

# Empire State Manufacturing Survey

Business activity grew slightly in New York State, according to firms responding to the October 2019 *Empire State Manufacturing Survey*. The headline general business conditions index edged up two points to 4.0. There was only a small increase in new orders, but shipments picked up. Delivery times decreased slightly, while inventories were little changed. Employment levels and hours worked both increased modestly. Input prices and selling prices increased at a slower pace than last month. Indexes assessing the six-month outlook indicated that optimism about future conditions improved somewhat but remained subdued.

## Slight Growth

Manufacturing firms in New York State reported that business activity grew slightly this month but remained sluggish. The general business conditions index

moved up two points to 4.0. Thirty percent of respondents reported that conditions had improved over the month, while 26 percent reported that conditions had worsened. The new orders index was unchanged at 3.5, pointing to a small increase in orders. After reaching its lowest level in nearly three years, the shipments index rose seven points to 13.0, indicating that shipments picked up. The unfilled orders index remained negative for a fifth consecutive month, suggesting that unfilled orders continued to decline. Delivery times decreased slightly, while inventories were little changed.

## Modest Employment Gains

The index for number of employees came in at 7.6, pointing to ongoing modest employment gains, and the average workweek index rose seven points to 8.3, indicating that hours worked also increased.

Prices increased at a slower pace than last month: the prices paid index moved down six points to 23.1 and the prices received index slipped three points to 6.3.

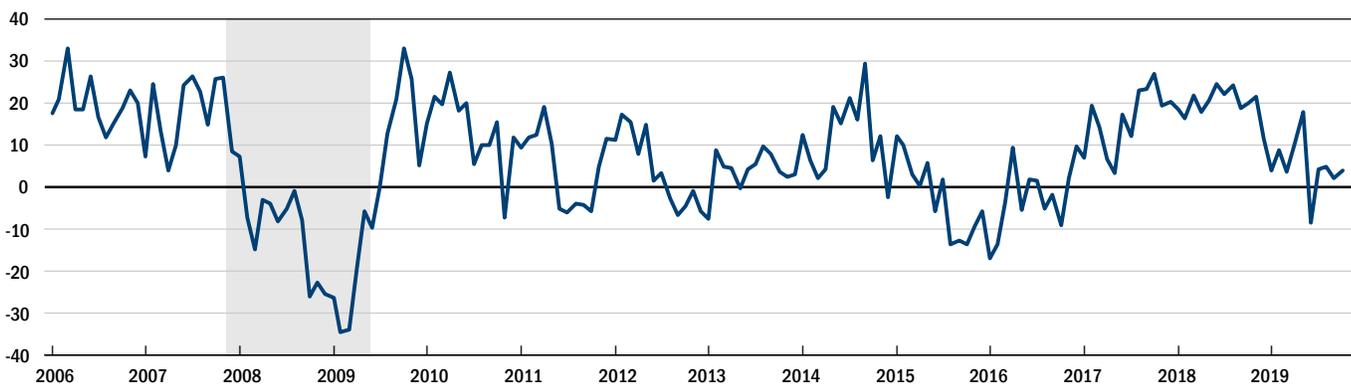
## Subdued Optimism

Indexes assessing the six-month outlook suggested that optimism about future conditions improved somewhat but remained subdued. The index for future business conditions edged up three points to 17.1 but remained well below the levels seen for much of the past few years. The indexes for future new orders and shipments were little changed from last month, while indexes for future prices remained fairly elevated. Firms continued to expect solid increases in employment levels but no change in the average workweek in the months ahead. The capital expenditures index and technology spending index both rose to 8.8. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

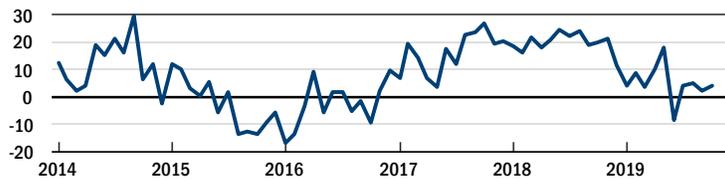


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

Change from Preceding Month

## General Business Conditions



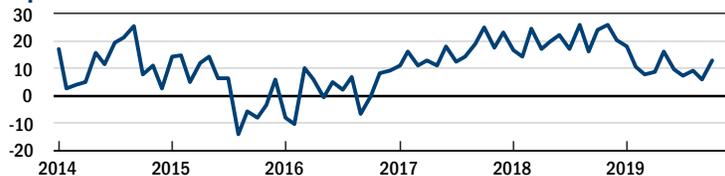
	Percent Reporting		Index
	Higher	Lower	
Sep	27.0	25.1	2.0
Oct	30.2	26.1	4.0
Change			2.0

## New Orders



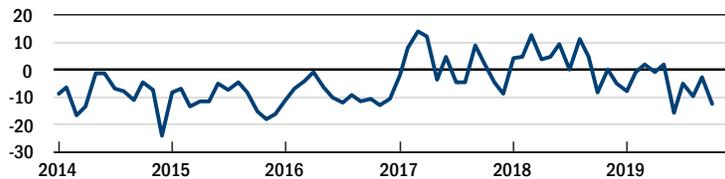
	Percent Reporting		Index
	Higher	Lower	
Sep	30.8	27.3	3.5
Oct	34.3	30.8	3.5
Change			0.0

## Shipments



	Percent Reporting		Index
	Higher	Lower	
Sep	32.2	26.4	5.8
Oct	37.0	24.0	13.0
Change			7.2

## Unfilled Orders



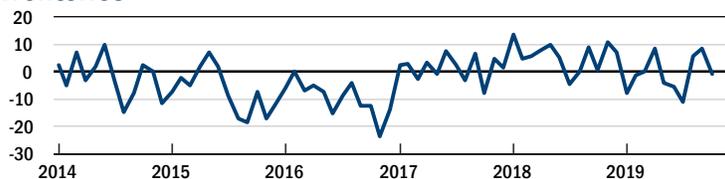
	Percent Reporting		Index
	Higher	Lower	
Sep	14.4	17.0	-2.6
Oct	13.8	26.3	-12.5
Change			-9.9

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	14.4	13.7	0.7
Oct	13.1	15.6	-2.5
Change			-3.2

## Inventories

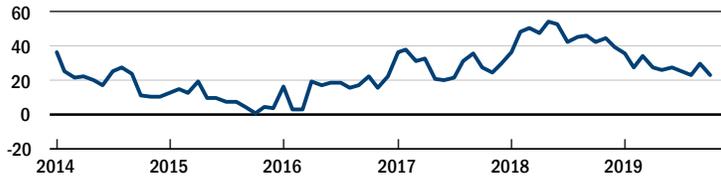


	Percent Reporting		Index
	Higher	Lower	
Sep	29.4	20.9	8.5
Oct	23.8	24.4	-0.6
Change			-9.1

# Current Indicators, *continued*

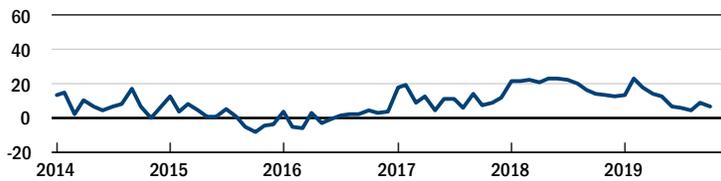
Change from Preceding Month

## Prices Paid



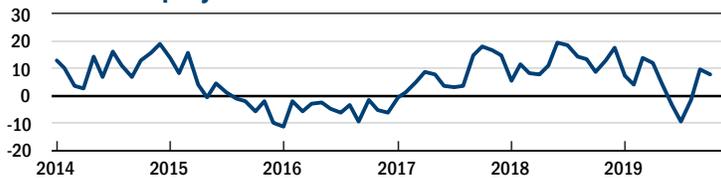
	Percent Reporting		Index
	Higher	Lower	
Sep	34.6	5.2	29.4
Oct	28.8	5.6	23.1
Change			-6.3

## Prices Received



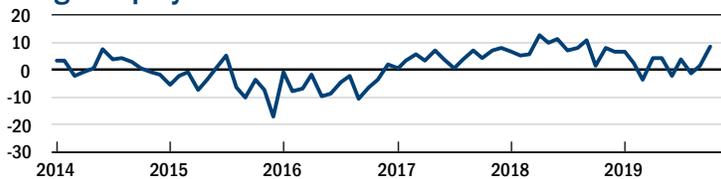
	Percent Reporting		Index
	Higher	Lower	
Sep	14.4	5.2	9.2
Oct	14.4	8.1	6.3
Change			-2.9

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Sep	21.0	11.3	9.7
Oct	17.3	9.7	7.6
Change			-2.1

## Average Employee Workweek



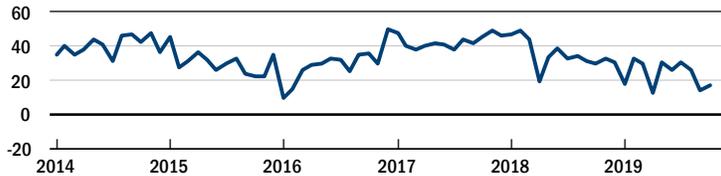
	Percent Reporting		Index
	Higher	Lower	
Sep	18.3	16.6	1.7
Oct	18.2	9.9	8.3
Change			6.6

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

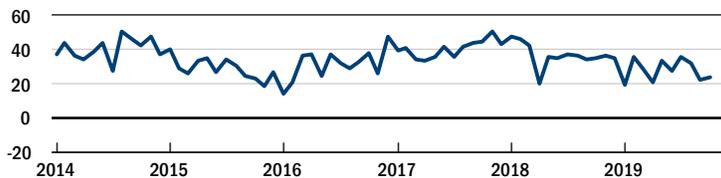
Expectations Six Months Ahead

## General Business Conditions



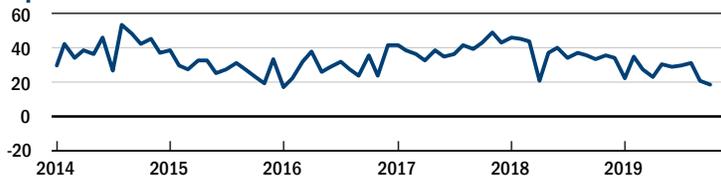
	Percent Reporting		Index
	Higher	Lower	
Sep	36.6	22.9	13.7
Oct	36.9	19.9	17.1
Change			3.4

## New Orders



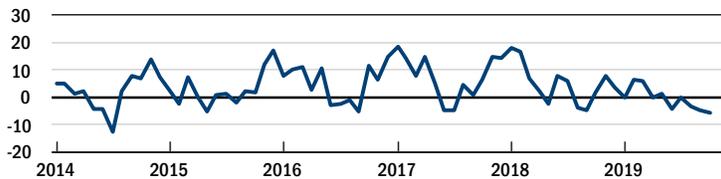
	Percent Reporting		Index
	Higher	Lower	
Sep	42.6	20.7	21.9
Oct	41.4	17.9	23.5
Change			1.6

## Shipments



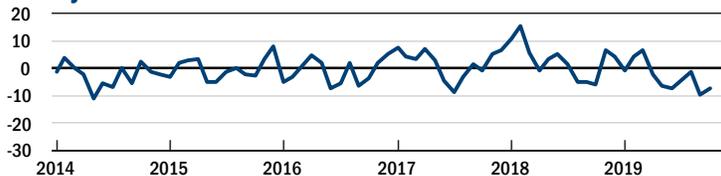
	Percent Reporting		Index
	Higher	Lower	
Sep	40.9	20.5	20.4
Oct	38.8	19.9	18.9
Change			-1.5

## Unfilled Orders



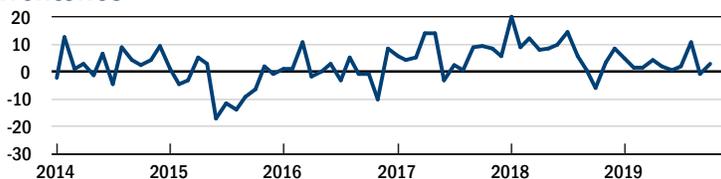
	Percent Reporting		Index
	Higher	Lower	
Sep	14.4	19.0	-4.6
Oct	12.5	18.1	-5.6
Change			-1.0

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	9.8	19.6	-9.8
Oct	8.8	16.3	-7.5
Change			2.3

## Inventories

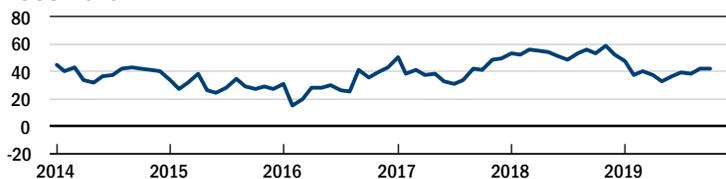


	Percent Reporting		Index
	Higher	Lower	
Sep	24.2	24.8	-0.7
Oct	23.1	20.0	3.1
Change			3.8

# Forward-Looking Indicators, *continued*

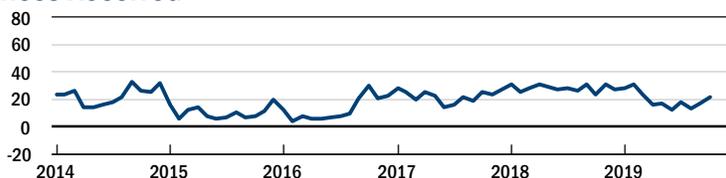
Expectations Six Months Ahead

## Prices Paid



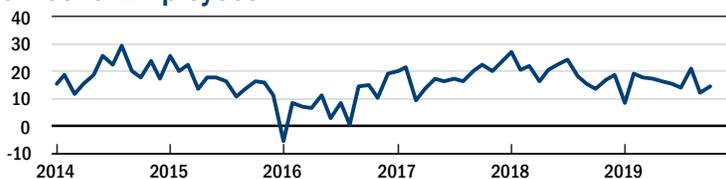
	Percent Reporting		Index
	Higher	Lower	
Sep	48.4	5.9	42.5
Oct	47.5	5.0	42.5
Change			0.0

## Prices Received



	Percent Reporting		Index
	Higher	Lower	
Sep	24.8	7.8	17.0
Oct	30.6	9.4	21.3
Change			4.3

## Number of Employees



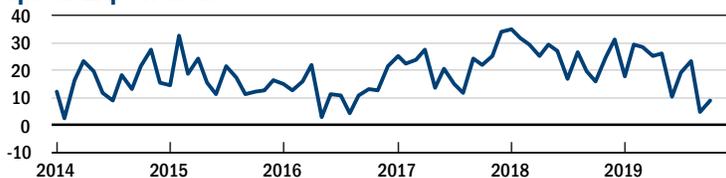
	Percent Reporting		Index
	Higher	Lower	
Sep	25.9	13.7	12.1
Oct	30.7	16.3	14.5
Change			2.4

## Average Employee Workweek



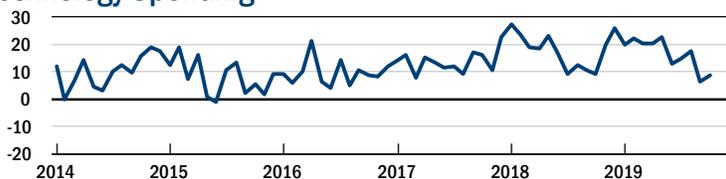
	Percent Reporting		Index
	Higher	Lower	
Sep	13.7	15.7	-2.0
Oct	13.1	13.8	-0.6
Change			1.4

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Sep	24.2	19.6	4.6
Oct	28.1	19.4	8.8
Change			4.2

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Sep	19.6	13.1	6.5
Oct	24.4	15.6	8.8
Change			2.3

Note: Data are seasonally adjusted.