

# Empire State Manufacturing Survey

Business activity grew slightly in New York State, according to firms responding to the January 2019 *Empire State Manufacturing Survey*. The headline general business conditions index fell eight points to 3.9, its lowest level in well over a year. New orders increased at a slower pace than in recent months, while shipments continued to climb significantly. Delivery times were slightly shorter, and inventories declined. Labor market indicators pointed to a modest increase in employment and hours worked. The prices paid index moved lower for a second consecutive month, indicating some slowing in input price increases, and the prices received index held steady. Looking ahead, firms were less optimistic about the six-month outlook than they were last month.

## Growth Continues to Slow

Manufacturing firms in New York State reported that business activity expanded slightly. The general business conditions index fell eight points to 3.9, its lowest reading since mid-2017. The headline index has fallen a cumulative eighteen points since November. Twenty-three percent of respondents reported that conditions had improved over the month, while 20 percent reported that conditions had worsened. The new orders index fell ten points to 3.5, indicating that growth in orders slowed significantly, while the shipments index was little changed at 17.9. Unfilled orders were somewhat lower, inventories declined, and delivery times were slightly shorter.

## Employment Rises Modestly

The index for number of employees fell ten points but remained positive

at 7.4, indicating a modest increase in employment levels, while the average workweek index held steady at 6.8. The prices paid index moved lower for a second consecutive month, its four-point decline to 35.9 pointing to a slight deceleration in input price increases. The prices received index was little changed at 13.1.

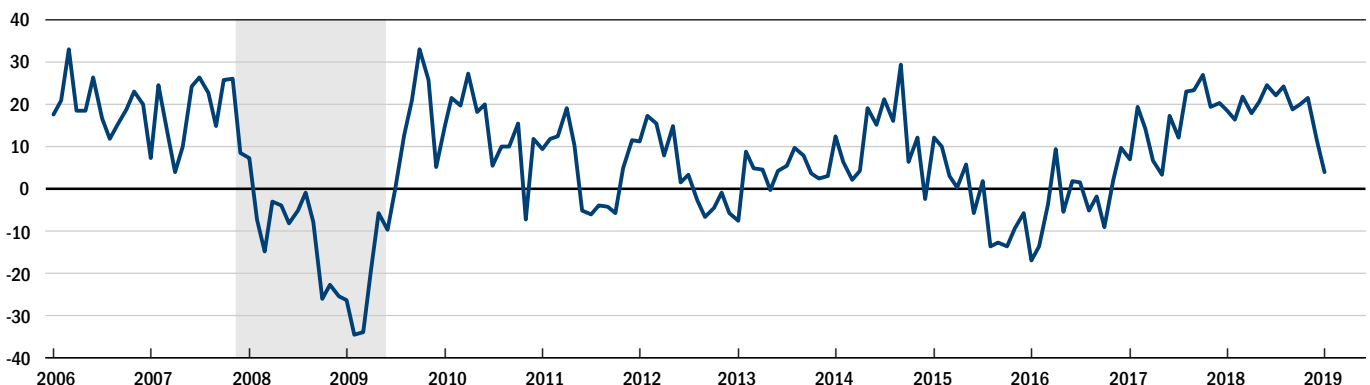
## Optimism Wanes

Firms were less optimistic about the six-month outlook than in recent months. The index for future business conditions fell thirteen points to 17.8, and the indexes for future new orders and shipments also declined. Firms expected employment to increase modestly. The capital expenditures index fell thirteen points to 17.9, and the technology spending index moved down six points to 20.0. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

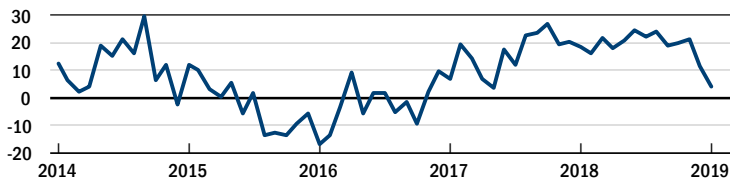


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

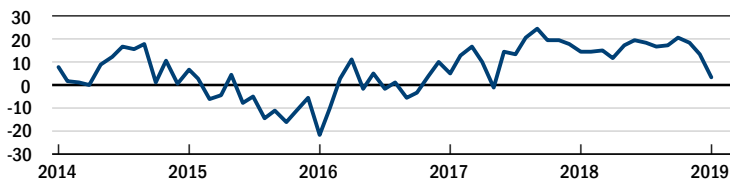
Change from Preceding Month

## General Business Conditions



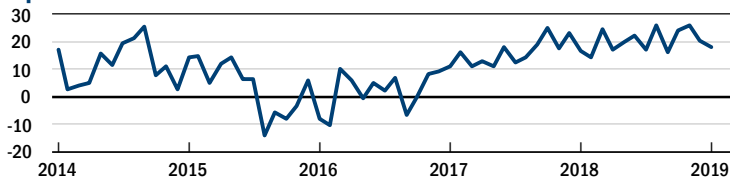
	Percent Reporting		Index
	Higher	Lower	
Dec	30.5	19.0	11.5
Jan	23.4	19.5	3.9
Change			-7.6

## New Orders



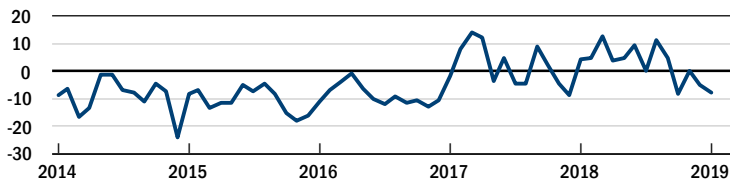
	Percent Reporting		Index
	Higher	Lower	
Dec	34.7	21.2	13.4
Jan	29.2	25.8	3.5
Change			-9.9

## Shipments



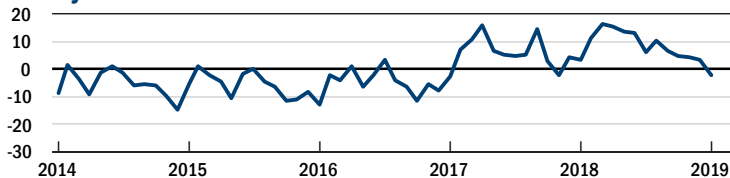
	Percent Reporting		Index
	Higher	Lower	
Dec	37.3	17.1	20.3
Jan	37.5	19.6	17.9
Change			-2.4

## Unfilled Orders



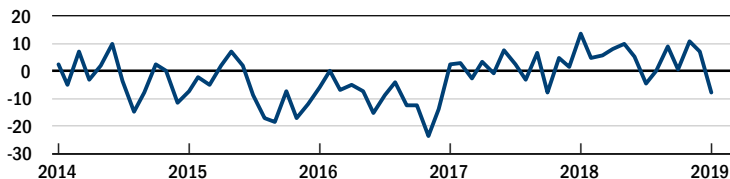
	Percent Reporting		Index
	Higher	Lower	
Dec	14.0	19.1	-5.1
Jan	13.1	20.7	-7.6
Change			-2.5

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	16.7	13.5	3.2
Jan	10.3	12.4	-2.1
Change			-5.3

## Inventories

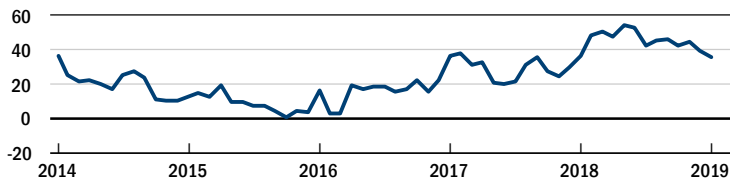


	Percent Reporting		Index
	Higher	Lower	
Dec	30.1	23.1	7.1
Jan	15.2	22.8	-7.6
Change			-14.7

# Current Indicators, *continued*

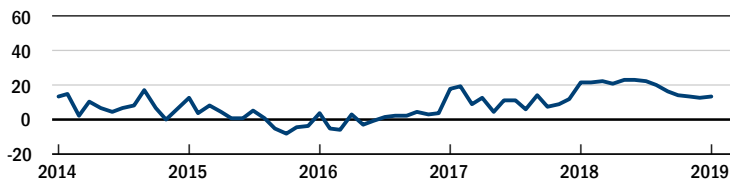
Change from Preceding Month

## Prices Paid



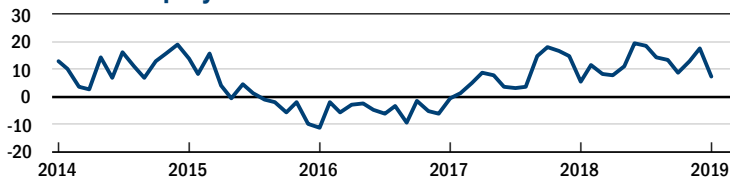
	Percent Reporting		Index
	Higher	Lower	
Dec	41.0	1.3	39.7
Jan	41.4	5.5	35.9
Change			-3.8

## Prices Received



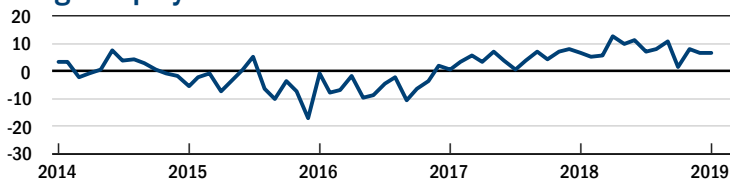
	Percent Reporting		Index
	Higher	Lower	
Dec	17.3	4.5	12.8
Jan	20.0	6.9	13.1
Change			0.3

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Dec	26.4	8.9	17.5
Jan	15.4	8.0	7.4
Change			-10.1

## Average Employee Workweek



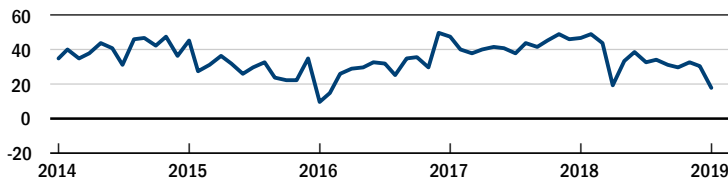
	Percent Reporting		Index
	Higher	Lower	
Dec	16.4	9.8	6.7
Jan	17.0	10.2	6.8
Change			0.1

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

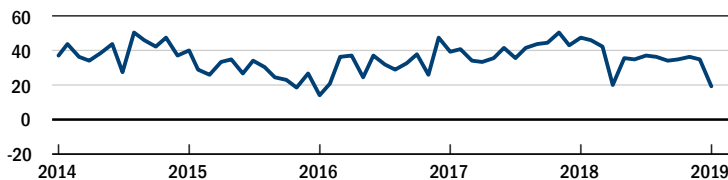
Expectations Six Months Ahead

## General Business Conditions



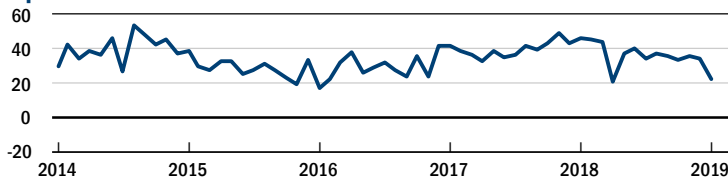
	Percent Reporting		Index
	Higher	Lower	
Dec	45.6	15.0	30.6
Jan	39.0	21.3	17.8
Change			-12.8

## New Orders



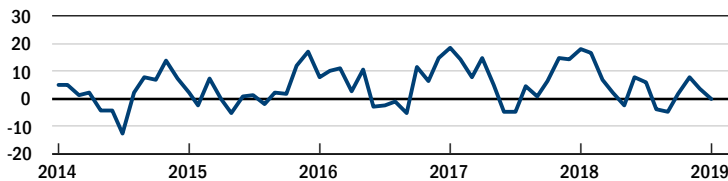
	Percent Reporting		Index
	Higher	Lower	
Dec	48.1	13.3	34.8
Jan	39.9	20.4	19.5
Change			-15.3

## Shipments



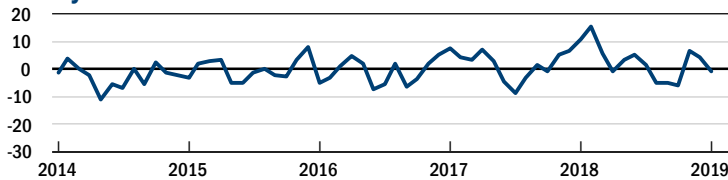
	Percent Reporting		Index
	Higher	Lower	
Dec	45.8	12.0	33.8
Jan	41.8	19.4	22.4
Change			-11.4

## Unfilled Orders



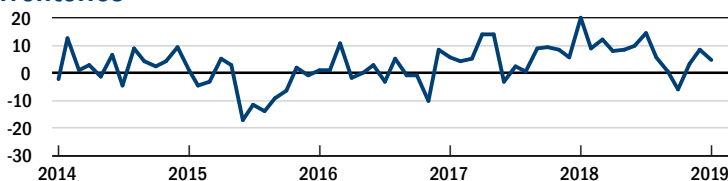
	Percent Reporting		Index
	Higher	Lower	
Dec	19.1	15.3	3.8
Jan	13.8	13.8	0.0
Change			-3.8

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	16.0	11.5	4.5
Jan	10.3	11.0	-0.7
Change			-5.2

## Inventories

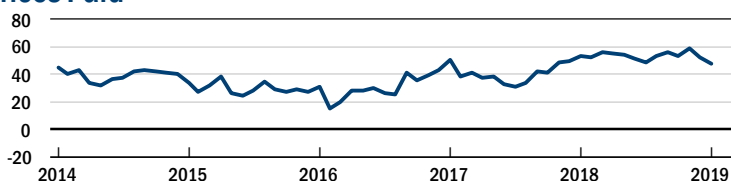


	Percent Reporting		Index
	Higher	Lower	
Dec	30.1	21.8	8.3
Jan	23.4	18.6	4.8
Change			-3.5

# Forward-Looking Indicators, *continued*

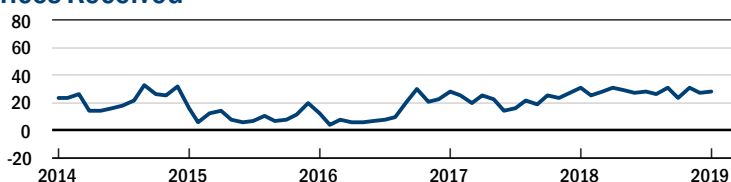
Expectations Six Months Ahead

## Prices Paid



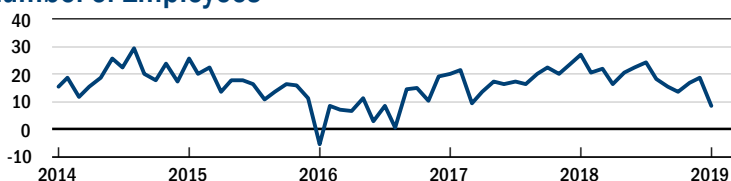
	Percent Reporting		Index
	Higher	Lower	
Dec	55.1	3.2	51.9
Jan	51.7	4.1	47.6
Change			-4.3

## Prices Received



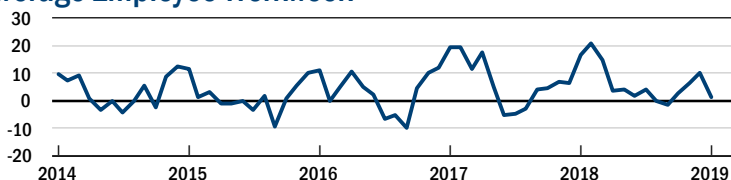
	Percent Reporting		Index
	Higher	Lower	
Dec	34.6	7.1	27.6
Jan	36.6	8.3	28.3
Change			0.7

## Number of Employees



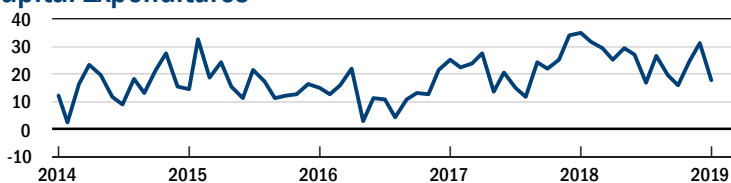
	Percent Reporting		Index
	Higher	Lower	
Dec	29.0	10.4	18.6
Jan	22.2	13.7	8.5
Change			-10.1

## Average Employee Workweek



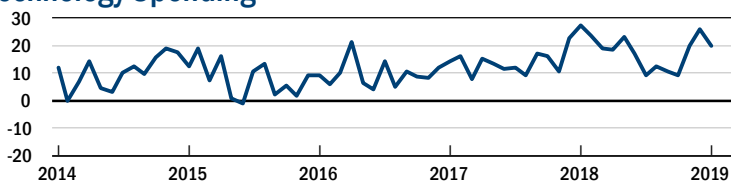
	Percent Reporting		Index
	Higher	Lower	
Dec	19.7	9.6	10.2
Jan	14.5	13.1	1.4
Change			-8.8

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Dec	39.5	8.3	31.2
Jan	29.0	11.0	17.9
Change			-13.3

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Dec	30.6	4.5	26.1
Jan	26.2	6.2	20.0
Change			-6.1

Note: Data are seasonally adjusted.