

Empire State Manufacturing Survey

Business activity continued to grow at a solid clip in New York State, according to firms responding to the November 2018 *Empire State Manufacturing Survey*. The headline general business conditions index edged up two points to 23.3. New orders and shipments increased moderately, while unfilled orders held steady. Delivery times continued to lengthen somewhat, and inventories moved higher. Labor market indicators pointed to an increase in employment levels and longer workweeks. The prices paid index remained elevated, and the prices received index was little changed. Looking ahead, firms remained fairly optimistic about the six-month outlook.

Businesses Report Ongoing Gains

Manufacturing firms in New York State reported that business activity continued to expand strongly. The

general business conditions index rose two points to 23.3. Forty-one percent of respondents reported that conditions had improved over the month, while 18 percent reported that conditions had worsened. The new orders index edged down just slightly to 20.4, and the shipments index was little changed at 28.0—readings that reflected moderate growth. Unfilled orders were unchanged, inventories climbed, and delivery times continued to lengthen modestly.

Input Price Index Remains Elevated

The index for number of employees moved up five points to 14.1, and the average workweek index climbed nine points to 9.2, indicating increases in both employment levels and hours worked. Input prices continued to rise, with the prices paid index edging up

three points to 44.5. The prices received index was little changed at 13.1.

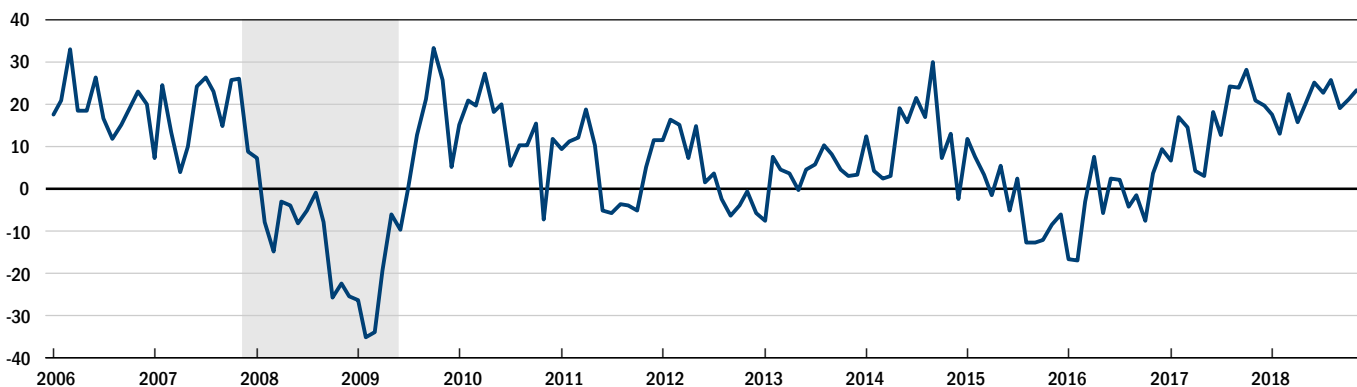
Firms Remain Fairly Optimistic

Firms expressed a moderate level of optimism about the six-month outlook. The index for future business conditions rose five points to 33.6. The indexes for future delivery times and future inventories both climbed above zero, suggesting that businesses expect longer delivery times and higher inventories. The index for future prices paid reached a multiyear high, and employment levels were expected to increase in the months ahead. The capital expenditures index increased to 24.8, and the technology spending index advanced to 19.7. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

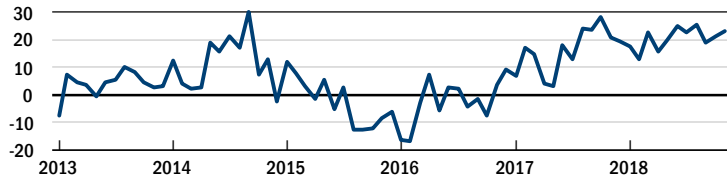


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

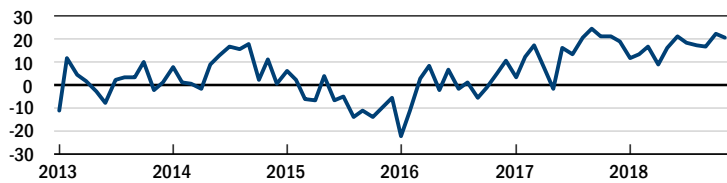
Change from Preceding Month

General Business Conditions



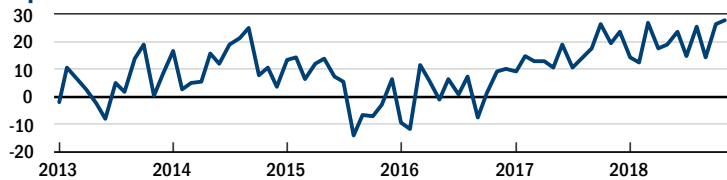
	Percent Reporting		Index
	Higher	Lower	
Oct	35.5	14.5	21.1
Nov	40.9	17.7	23.3
Change			2.2

New Orders



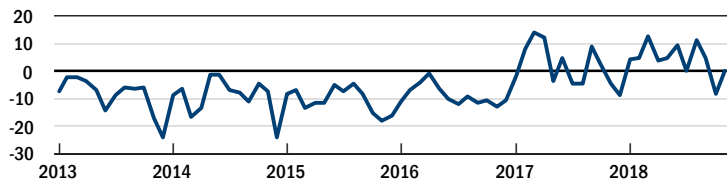
	Percent Reporting		Index
	Higher	Lower	
Oct	37.9	15.4	22.5
Nov	40.5	20.1	20.4
Change			-2.1

Shipments



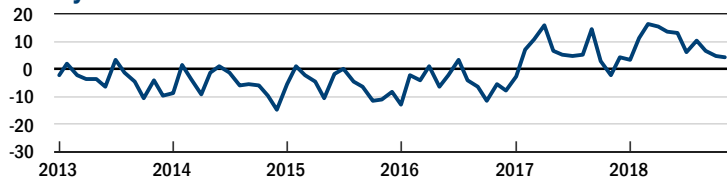
	Percent Reporting		Index
	Higher	Lower	
Oct	41.6	15.4	26.3
Nov	45.5	17.5	28.0
Change			1.7

Unfilled Orders



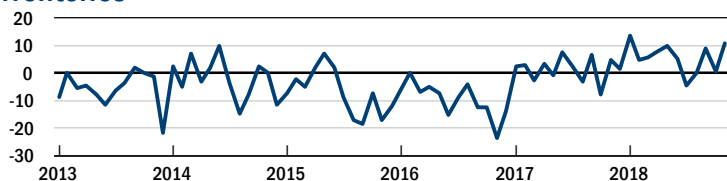
	Percent Reporting		Index
	Higher	Lower	
Oct	11.8	20.2	-8.4
Nov	16.1	16.1	0.0
Change			8.4

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Oct	16.8	11.8	5.0
Nov	16.8	12.4	4.4
Change			-0.6

Inventories

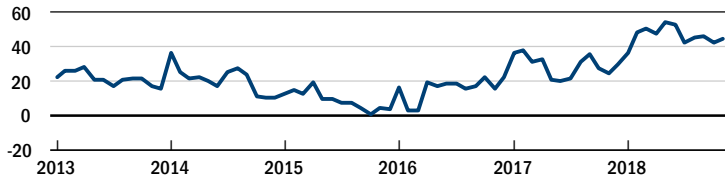


	Percent Reporting		Index
	Higher	Lower	
Oct	20.2	19.3	0.8
Nov	31.4	20.4	10.9
Change			10.1

Current Indicators, *continued*

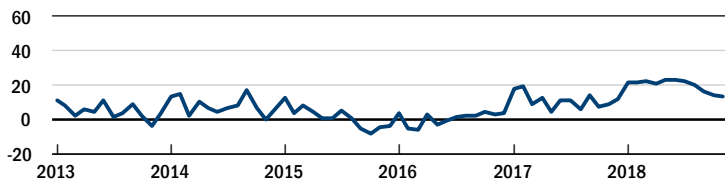
Change from Preceding Month

Prices Paid



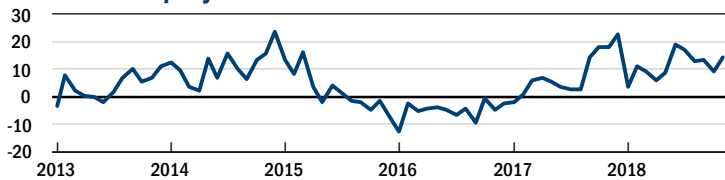
	Percent Reporting		Index
	Higher	Lower	
Oct	44.5	2.5	42.0
Nov	48.2	3.6	44.5
Change			2.5

Prices Received



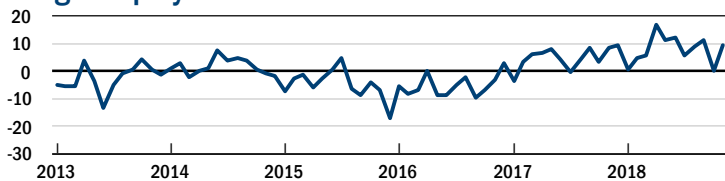
	Percent Reporting		Index
	Higher	Lower	
Oct	18.5	4.2	14.3
Nov	21.9	8.8	13.1
Change			-1.2

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Oct	15.1	6.1	9.0
Nov	24.5	10.4	14.1
Change			5.1

Average Employee Workweek



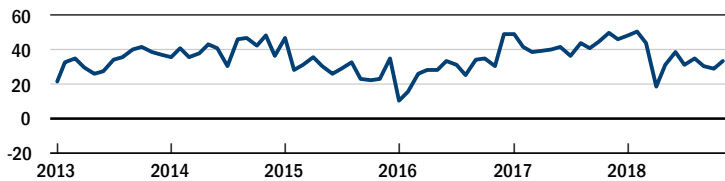
	Percent Reporting		Index
	Higher	Lower	
Oct	9.9	9.7	0.2
Nov	18.6	9.4	9.2
Change			9.0

Note: Data are seasonally adjusted.

Forward-Looking Indicators

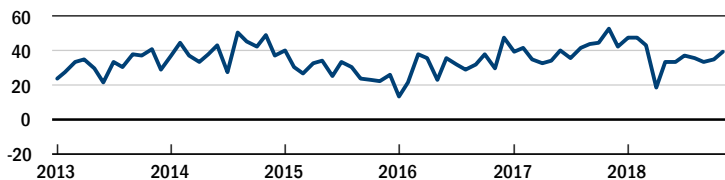
Expectations Six Months Ahead

General Business Conditions



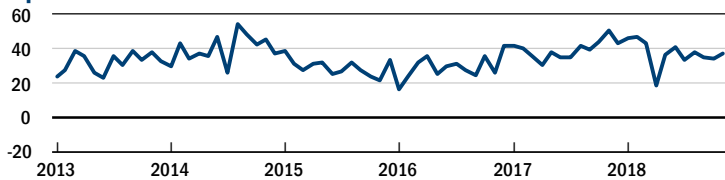
	Percent Reporting		Index
	Higher	Lower	
Oct	45.6	16.6	29.0
Nov	45.8	12.2	33.6
Change			4.6

New Orders



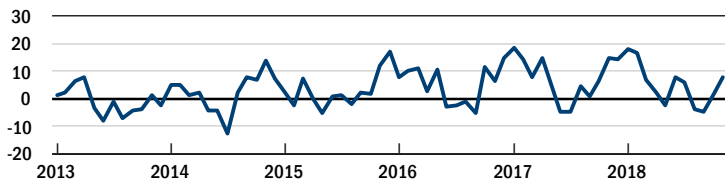
	Percent Reporting		Index
	Higher	Lower	
Oct	49.8	14.7	35.1
Nov	49.5	9.8	39.7
Change			4.6

Shipments



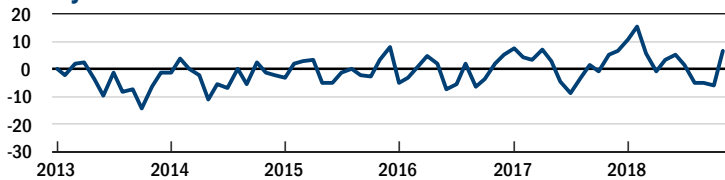
	Percent Reporting		Index
	Higher	Lower	
Oct	46.8	13.0	33.8
Nov	46.0	8.8	37.2
Change			3.4

Unfilled Orders



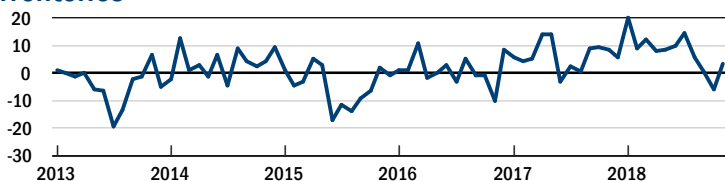
	Percent Reporting		Index
	Higher	Lower	
Oct	16.0	14.3	1.7
Nov	19.0	10.9	8.0
Change			6.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Oct	11.8	17.6	-5.9
Nov	16.1	9.5	6.6
Change			12.5

Inventories

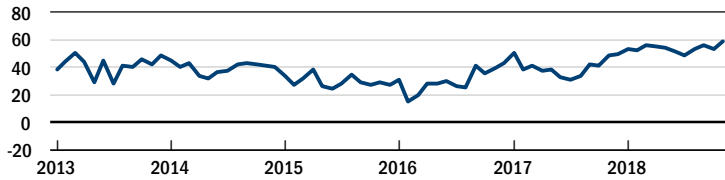


	Percent Reporting		Index
	Higher	Lower	
Oct	18.5	24.4	-5.9
Nov	26.3	22.6	3.6
Change			9.5

Forward-Looking Indicators, *continued*

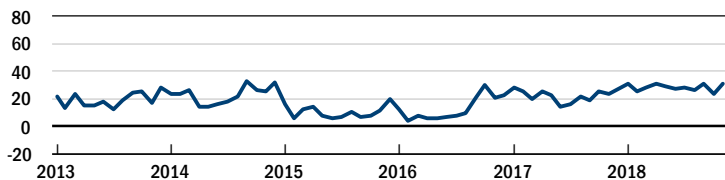
Expectations Six Months Ahead

Prices Paid



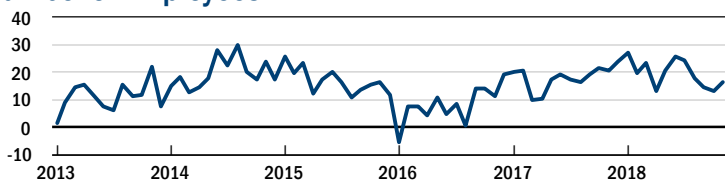
	Percent Reporting		Index
	Higher	Lower	
Oct	58.8	5.9	52.9
Nov	62.8	3.6	59.1
Change			6.2

Prices Received



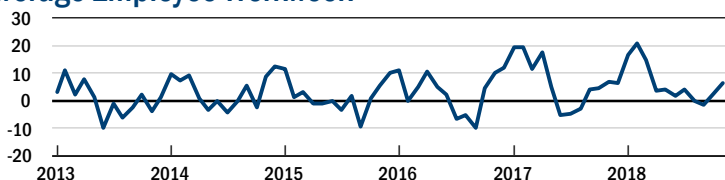
	Percent Reporting		Index
	Higher	Lower	
Oct	31.9	8.4	23.5
Nov	38.7	7.3	31.4
Change			7.9

Number of Employees



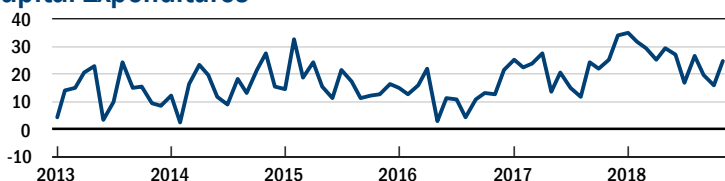
	Percent Reporting		Index
	Higher	Lower	
Oct	23.9	10.9	13.0
Nov	24.9	8.3	16.6
Change			3.6

Average Employee Workweek



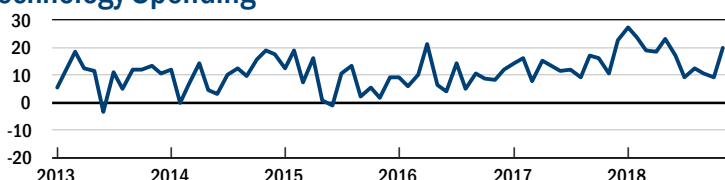
	Percent Reporting		Index
	Higher	Lower	
Oct	11.8	9.2	2.5
Nov	14.6	8.0	6.6
Change			4.1

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Oct	27.7	11.8	16.0
Nov	33.6	8.8	24.8
Change			8.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Oct	17.6	8.4	9.2
Nov	26.3	6.6	19.7
Change			10.5

Note: Data are seasonally adjusted.