

# Empire State Manufacturing Survey

Business activity remained robust in New York State, according to firms responding to the August 2018 *Empire State Manufacturing Survey*. The headline general business conditions index climbed three points to 25.6. New orders and shipments grew strongly, and firms reported an increase in unfilled orders. Delivery times continued to lengthen, and inventories held steady. Labor market indicators pointed to solid gains in employment and longer workweeks. Price indexes were little changed and remained elevated, indicating ongoing significant price increases. Looking ahead, firms stepped up their capital spending plans and were fairly optimistic about the six-month outlook.

## Growth Remains Strong

Manufacturing firms in New York State reported that business activity expanded

strongly in August. The general business conditions index rose three points to 25.6. Forty-two percent of respondents reported that conditions had improved over the month, while 16 percent reported that conditions had worsened. The new orders index was little changed at 17.1, and the shipments index rose eleven points to 25.7—readings that reflected strong growth. Unfilled orders increased, and inventories held steady. The delivery time index rose four points to 10.4, indicating that delivery times continued to lengthen.

## Price Indexes Remain Elevated

The index for number of employees edged lower, but at 13.1, pointed to a pickup in employment levels. The average workweek index was 8.9, indicating a modest increase in hours worked. Price increases remained elevated. The prices

paid index inched up to 45.2, and the prices received index came in at 20.0.

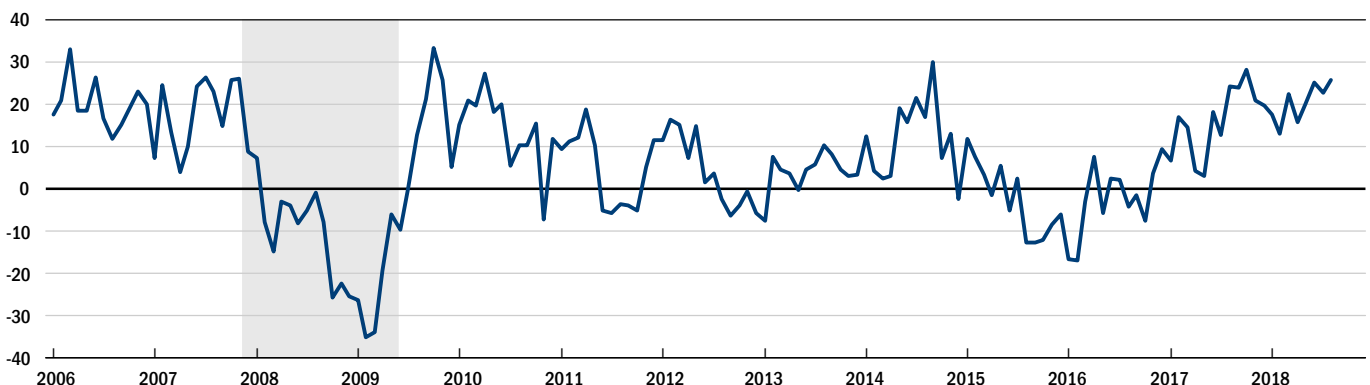
## Firms Fairly Optimistic

Firms remained moderately optimistic about the six-month outlook, though less so than earlier this year. The index for future business conditions climbed four points to 34.8. The indexes for future unfilled orders and future delivery times both turned negative, suggesting that businesses expect fewer unfilled orders and shorter delivery times. Employment was expected to increase in the months ahead, and the indexes for future prices remained elevated. The capital expenditures index moved up ten points to 26.7, and the technology spending index rose three points to 12.6. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

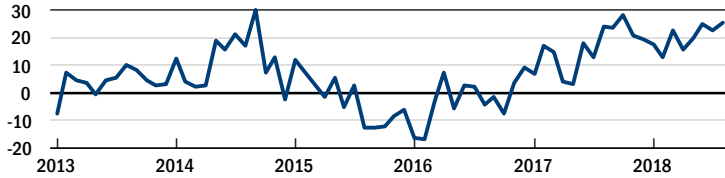


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

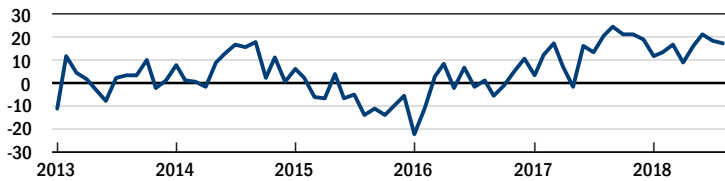
Change from Preceding Month

## General Business Conditions



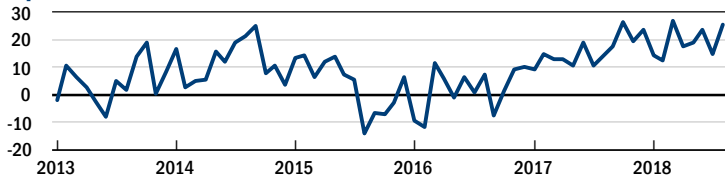
	Percent Reporting		Index
	Higher	Lower	
Jul	39.6	17.0	22.6
Aug	41.9	16.3	25.6
Change			3.0

## New Orders



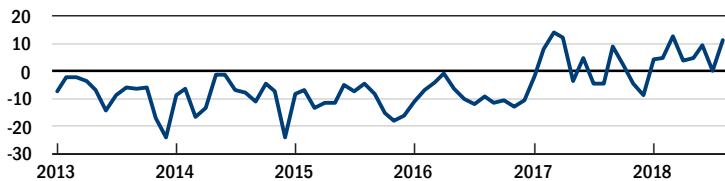
	Percent Reporting		Index
	Higher	Lower	
Jul	39.1	20.8	18.2
Aug	36.4	19.3	17.1
Change			-1.1

## Shipments



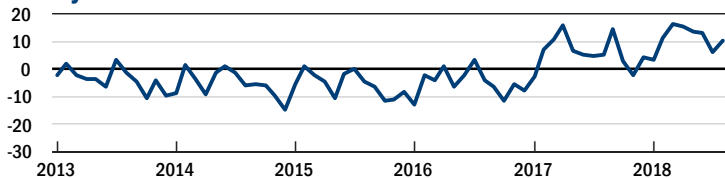
	Percent Reporting		Index
	Higher	Lower	
Jul	37.6	23.0	14.6
Aug	39.3	13.6	25.7
Change			11.1

## Unfilled Orders



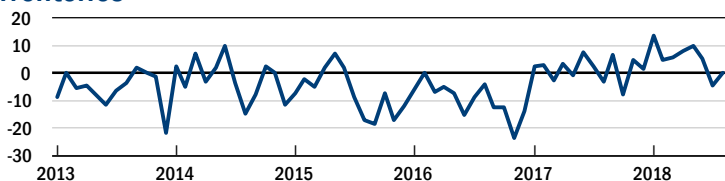
	Percent Reporting		Index
	Higher	Lower	
Jul	17.1	17.1	0.0
Aug	21.5	10.4	11.1
Change			11.1

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	17.9	12.0	6.0
Aug	20.0	9.6	10.4
Change			4.4

## Inventories

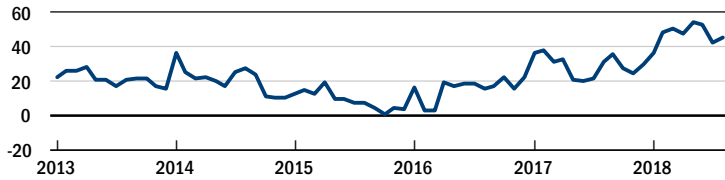


	Percent Reporting		Index
	Higher	Lower	
Jul	14.5	18.8	-4.3
Aug	21.5	21.5	0.0
Change			4.3

# Current Indicators, *continued*

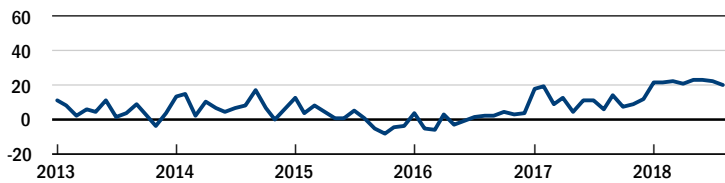
Change from Preceding Month

## Prices Paid



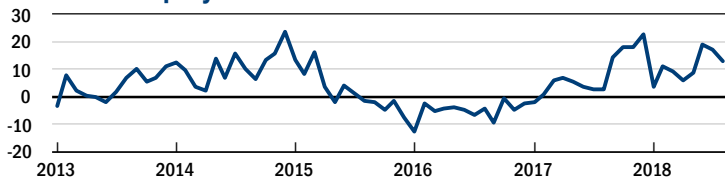
	Percent Reporting		Index
	Higher	Lower	
Jul	44.4	1.7	42.7
Aug	45.9	0.7	45.2
Change			2.5

## Prices Received



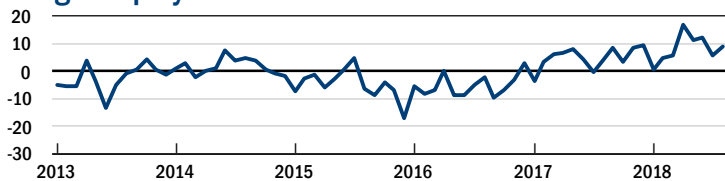
	Percent Reporting		Index
	Higher	Lower	
Jul	27.4	5.1	22.2
Aug	23.7	3.7	20.0
Change			-2.2

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jul	24.3	7.1	17.2
Aug	20.3	7.2	13.1
Change			-4.1

## Average Employee Workweek



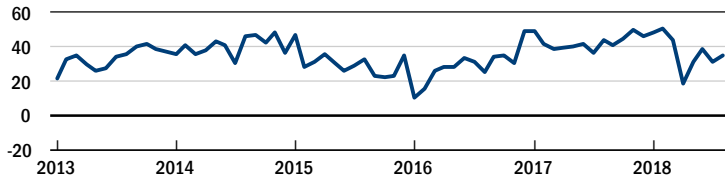
	Percent Reporting		Index
	Higher	Lower	
Jul	14.8	9.2	5.6
Aug	17.9	9.1	8.9
Change			3.3

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

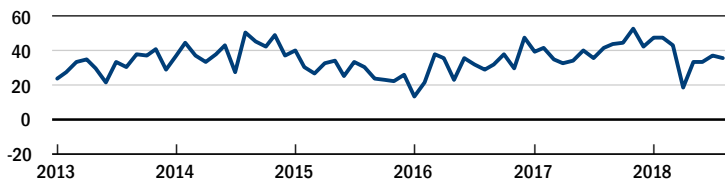
Expectations Six Months Ahead

## General Business Conditions



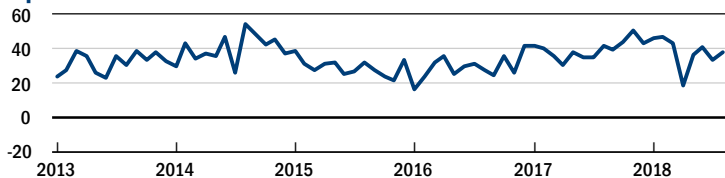
	Percent Reporting		Index
	Higher	Lower	
Jul	43.5	12.3	31.1
Aug	49.3	14.5	34.8
Change			3.7

## New Orders



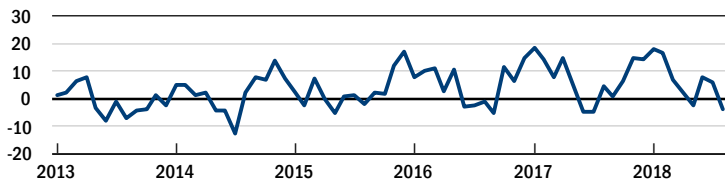
	Percent Reporting		Index
	Higher	Lower	
Jul	49.9	12.7	37.2
Aug	52.0	16.0	36.0
Change			-1.2

## Shipments



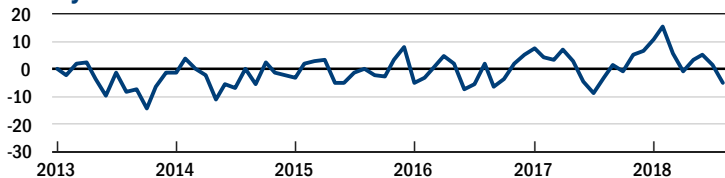
	Percent Reporting		Index
	Higher	Lower	
Jul	46.2	12.7	33.5
Aug	53.4	15.7	37.7
Change			4.2

## Unfilled Orders



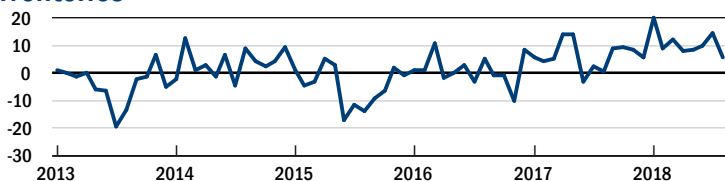
	Percent Reporting		Index
	Higher	Lower	
Jul	17.1	11.1	6.0
Aug	14.1	17.8	-3.7
Change			-9.7

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	14.5	12.8	1.7
Aug	12.6	17.8	-5.2
Change			-6.9

## Inventories

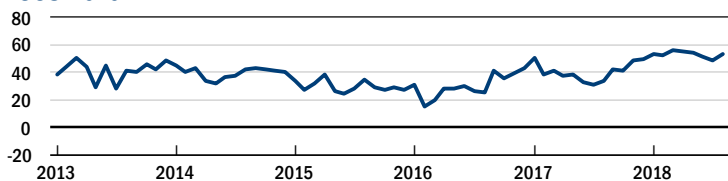


	Percent Reporting		Index
	Higher	Lower	
Jul	28.2	13.7	14.5
Aug	25.2	19.3	5.9
Change			-8.6

# Forward-Looking Indicators, *continued*

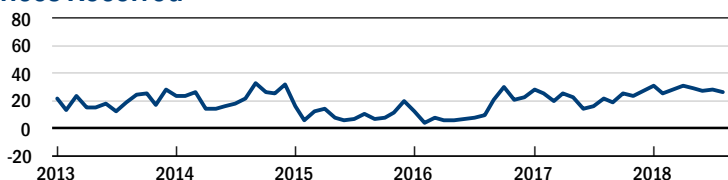
Expectations Six Months Ahead

## Prices Paid



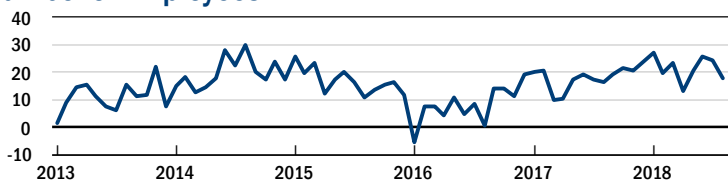
	Percent Reporting		Index
	Higher	Lower	
Jul	51.3	2.6	48.7
Aug	57.0	3.7	53.3
Change			4.6

## Prices Received



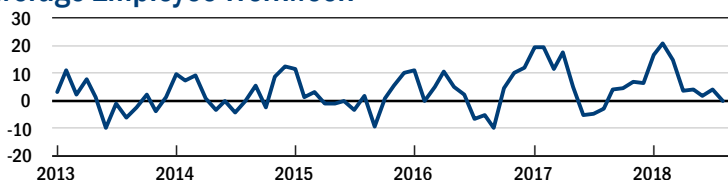
	Percent Reporting		Index
	Higher	Lower	
Jul	33.3	5.1	28.2
Aug	34.1	7.4	26.7
Change			-1.5

## Number of Employees



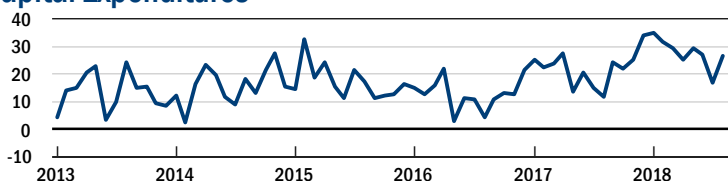
	Percent Reporting		Index
	Higher	Lower	
Jul	30.2	6.0	24.2
Aug	30.1	12.0	18.0
Change			-6.2

## Average Employee Workweek



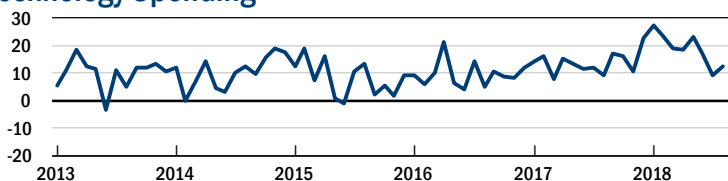
	Percent Reporting		Index
	Higher	Lower	
Jul	15.4	11.1	4.3
Aug	15.6	15.6	0.0
Change			-4.3

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jul	29.9	12.8	17.1
Aug	36.3	9.6	26.7
Change			9.6

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jul	17.9	8.5	9.4
Aug	20.0	7.4	12.6
Change			3.2

Note: Data are seasonally adjusted.