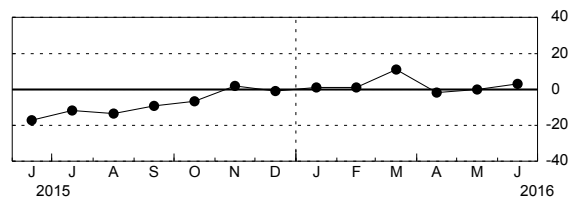
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	21.88	56.25	21.88	0.00
Jun	24.49	54.08	21.43	3.06

Inventories - Diffusion Index



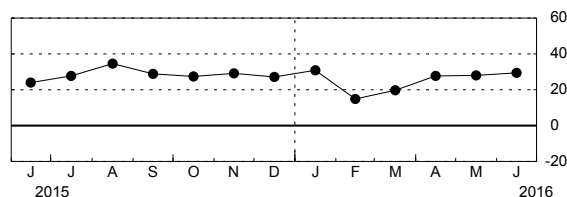
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	32.29	63.54	4.17	28.13
Jun	35.71	58.16	6.12	29.59

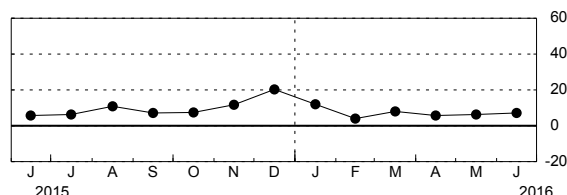
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	16.67	72.92	10.42	6.25
Jun	17.35	72.45	10.20	7.14

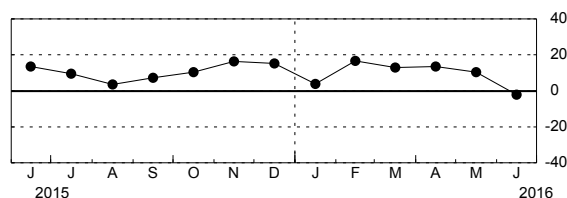
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	27.08	56.25	16.67	10.42
Jun	16.33	65.31	18.37	-2.04

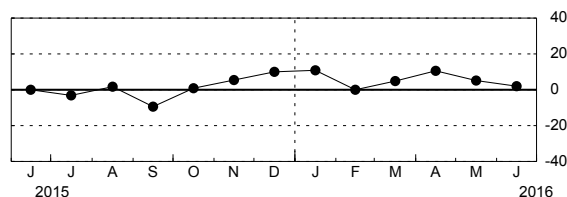
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	14.58	76.04	9.38	5.21
Jun	13.27	75.51	11.22	2.04

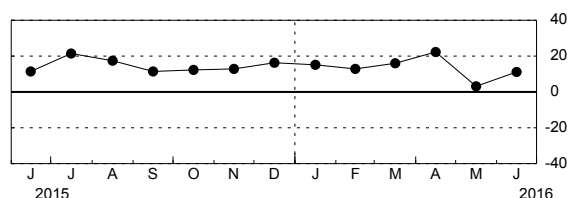
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	19.79	63.54	16.67	3.13
Jun	27.55	56.12	16.33	11.22

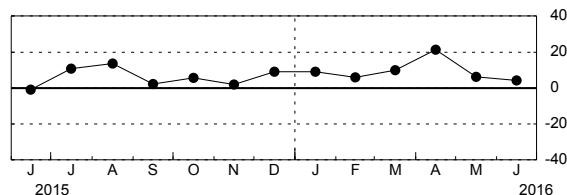
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
May	18.75	68.75	12.50	6.25
Jun	16.33	71.43	12.24	4.08

Technology Spending - Diffusion Index



Note: Data are seasonally adjusted.