

# November 2002

## Empire State Manufacturing

### Survey



#### Summary

The *Empire State Manufacturing Survey* indicates that business conditions improved in New York from October to November. The general business conditions index rose into positive territory, from -14.6 last month to 9.6, reaching its highest level since June. New orders and shipments indexes also changed from negative to positive. The unfilled orders index, although still negative, improved markedly. The inventories index fell below zero. Pricing pressures continued: the index for prices paid remained positive and that for prices received remained negative. Employment indexes showed little improvement.

Respondents remained optimistic about the future; nearly two-thirds expected improved conditions in six months. Indexes for future employment and capital expenditures were also positive.

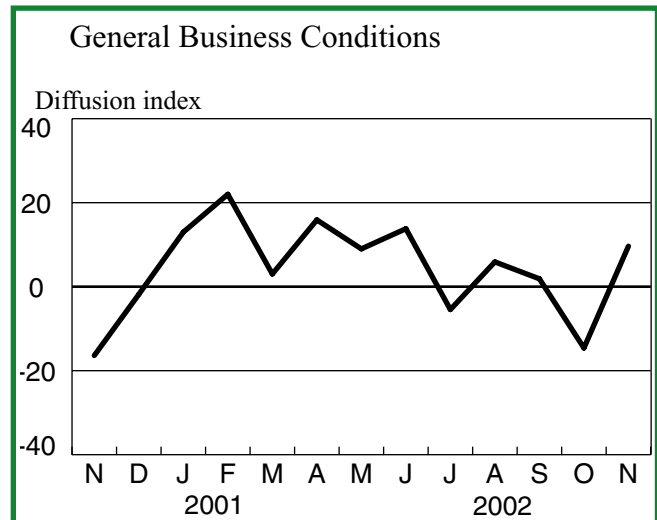
#### Improved Business Conditions

The general business conditions index jumped to its highest level in several months as the share of respondents reporting worsening conditions fell 19 percentage points. Business conditions were considered better this month than last by slightly more than one-quarter of respondents, and only 18 percent reported that conditions were worse.

The new orders index improved to 10.7 in November, with 35 percent of respondents reporting an increase in new orders—compared with only 25 percent last month. The shipments index moved in parallel to the new orders index, increasing from -1.2 to 10.2. The unfilled orders index, although still negative, showed significant improvement: while 19 percent reported a decrease in orders, 17 percent of respondents reported an increase. The delivery time index rose modestly, but remained negative at -9.0. After moving above zero for a single month, the inventories index fell back into negative territory, dropping to -10.9 from 1.3 in October.

Prices changed little from last month and were still unfavorable for survey respondents. The prices paid index was positive, although it fell to 10.6 from 14.9; the vast majority of respondents reported constant prices. The prices received index fell to -14.2, with 20 percent receiving lower prices. Only 5 percent received higher prices.

Employment indexes also held close to the levels of last month. The number of employees index stood near zero, with roughly two-thirds of respondents citing no change in employment and



the remaining third split evenly between those seeing a rise in employment and those seeing a decline. Although the average workweek index improved, it remained negative at -3.5.

#### Steady Optimism about the Future

For the most part, respondents expressed optimism about conditions six months ahead, as they had in previous surveys. The index for future business conditions remained near 60: nearly two-thirds of respondents expected conditions to improve, while very few respondents expected deterioration.

Future indexes for new orders and shipments were both 52. Twenty-five percent of respondents expected inventories to be larger in six months, and roughly an equal percentage expected them to be smaller, holding this index near zero. Only 11 percent expected an easing of prices paid, while 10 percent expected to pay higher prices in six months. The forward index for prices received retreated to -11.4, after breaking with previous trends by registering above zero in October.

The future employment indexes fell from last month, but remained positive. The capital expenditures index rose to 20.9 from 12.8.

#### Note:

Diffusion indexes are calculated for each indicator by subtracting the percent of respondents reporting the indicator lower from the previous month from those reporting the indicator higher. Thus positive values signify that more respondents report the indicator higher from the previous month than lower. Data are seasonally adjusted to control for seasonal variations.

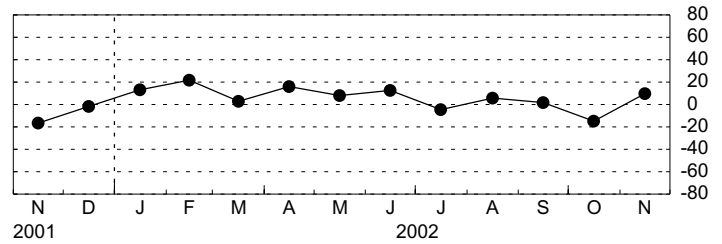
# Empire State Manufacturing Survey, November 2002

## Seasonally Adjusted

### General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	22.11	41.08	36.71	-14.61
Nov	27.50	51.94	17.86	9.64

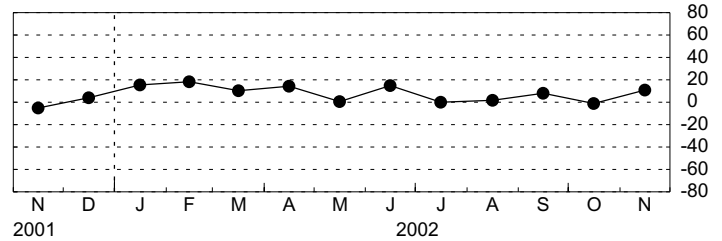
### General Business Conditions - Diffusion Index



### New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	25.23	45.52	26.35	-1.12
Nov	34.94	41.85	24.20	10.74

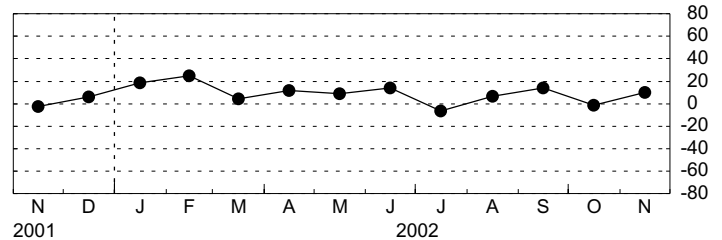
### New Orders - Diffusion Index



### Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	26.33	38.68	27.49	-1.16
Nov	34.07	39.81	23.91	10.16

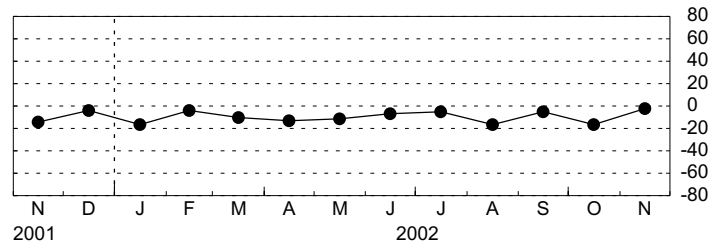
### Shipments - Diffusion Index



### Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	12.25	60.78	28.37	-16.13
Nov	16.61	62.93	18.76	-2.15

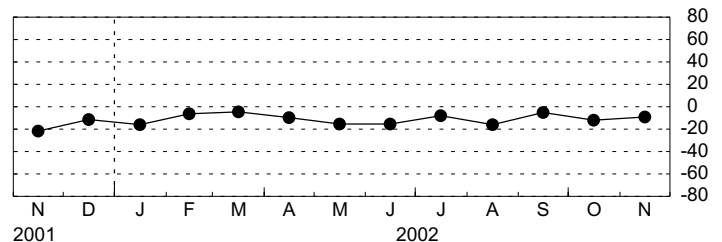
### Unfilled Orders - Diffusion Index



### Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	5.08	78.03	17.29	-12.20
Nov	9.36	74.54	18.40	-9.04

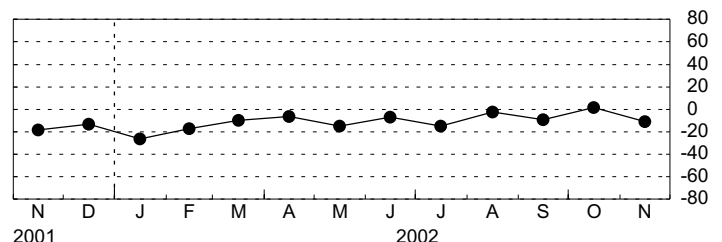
### Delivery Time - Diffusion Index



### Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	22.41	53.96	21.13	1.28
Nov	18.79	53.16	29.64	-10.85

### Inventories - Diffusion Index

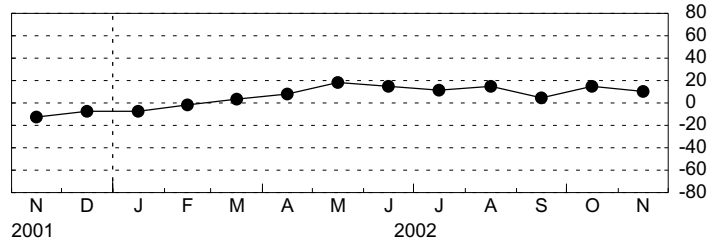


## Empire State Manufacturing Survey, November 2002 Seasonally Adjusted

### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	16.77	80.23	1.90	14.86
Nov	15.44	80.12	4.84	10.60

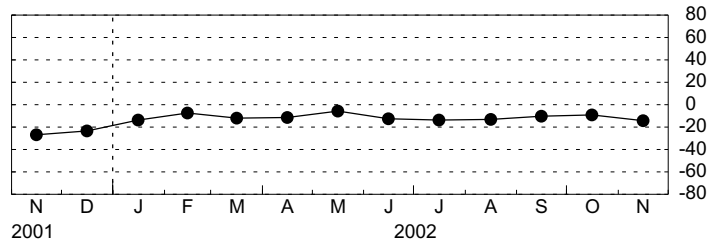
**Prices Paid - Diffusion Index**



### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	7.68	76.35	16.77	-9.08
Nov	5.45	74.87	19.78	-14.33

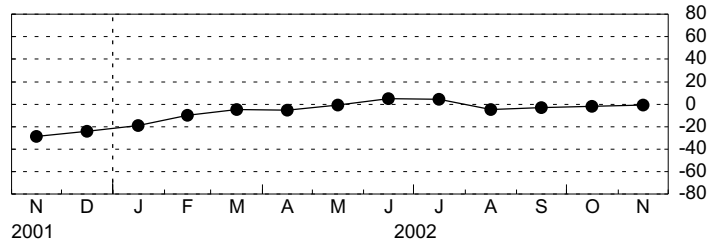
**Prices Received - Diffusion Index**



### No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	18.43	62.41	20.17	-1.74
Nov	17.42	64.75	18.23	-0.81

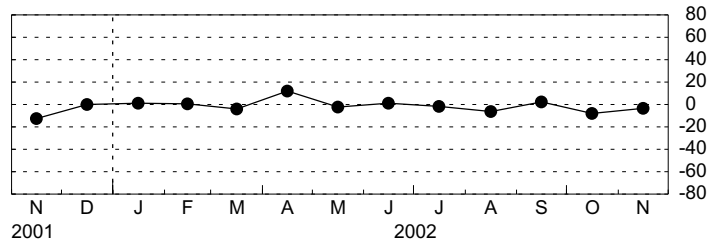
**No. of Employees - Diffusion Index**



### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	15.43	60.93	23.55	-8.12
Nov	13.12	71.30	16.58	-3.46

**Average Employee Workweek - Diffusion Index**



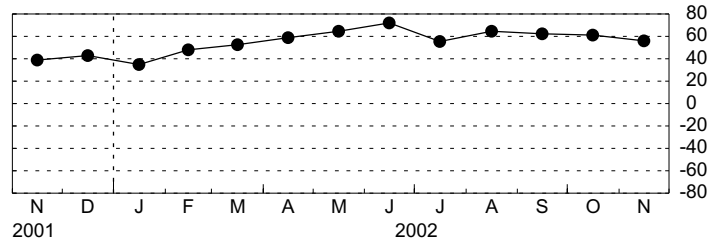
# Empire State Manufacturing Survey, November 2002, Expectations Six Months Ahead

## Seasonally Adjusted

### General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	63.38	39.27	2.24	61.14
Nov	61.91	28.32	5.77	56.14

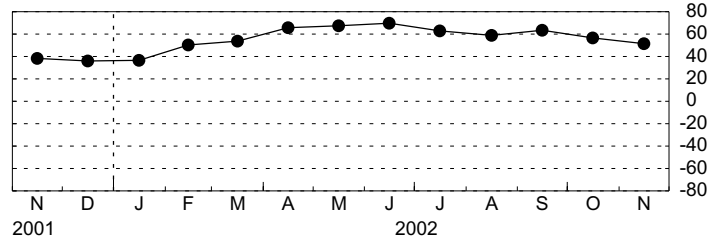
### General Business Conditions - Diffusion Index



### New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	61.88	34.59	5.22	56.66
Nov	59.21	31.23	7.66	51.55

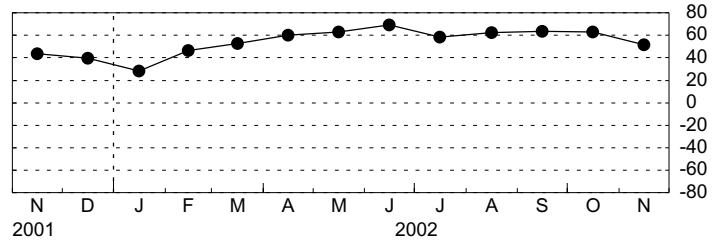
### New Orders - Diffusion Index



### Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	66.32	31.75	3.22	63.10
Nov	57.68	35.15	6.17	51.51

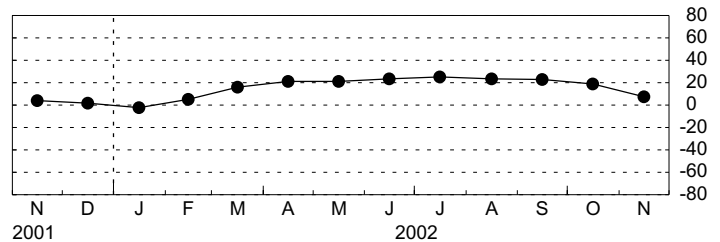
### Shipments - Diffusion Index



### Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	25.73	69.31	6.46	19.26
Nov	20.81	67.27	13.02	7.79

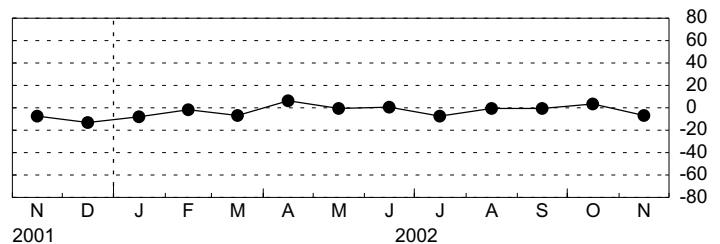
### Unfilled Orders - Diffusion Index



### Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	10.24	84.83	6.72	3.52
Nov	10.92	70.03	18.05	-7.13

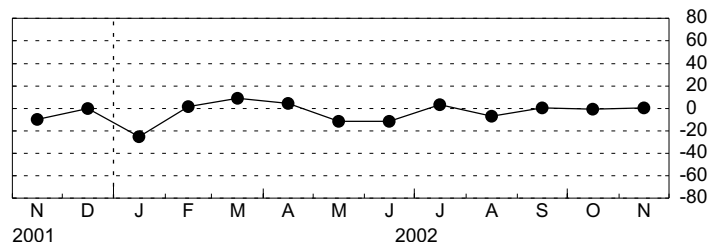
### Delivery Time - Diffusion Index



### Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	22.83	51.50	23.87	-1.04
Nov	24.57	49.85	24.27	0.30

### Inventories - Diffusion Index

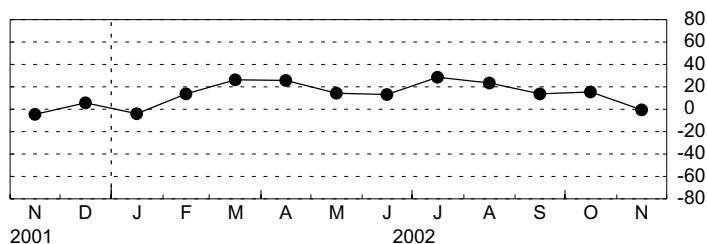


# Empire State Manufacturing Survey, November 2002, Expectations Six Months Ahead Seasonally Adjusted

## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	22.43	70.57	6.80	15.63
Nov	10.31	77.98	10.51	-0.20

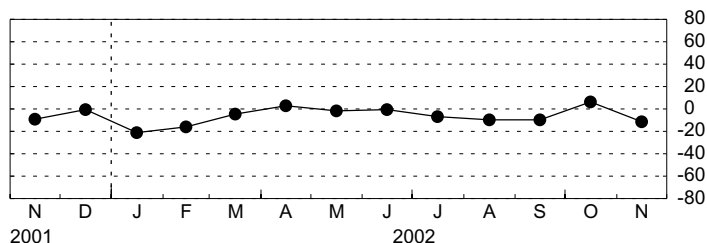
## Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	15.07	76.07	8.86	6.20
Nov	6.41	76.99	17.80	-11.39

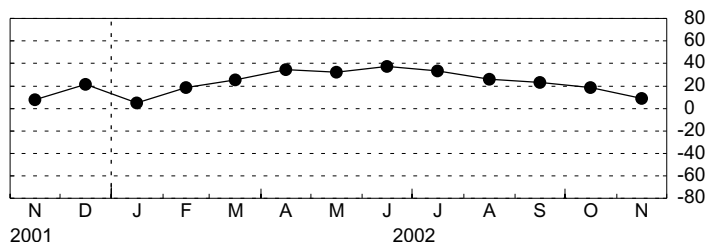
## Prices Received - Diffusion Index



## No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	31.99	51.84	13.57	18.43
Nov	28.61	51.09	19.79	8.82

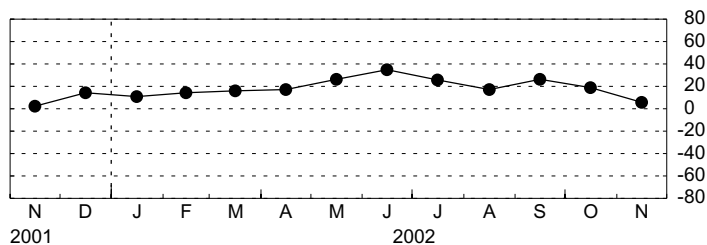
## No. of Employees - Diffusion Index



## Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	29.31	60.16	10.23	19.08
Nov	20.32	63.55	14.73	5.59

## Average Employee Workweek - Diffusion Index



## Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Oct	27.29	56.88	14.53	12.77
Nov	34.53	52.32	13.65	20.88

## Capital Expenditures - Diffusion Index

