

# September 2003

## Empire State Manufacturing

### Survey

#### Summary

The *Empire State Manufacturing Survey* indicates that conditions improved for New York manufacturers in September, continuing a trend of positive readings that began in May. The general business conditions index rose from 10.0 in August to 18.4. Indexes for new orders and shipments also signaled continuing improvement, while the unfilled orders and inventories indexes were slightly negative. A rise in the prices paid index brought it to 15.6 from 4.1 last month, while the prices received index remained negative. Although the number of employees index hovered near zero, the average workweek index rose 17 points to 15.7, its highest level in more than a year. Future indexes indicated considerable optimism, as they have for most of the past year.

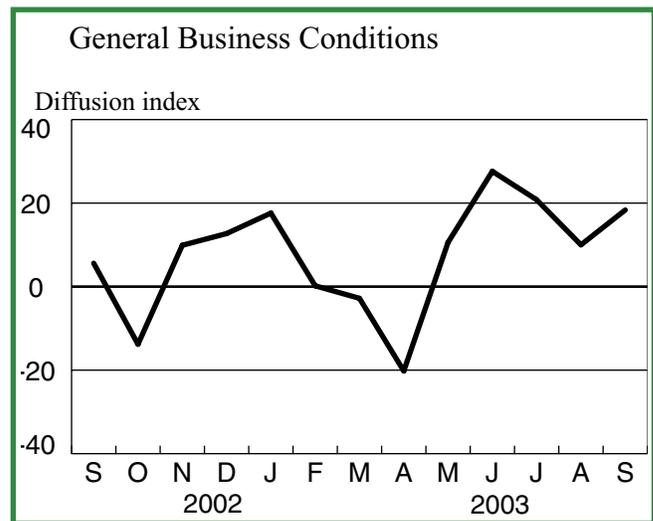
#### General Business Conditions Remain Positive

The general business conditions index was positive for a fifth consecutive month in September, rising to 18.4, with 36 percent of respondents indicating that conditions improved and 17 percent indicating that conditions had deteriorated. The new orders and shipments indexes were also positive for a fifth month; the new orders index, at 13.0 was close to its values in the preceding months, and the shipments index fell slightly to 17.0. The unfilled orders index was slightly below zero at -4.5, with 18 percent of respondents reporting a rise in unfilled orders. The delivery time index remained relatively constant at -5.5, and the inventories index also held steady at -4.6.

Respondents indicated that pricing pressures intensified somewhat this month: the prices paid index was positive and higher than last month, and the prices received index continued a long string of negative readings. The vast majority of respondents, however, saw little change in prices paid or received. About 20 percent indicated that prices paid had risen in September, up from 12 percent last month, while 5 percent reported that prices had fallen. Eighteen percent of respondents—a slight increase from 15 percent last month—indicated that prices received had fallen, while 10 percent reported that prices had risen.

#### Average Workweek Lengthens

The number of employees index remained near zero, as it has throughout most of 2003. Roughly 22 percent indicated rising employment, and nearly the same percentage reported falling employment. The average workweek index, however, improved markedly, rising from -2.5 to 15.7. Thirty-one



percent of respondents indicated that the workweek was longer in September, up from 12 percent in August.

#### The Future Continues to Look Bright

Most future indexes remained favorable and similar to the levels of the past several months. The future general business conditions, new orders, and shipments indexes ranged between roughly 55 and 60. After rising into positive territory last month, the future inventories index fell back to near zero. Both future price indexes rose—the future prices paid index reached 26.6, while the future prices received index climbed to 5.5, its first positive reading since April. Future employment indexes were approximately 17, with slightly more than 30 percent of respondents expecting to increase employment and the average workweek. A small rise brought the capital expenditures index to 20.2, close to its average level over the past several months.

#### 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.

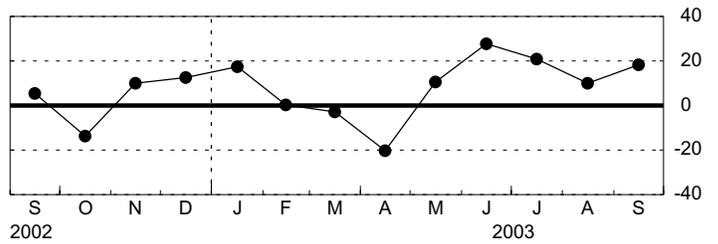
# Empire State Manufacturing Survey, September 2003

Seasonally Adjusted

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	31.10	47.79	21.12	9.98
Sep	35.77	46.82	17.42	18.35

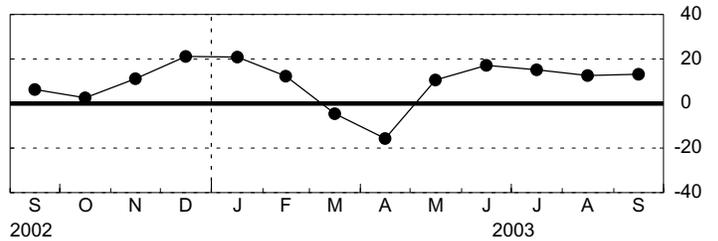
## General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	32.64	47.23	20.12	12.52
Sep	37.19	38.65	24.16	13.03

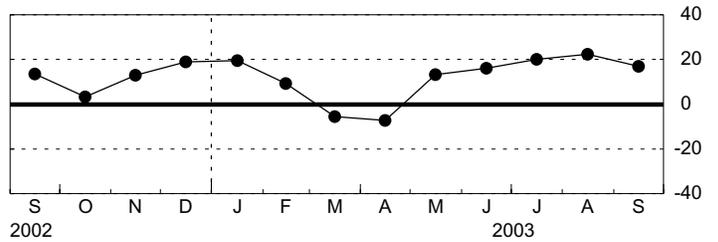
## New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	34.28	53.98	11.73	22.55
Sep	37.88	41.28	20.85	17.03

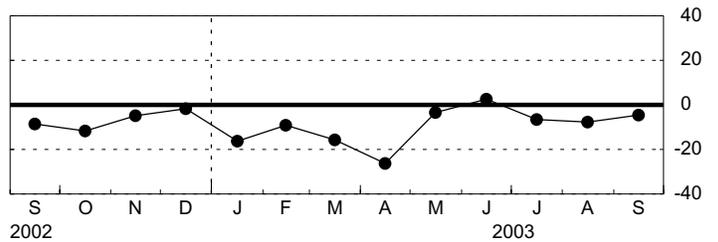
## Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	14.21	63.85	21.94	-7.73
Sep	18.45	58.64	22.91	-4.46

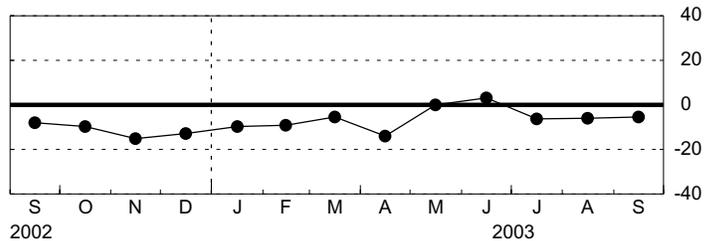
## Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	4.08	85.71	10.20	-6.12
Sep	6.42	81.65	11.93	-5.50

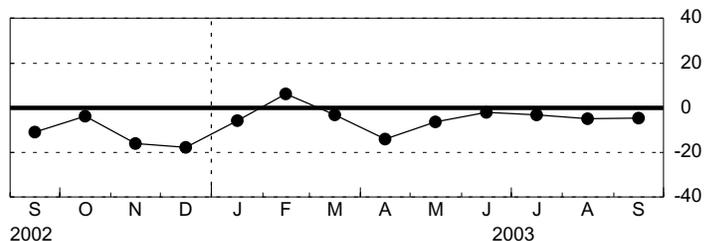
## Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	21.43	52.04	26.53	-5.10
Sep	23.85	47.71	28.44	-4.59

## Inventories - Diffusion Index



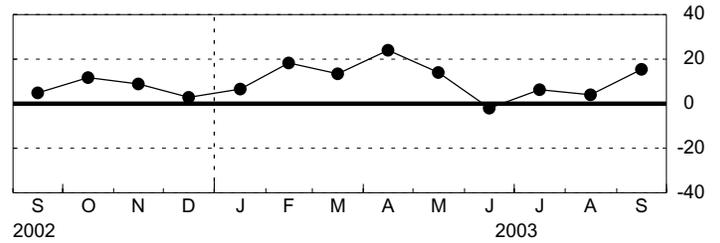
## Empire State Manufacturing Survey, September 2003

Seasonally Adjusted

### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.24	79.59	8.16	4.08
Sep	20.18	75.23	4.59	15.60

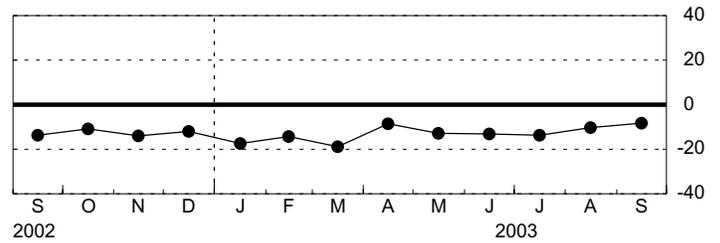
#### Prices Paid - Diffusion Index



### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	5.10	79.59	15.31	-10.20
Sep	10.09	71.56	18.35	-8.26

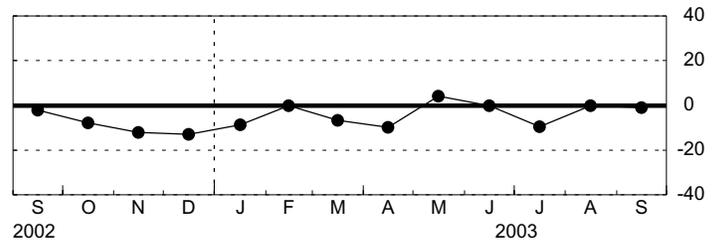
#### Prices Received - Diffusion Index



### No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	20.41	59.18	20.41	0.00
Sep	22.02	55.05	22.94	-0.92

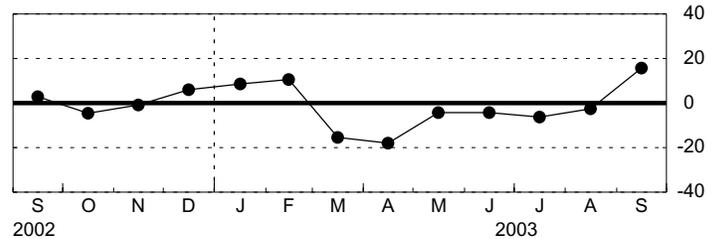
#### No. of Employees - Diffusion Index



### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.03	73.46	14.51	-2.48
Sep	30.87	53.95	15.18	15.70

#### Average Employee Workweek - Diffusion Index

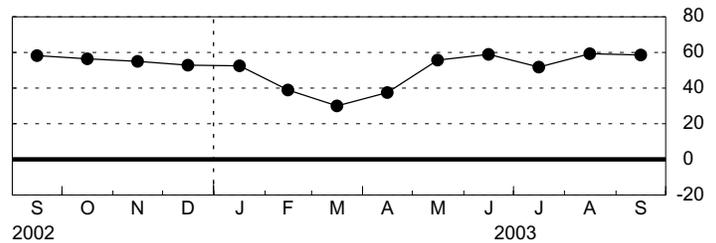


# Empire State Manufacturing Survey, September 2003, Expectations Six Months Ahead Seasonally Adjusted

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	66.47	26.54	6.99	59.47
Sep	68.17	22.45	9.38	58.79

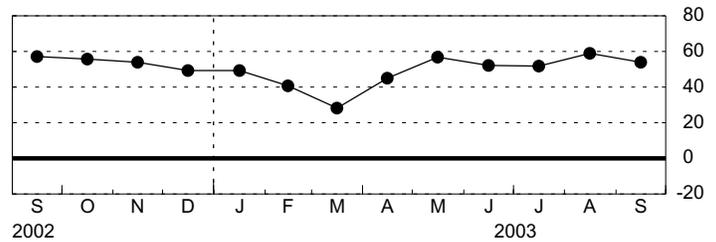
## General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	64.41	30.16	5.43	58.98
Sep	64.39	25.08	10.52	53.87

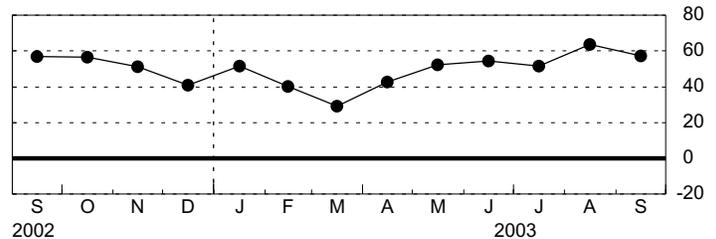
## New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	68.93	25.82	5.25	63.68
Sep	67.44	22.30	10.26	57.18

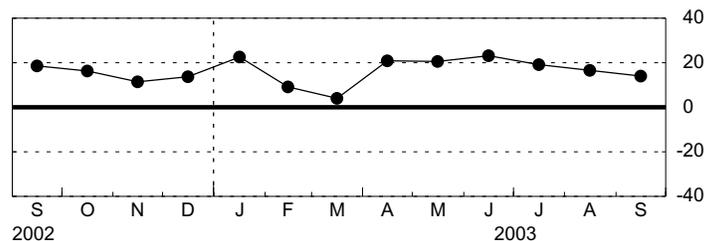
## Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	28.78	59.13	12.09	16.68
Sep	28.54	57.12	14.34	14.20

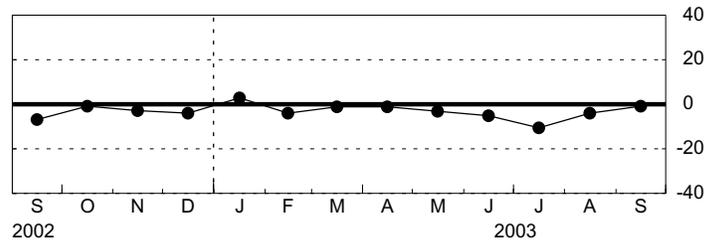
## Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	8.16	79.59	12.24	-4.08
Sep	13.76	71.56	14.68	-0.92

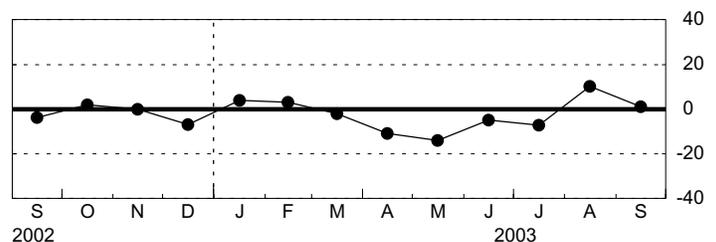
## Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	31.63	46.94	21.43	10.20
Sep	29.36	42.20	28.44	0.92

## Inventories - Diffusion Index

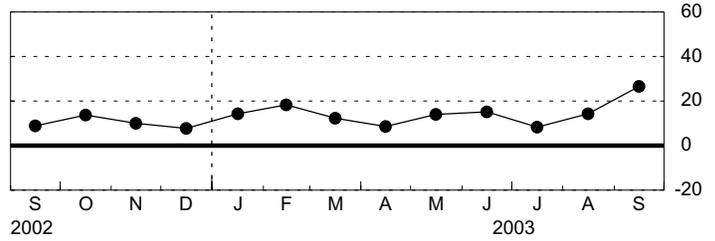


# Empire State Manufacturing Survey, September 2003, Expectations Six Months Ahead Seasonally Adjusted

## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	22.45	69.39	8.16	14.29
Sep	31.19	64.22	4.59	26.61

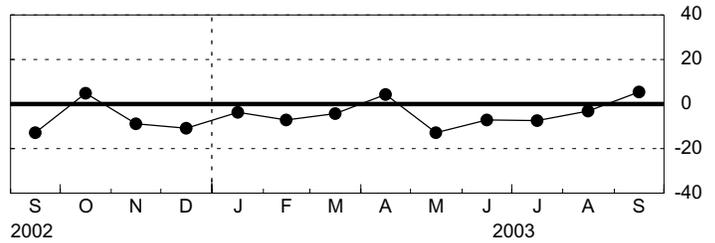
Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	11.22	74.49	14.29	-3.06
Sep	16.51	72.48	11.01	5.50

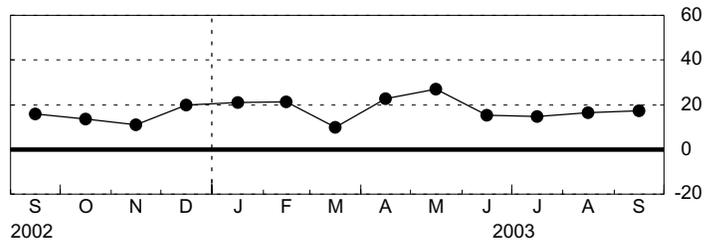
Prices Received - Diffusion Index



## No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	32.65	51.02	16.33	16.33
Sep	32.11	53.21	14.68	17.43

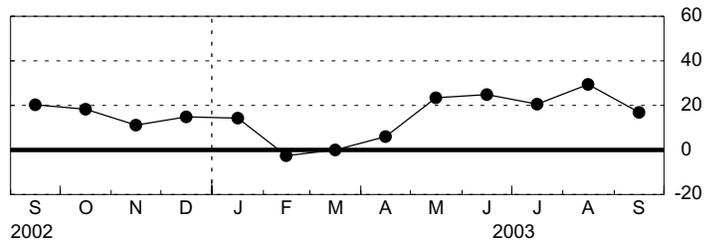
No. of Employees - Diffusion Index



## Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	37.40	54.70	7.89	29.51
Sep	31.41	54.19	14.40	17.01

Average Employee Workweek - Diffusion Index



## Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	29.59	57.14	13.27	16.33
Sep	35.78	48.62	15.60	20.18

Capital Expenditures - Diffusion Index

