

Empire State Manufacturing Survey

The September 2014 *Empire State Manufacturing Survey* indicates that business activity expanded at a robust pace for New York manufacturers. The headline general business conditions index rose thirteen points to 27.5, a multiyear high. The new orders index moved up three points to 16.9, and the shipments index advanced two points to 27.1. The unfilled orders index fell three points to -10.9. The prices paid index declined three points to 23.9, indicating a slower pace of input price increases, while the prices received index climbed nine points to 17.4, suggesting a pickup in the pace of selling price increases. Employment indexes showed a slight increase in employment levels and hours worked. Indexes for the six-month outlook conveyed a

high degree of optimism about future business conditions.

Business Activity Expands Robustly

Growth in business activity for New York manufacturers was solid, according to the September 2014 survey. The general business conditions index climbed thirteen points to 27.5, its highest level since late 2009. Forty-six percent of respondents reported that conditions had improved over the month, while 18 percent reported that conditions had worsened. The new orders index rose three points to 16.9, indicating a sturdy increase in orders, and the shipments index advanced two points to 27.1, pointing to a substantial increase in shipments. The unfilled orders index

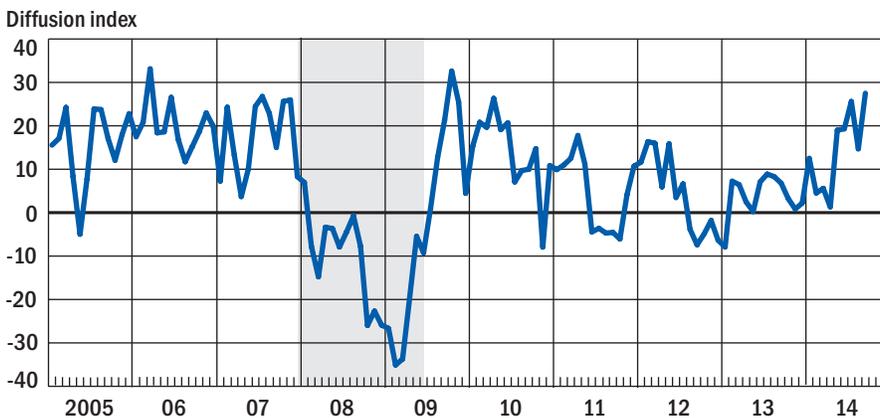
dropped three points to -10.9, suggesting that fewer orders remained unfilled over the month. The delivery time index was little changed at -5.4, and the inventories index, up seven points to -7.6, showed a decline in inventory levels for a third consecutive month.

Selling Prices Rise More Sharply

The prices paid index was slightly lower this month, falling three points to 23.9—a sign that input price increases were somewhat less widespread. The prices received index, however, jumped nine points to 17.4, indicating a pickup in the pace of selling price increases. Employment indexes pointed to a small increase in employment levels and hours worked: the index for number of employees fell ten points to 3.3, and the average workweek index dropped five points to 3.3.

General Business Conditions

Seasonally Adjusted



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

Outlook Remains Bright

Optimism about future business conditions remained high. The index for future general business conditions was unchanged from last month at 46.7. The future new orders index fell five points to 45.6, and the future shipments index declined seven points to 47.5. Though both of these indexes were somewhat below their August levels, they remained high by historical standards. The index for expected number of employees dipped to 14.1, and the future average workweek index was 5.4. The capital expenditures index fell five points to 13.0, and the technology spending index edged down three points to 9.8. ■

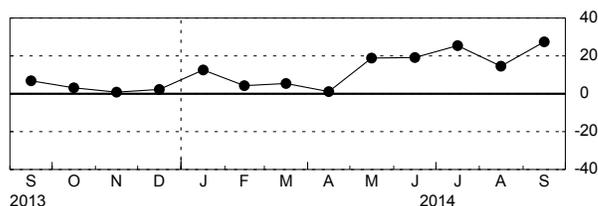
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	31.39	51.90	16.70	14.69
Sep	45.97	35.60	18.43	27.54

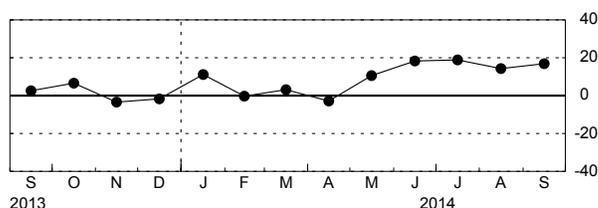
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	31.63	50.87	17.50	14.14
Sep	40.07	36.72	23.21	16.86

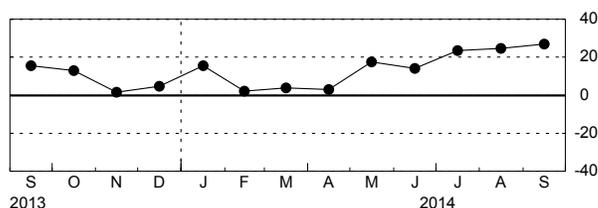
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	44.13	36.32	19.54	24.59
Sep	43.79	39.49	16.71	27.08

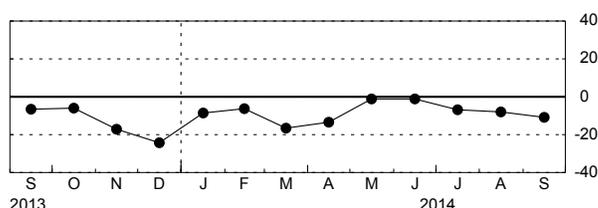
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	11.36	69.32	19.32	-7.95
Sep	11.96	65.22	22.83	-10.87

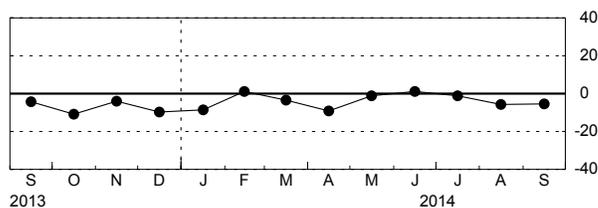
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	9.09	76.14	14.77	-5.68
Sep	10.87	72.83	16.30	-5.43

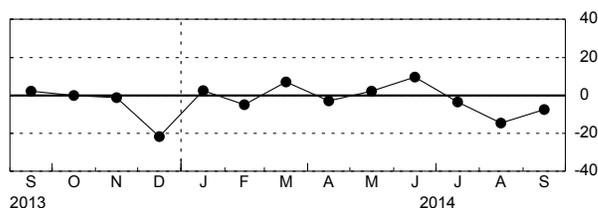
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.50	60.23	27.27	-14.77
Sep	19.57	53.26	27.17	-7.61

Inventories - Diffusion Index



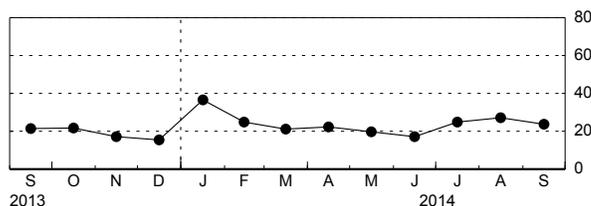
Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	29.55	68.18	2.27	27.27
Sep	27.17	69.57	3.26	23.91

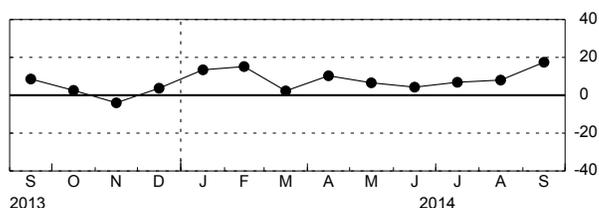
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	15.91	76.14	7.95	7.95
Sep	19.57	78.26	2.17	17.39

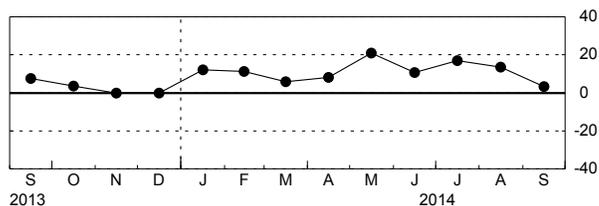
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	19.32	75.00	5.68	13.64
Sep	19.57	64.13	16.30	3.26

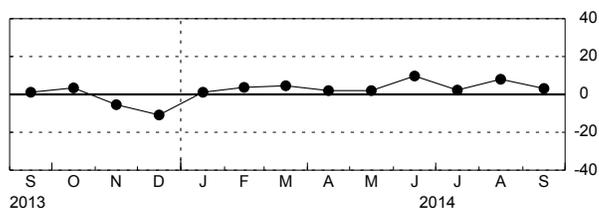
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	13.64	80.68	5.68	7.95
Sep	15.22	72.83	11.96	3.26

Average Employee Workweek - Diffusion Index



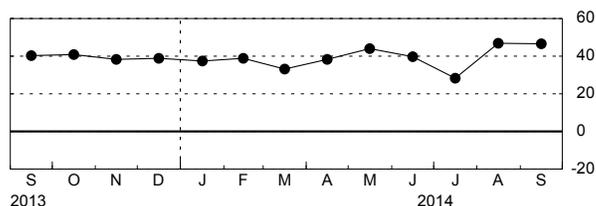
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	55.63	35.50	8.87	46.76
Sep	58.13	30.45	11.42	46.72

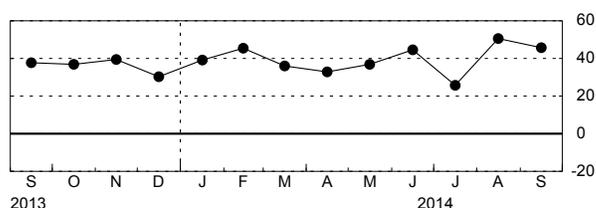
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	59.48	31.48	9.04	50.44
Sep	57.12	31.31	11.56	45.56

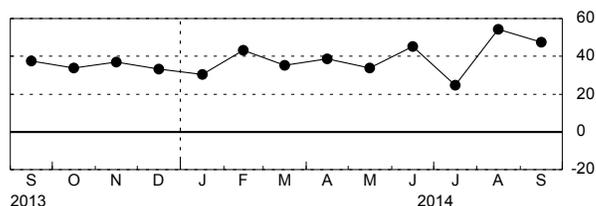
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	62.62	29.24	8.14	54.48
Sep	56.83	33.81	9.37	47.46

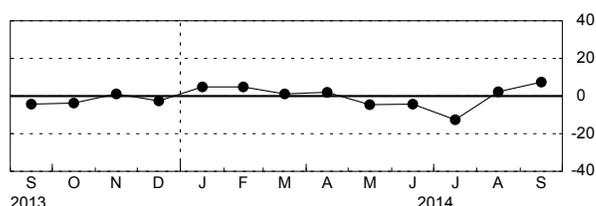
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	15.91	70.45	13.64	2.27
Sep	17.39	72.83	9.78	7.61

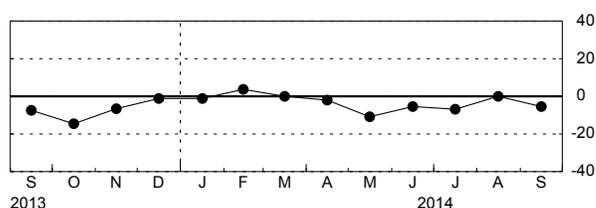
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	9.09	81.82	9.09	0.00
Sep	8.70	77.17	14.13	-5.43

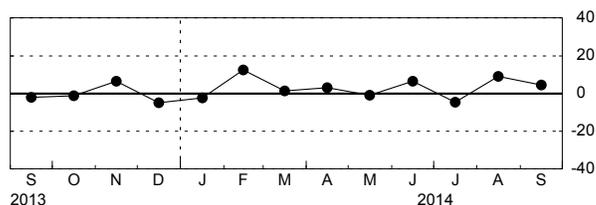
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	23.86	61.36	14.77	9.09
Sep	25.00	54.35	20.65	4.35

Inventories - Diffusion Index



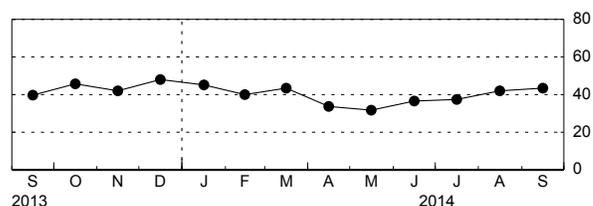
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	46.59	48.86	4.55	42.05
Sep	45.65	52.17	2.17	43.48

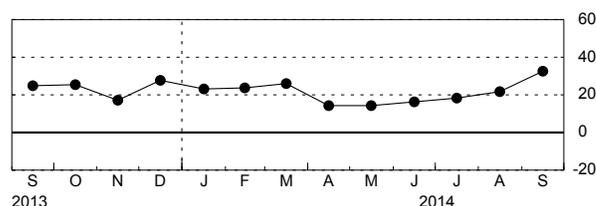
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	30.68	60.23	9.09	21.59
Sep	36.96	58.70	4.35	32.61

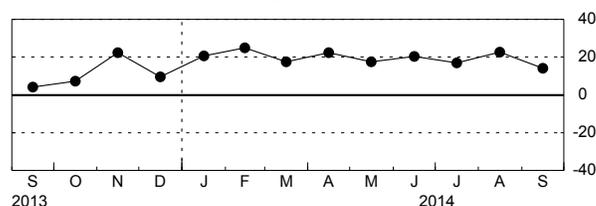
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	30.68	61.36	7.95	22.73
Sep	26.09	61.96	11.96	14.13

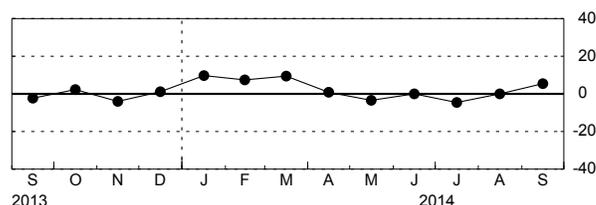
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	12.50	75.00	12.50	0.00
Sep	16.30	72.83	10.87	5.43

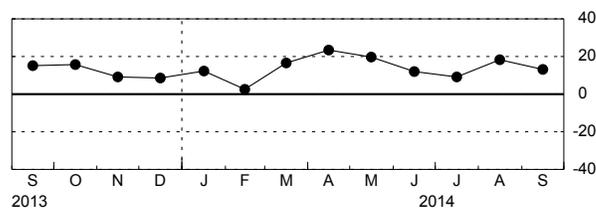
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	28.41	61.36	10.23	18.18
Sep	29.35	54.35	16.30	13.04

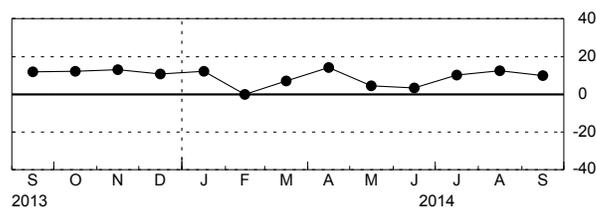
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	22.73	67.05	10.23	12.50
Sep	21.74	66.30	11.96	9.78

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.