

Empire State Manufacturing Survey

Note: Survey responses were collected between July 2 and July 9.

Business activity increased in New York State for the first time in several months, according to firms responding to the July 2020 *Empire State Manufacturing Survey*. The headline general business conditions index rose to 17.2, its first positive reading since February. New orders and shipments also increased, and unfilled orders were steady. Delivery times were somewhat longer, and inventories declined. Employment levels and the average workweek were little changed. Input price increases were not much different than last month, while selling prices edged lower. Firms remained optimistic about the six-month outlook, though less so than in June.

Conditions Improve

Manufacturing firms in New York State reported that business activity increased in July, marking the first such pickup since the pandemic began. The general business

conditions index rose above zero, climbing seventeen points to 17.2, its third consecutive monthly increase. Forty-one percent of respondents reported that conditions had improved over the month, while 24 percent reported that conditions had worsened. The new orders index rose fifteen points to 13.9, indicating that orders increased, and the shipments index climbed fifteen points to 18.5, pointing to a solid increase in shipments. Unfilled orders were unchanged. Delivery times were slightly longer, and inventories declined.

Employment Holds Steady

The index for number of employees edged up to 0.4, signaling that employment levels were steady. Notably, 22 percent of firms said that employment levels increased in July, the same proportion that reported a decrease. The average workweek index increased nine points to -2.6, pointing

to a small decline in hours worked. The prices paid index was little changed at 14.9, indicating that input prices increased at about the same pace as last month. The prices received index moved down to -4.5, indicating that selling prices declined.

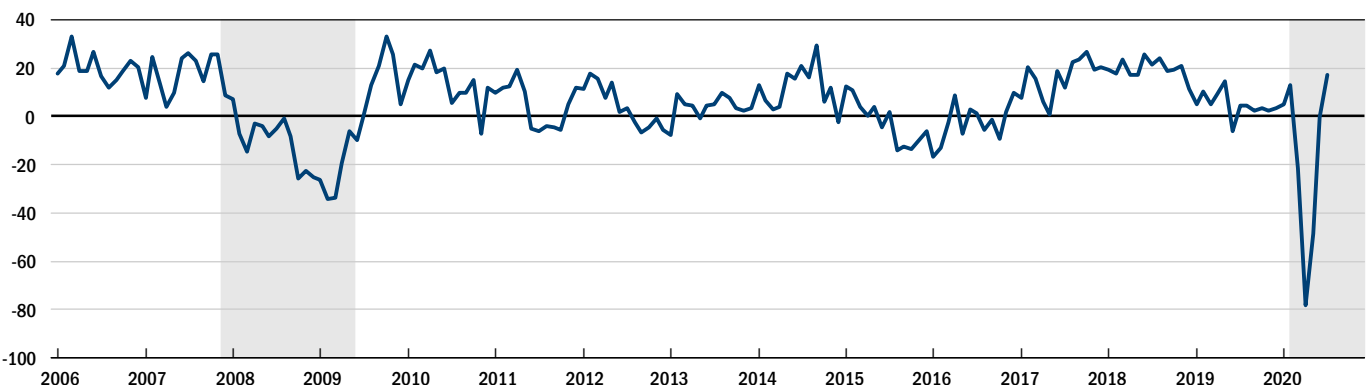
Optimism Dips

After rising sharply last month to a multi-year high, the index for future business conditions fell eighteen points to 38.4, suggesting that firms remained optimistic about future conditions, though less so than in June. The indexes for future new orders and future shipments fell somewhat, but remained near 40. The index for future employment rose to 21.1, suggesting firms expect to increase employment in the months ahead. The capital expenditures index rose to 9.1, a sign that firms, on net, planned to increase capital spending. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

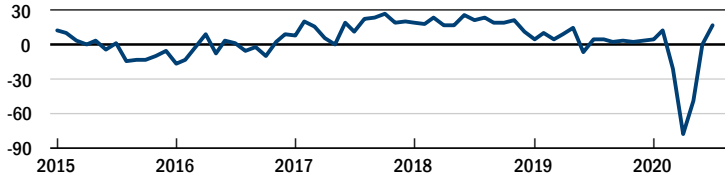


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

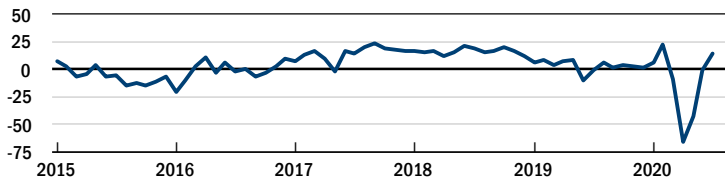
Change from Preceding Month

General Business Conditions



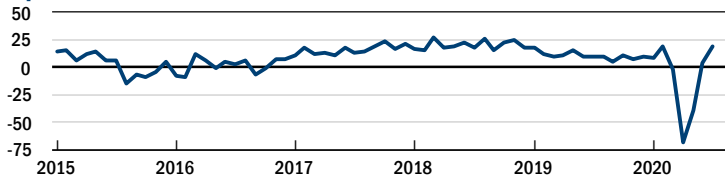
	Percent Reporting		Index
	Higher	Lower	
Jun	36.1	36.3	-0.2
Jul	41.2	24.0	17.2
Change			17.4

New Orders



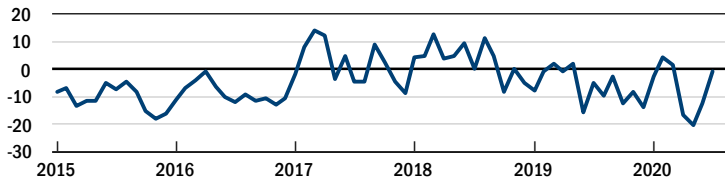
	Percent Reporting		Index
	Higher	Lower	
Jun	35.3	36.0	-0.6
Jul	39.9	26.0	13.9
Change			14.5

Shipments



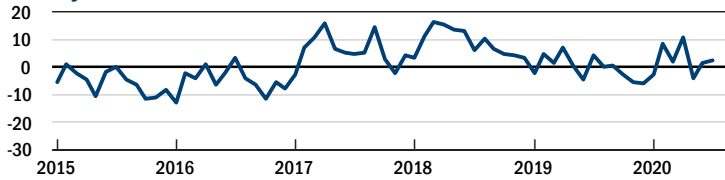
	Percent Reporting		Index
	Higher	Lower	
Jun	39.6	36.3	3.3
Jul	41.4	22.9	18.5
Change			15.2

Unfilled Orders



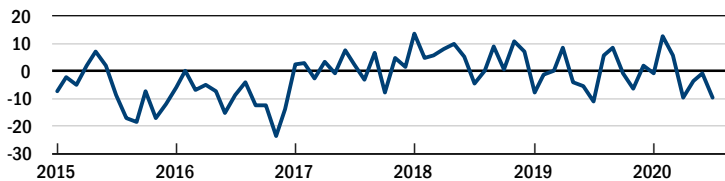
	Percent Reporting		Index
	Higher	Lower	
Jun	15.0	27.5	-12.5
Jul	16.2	16.9	-0.6
Change			11.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	16.9	15.6	1.3
Jul	12.3	9.7	2.6
Change			1.3

Inventories

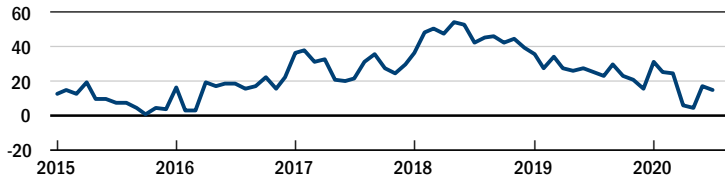


	Percent Reporting		Index
	Higher	Lower	
Jun	25.0	25.6	-0.6
Jul	18.2	27.9	-9.7
Change			-9.1

Current Indicators, *continued*

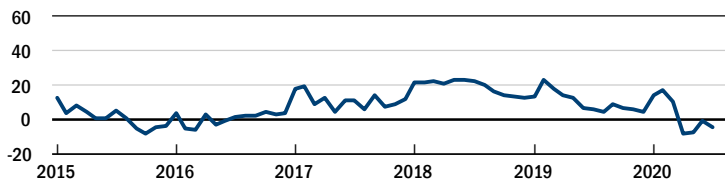
Change from Preceding Month

Prices Paid



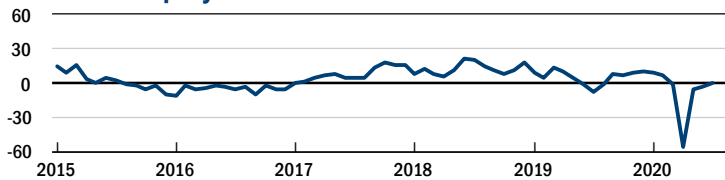
	Percent Reporting		Index
	Higher	Lower	
Jun	23.8	6.9	16.9
Jul	20.8	5.8	14.9
Change			-2.0

Prices Received



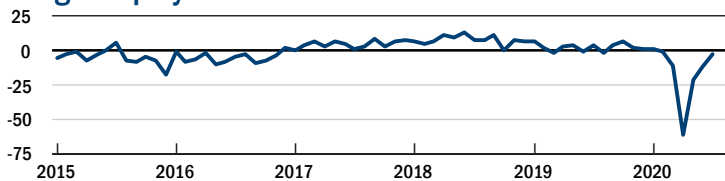
	Percent Reporting		Index
	Higher	Lower	
Jun	8.1	8.8	-0.6
Jul	5.2	9.7	-4.5
Change			-3.9

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jun	18.4	21.9	-3.5
Jul	22.4	21.9	0.4
Change			3.9

Average Employee Workweek



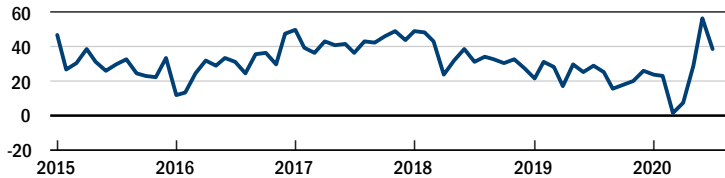
	Percent Reporting		Index
	Higher	Lower	
Jun	12.1	24.1	-12.0
Jul	16.8	19.4	-2.6
Change			9.4

Note: Data are seasonally adjusted.

Forward-Looking Indicators

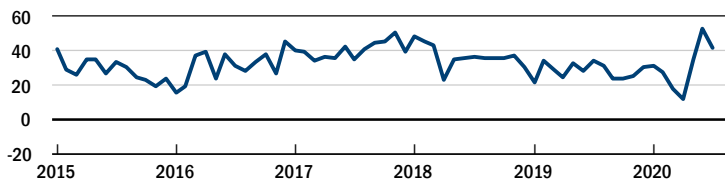
Expectations Six Months Ahead

General Business Conditions



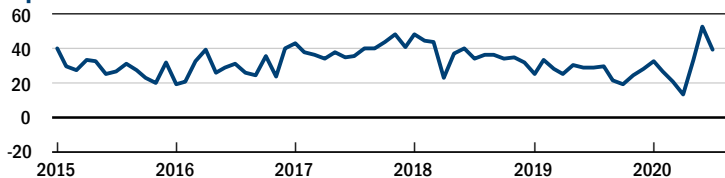
	Percent Reporting		Index
	Higher	Lower	
Jun	68.6	12.1	56.5
Jul	54.3	15.9	38.4
Change			-18.1

New Orders



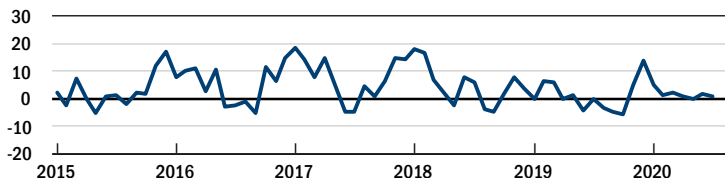
	Percent Reporting		Index
	Higher	Lower	
Jun	65.5	12.6	52.9
Jul	56.7	14.9	41.9
Change			-11.0

Shipments



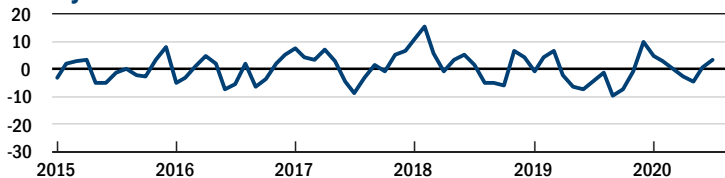
	Percent Reporting		Index
	Higher	Lower	
Jun	65.6	12.4	53.1
Jul	55.5	16.2	39.4
Change			-13.7

Unfilled Orders



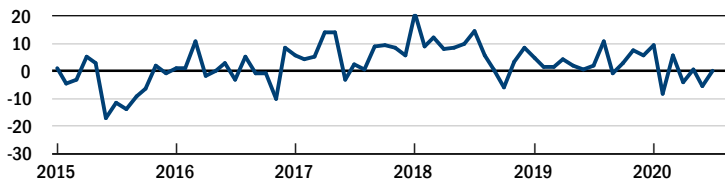
	Percent Reporting		Index
	Higher	Lower	
Jun	23.1	21.3	1.9
Jul	16.9	16.2	0.6
Change			-1.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	17.5	16.9	0.6
Jul	14.9	11.7	3.2
Change			2.6

Inventories

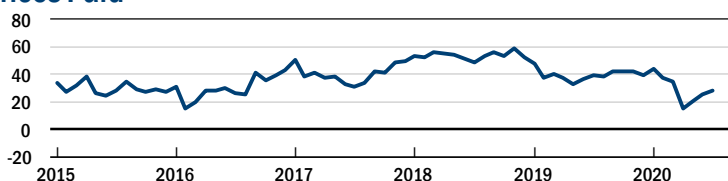


	Percent Reporting		Index
	Higher	Lower	
Jun	22.5	28.1	-5.6
Jul	21.4	21.4	0.0
Change			5.6

Forward-Looking Indicators, *continued*

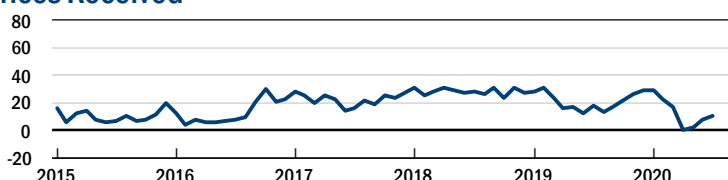
Expectations Six Months Ahead

Prices Paid



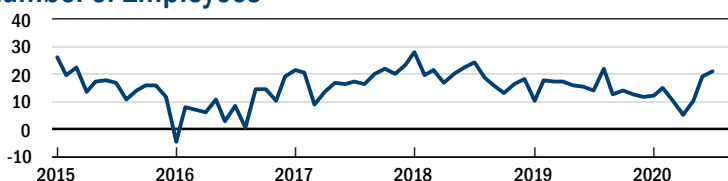
	Percent Reporting		Index
	Higher	Lower	
Jun	30.6	5.0	25.6
Jul	34.4	5.8	28.6
Change			3.0

Prices Received



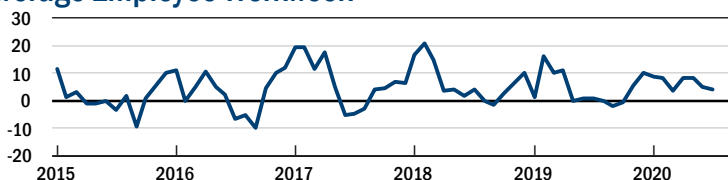
	Percent Reporting		Index
	Higher	Lower	
Jun	18.1	10.6	7.5
Jul	19.5	9.1	10.4
Change			2.9

Number of Employees



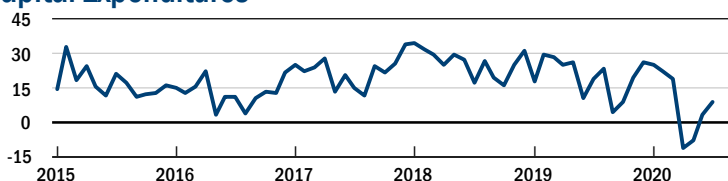
	Percent Reporting		Index
	Higher	Lower	
Jun	35.0	16.0	19.0
Jul	33.6	12.5	21.1
Change			2.1

Average Employee Workweek



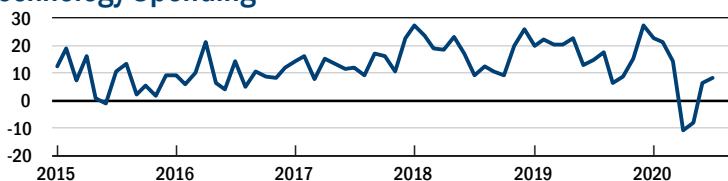
	Percent Reporting		Index
	Higher	Lower	
Jun	22.5	17.5	5.0
Jul	20.1	16.2	3.9
Change			-1.1

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jun	23.8	20.6	3.1
Jul	28.6	19.5	9.1
Change			6.0

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jun	23.8	17.5	6.3
Jul	23.4	14.9	8.4
Change			2.1

Note: Data are seasonally adjusted.