

# Empire State Manufacturing Survey

The November 2014 *Empire State Manufacturing Survey* indicates that business activity continued to expand for New York manufacturers. The headline general business conditions index climbed four points to 10.2, indicating a pace of growth somewhat faster than last month's. The new orders index rose eleven points to 9.1, and the shipments index advanced eleven points to 11.8. The index for number of employees edged down to 8.5 but remained positive, indicating that employment levels grew; the average workweek index, by contrast, was negative, pointing to a decline in hours worked. After falling sharply last month, the prices paid index was little changed at 10.6—a sign that input prices had increased only modestly. The prices received index fell to zero, indicating that selling prices were flat. Indexes for the six-month outlook were generally higher this month and

conveyed a strong degree of optimism about future business conditions.

## Business Conditions Continue to Improve

Rising four points to 10.2, the general business conditions index signaled that business activity continued to expand for New York manufacturers in November, and at a somewhat faster pace than last month. Nonetheless, the October and November readings for this index point to a downshift in the pace of growth compared with the May-September period, when the index averaged around 20. About 35 percent of respondents reported that conditions had improved over the month, while 24 percent reported that conditions had worsened. The new orders index bounced back into positive territory after dipping below zero last month; its eleven-point rise,

to 9.1, pointed to a modest increase in orders. The shipments index also recovered from a sharp decline last month, climbing eleven points to 11.8. The unfilled orders index remained negative, falling three points to -7.5. The delivery time index, down four points to -9.6, indicated that delivery times were shorter, and the inventories index, at zero, suggested that inventory levels were unchanged.

## Selling Prices Flat This Month

The prices paid index inched down to 10.6, its lowest level in more than two years, pointing to a fairly slow pace of growth in input prices. The prices received index recorded its lowest reading in a year, falling seven points to zero in a sign that selling prices were flat. The index for number of employees edged down to 8.5, indicating a modest increase in employment levels. At -7.5, the average workweek index reflected a decline in hours worked for a second consecutive month.

## General Business Conditions

Seasonally Adjusted

Diffusion index



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

## Optimism about Future Conditions Remains Strong

Indexes assessing the six-month outlook generally rose this month, and conveyed considerable optimism about future business activity. The index for future general business conditions climbed six points to 47.6, its highest level since January 2012. The future new orders index rose five points to 47.0, and the future shipments index rose two points to 44.7. The index for expected number of employees jumped twelve points to 24.5, and the future average workweek index advanced to 8.5. The capital expenditures index moved up six points to 27.7, its highest level in more than two years, and the technology spending index rose to 19.2. ■

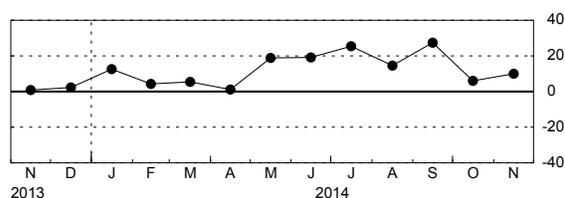
# Current Indicators

Change from Preceding Month

## General Business Conditions

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 25.43         | 55.30       | 19.27        | 6.17         |
| Nov | 34.62         | 40.93       | 24.46        | 10.16        |

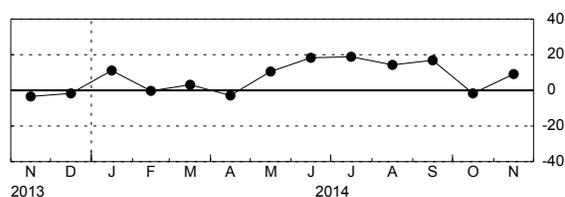
## General Business Conditions - Diffusion Index



## New Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 21.88         | 54.52       | 23.61        | -1.73        |
| Nov | 32.16         | 44.82       | 23.02        | 9.14         |

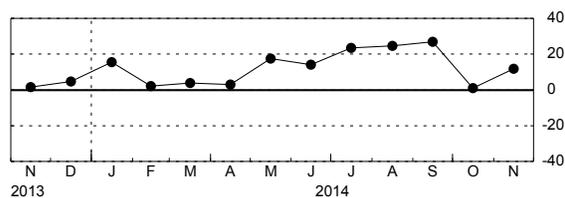
## New Orders - Diffusion Index



## Shipments

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 26.11         | 48.90       | 24.99        | 1.12         |
| Nov | 37.37         | 37.08       | 25.54        | 11.83        |

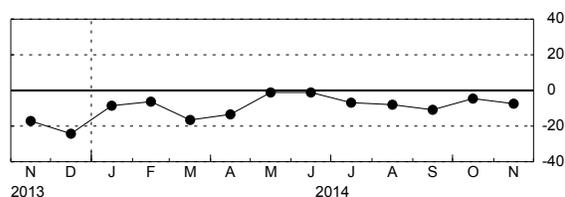
## Shipments - Diffusion Index



## Unfilled Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 13.64         | 68.18       | 18.18        | -4.55        |
| Nov | 13.83         | 64.89       | 21.28        | -7.45        |

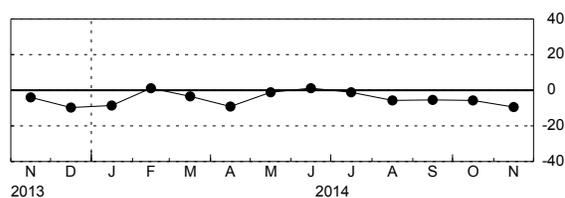
## Unfilled Orders - Diffusion Index



## Delivery Time

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 6.82          | 80.68       | 12.50        | -5.68        |
| Nov | 10.64         | 69.15       | 20.21        | -9.57        |

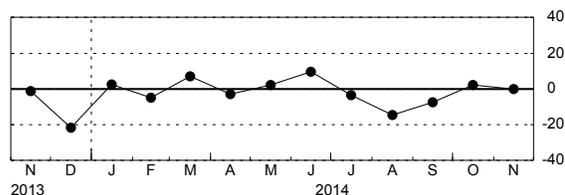
## Delivery Time - Diffusion Index



## Inventories

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 22.73         | 56.82       | 20.45        | 2.27         |
| Nov | 19.15         | 61.70       | 19.15        | 0.00         |

## Inventories - Diffusion Index



## Current Indicators, *continued*

### Change from Preceding Month

#### Prices Paid

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 15.91         | 79.55       | 4.55         | 11.36        |
| Nov | 17.02         | 76.60       | 6.38         | 10.64        |

#### Prices Received

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 11.36         | 84.09       | 4.55         | 6.82         |
| Nov | 6.38          | 87.23       | 6.38         | 0.00         |

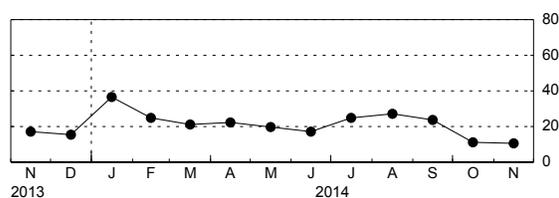
#### Number of Employees

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 22.73         | 64.77       | 12.50        | 10.23        |
| Nov | 18.09         | 72.34       | 9.57         | 8.51         |

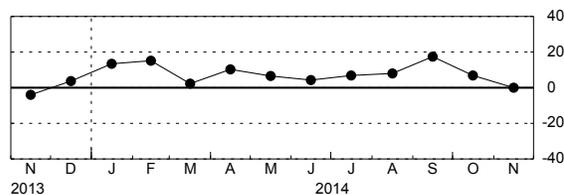
#### Average Employee Workweek

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 11.36         | 76.14       | 12.50        | -1.14        |
| Nov | 9.57          | 73.40       | 17.02        | -7.45        |

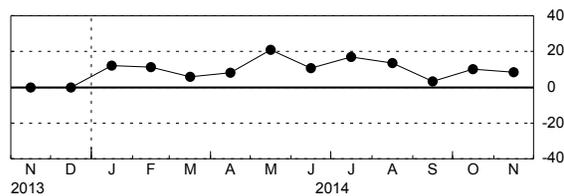
Prices Paid - Diffusion Index



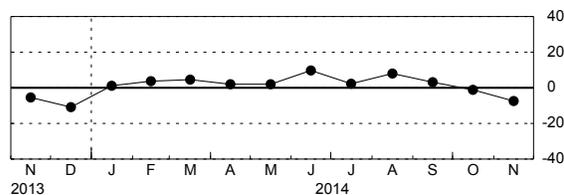
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

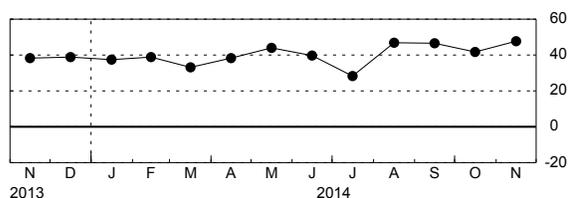
# Forward-Looking Indicators

Expectations Six Months Ahead

## General Business Conditions

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 50.22         | 41.22       | 8.56         | 41.66        |
| Nov | 53.43         | 40.76       | 5.82         | 47.61        |

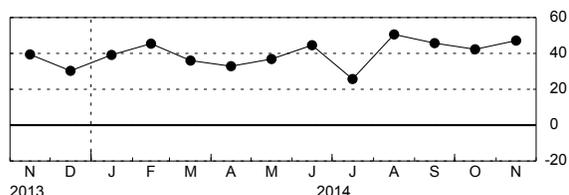
General Business Conditions - Diffusion Index



## New Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 52.92         | 36.50       | 10.58        | 42.34        |
| Nov | 51.65         | 43.70       | 4.66         | 46.99        |

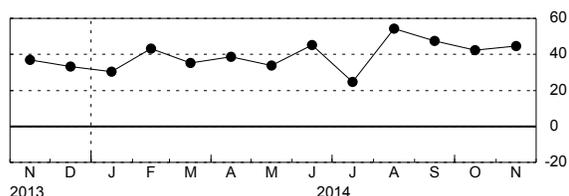
New Orders - Diffusion Index



## Shipments

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 52.08         | 38.38       | 9.54         | 42.54        |
| Nov | 49.65         | 45.39       | 4.97         | 44.68        |

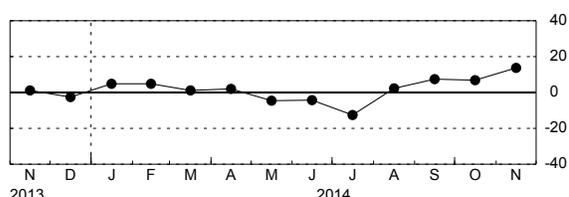
Shipments - Diffusion Index



## Unfilled Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 20.45         | 65.91       | 13.64        | 6.82         |
| Nov | 24.47         | 64.89       | 10.64        | 13.83        |

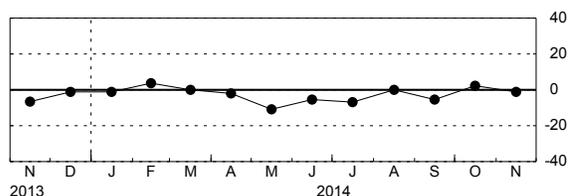
Unfilled Orders - Diffusion Index



## Delivery Time

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 13.64         | 75.00       | 11.36        | 2.27         |
| Nov | 10.64         | 77.66       | 11.70        | -1.06        |

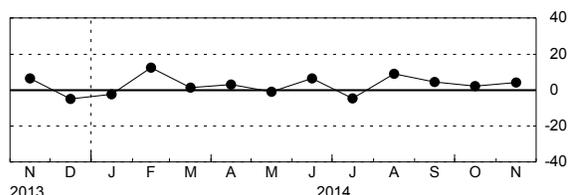
Delivery Time - Diffusion Index



## Inventories

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 25.00         | 52.27       | 22.73        | 2.27         |
| Nov | 22.34         | 59.57       | 18.09        | 4.26         |

Inventories - Diffusion Index



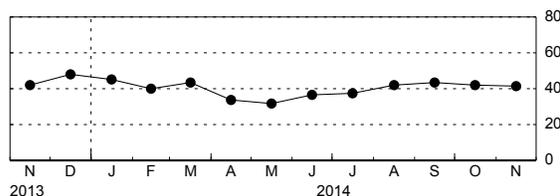
## Forward-Looking Indicators, *continued*

### Expectations Six Months Ahead

#### Prices Paid

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 45.45         | 51.14       | 3.41         | 42.05        |
| Nov | 44.68         | 52.13       | 3.19         | 41.49        |

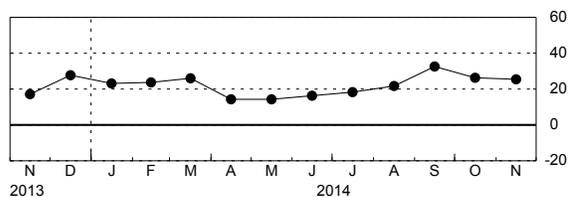
Prices Paid - Diffusion Index



#### Prices Received

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 35.23         | 55.68       | 9.09         | 26.14        |
| Nov | 31.91         | 61.70       | 6.38         | 25.53        |

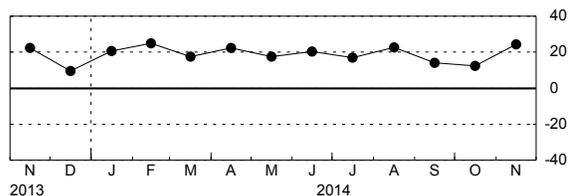
Prices Received - Diffusion Index



#### Number of Employees

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 23.86         | 64.77       | 11.36        | 12.50        |
| Nov | 32.98         | 58.51       | 8.51         | 24.47        |

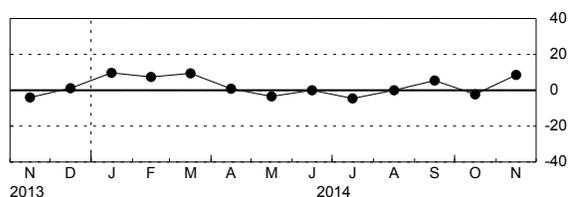
Number of Employees - Diffusion Index



#### Average Employee Workweek

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 11.36         | 75.00       | 13.64        | -2.27        |
| Nov | 17.02         | 74.47       | 8.51         | 8.51         |

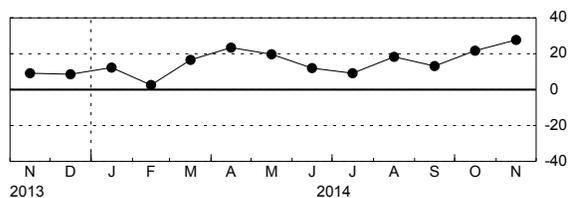
Average Employee Workweek - Diffusion Index



#### Capital Expenditures

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 34.09         | 53.41       | 12.50        | 21.59        |
| Nov | 39.36         | 48.94       | 11.70        | 27.66        |

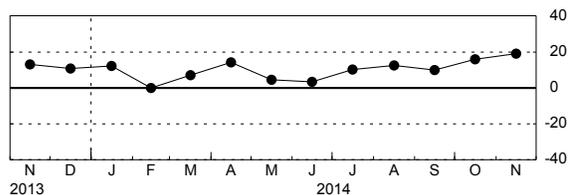
Capital Expenditures - Diffusion Index



#### Technology Spending

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Oct | 27.27         | 61.36       | 11.36        | 15.91        |
| Nov | 27.66         | 63.83       | 8.51         | 19.15        |

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.