

Empire State Manufacturing Survey

The July 2015 *Empire State Manufacturing Survey* indicates that business conditions improved slightly for New York manufacturers. The headline general business conditions index climbed six points to 3.9. The new orders index was little changed at -3.5, a sign that orders continued to decline, and the shipments index fell four points to 7.9. Labor market indicators signaled a small increase in employment levels and the average workweek. Price indexes pointed to modest increases in both input prices and selling prices, with the prices paid index reaching its lowest level in three years. Indexes for the six-month outlook suggested that optimism about future business conditions was slightly higher than in June, but in line with the trend over the past

six months, expectations for improvement remained subdued.

Business Conditions Somewhat Better

Business conditions were somewhat better for New York manufacturers, according to the July 2015 survey. After a slightly negative reading last month, the general business conditions index rose six points to 3.9. This index has moved in a see-saw pattern around zero for the past four months, indicating that business activity remains subdued. Thirty-one percent of respondents reported that conditions had improved, while 27 percent reported that conditions had worsened. The new orders index remained negative and, at -3.5, indicated a small decline in orders for a second consecutive month. The shipments index came in at 7.9, pointing to

a modest increase in shipments. The unfilled orders index retreated three points to -7.5, signaling a decline in unfilled orders. The delivery time index came in at zero, indicating that delivery times were unchanged, and the inventories index fell ten points to -8.5, a sign that inventory levels dropped.

Prices Increase Modestly

Price increases remained modest. The prices paid index fell to 7.5, its lowest level in three years, indicating only a modest increase in input prices. The prices received index rose four points to 5.3. Labor market conditions pointed to a small increase in employment and hours worked. The index for number of employees fell five points to 3.2, and the average workweek index was little changed at 4.3.

Optimism Somewhat Higher, but Remains Subdued

Many of the indexes for future activity inched higher, but in line with the trend over the past several months, remained subdued compared with the levels recorded throughout 2014. The index for future business activity edged up a point to 27.0. The index for future new orders increased six points to 32.2, and the index for future shipments rose three points to 25.4. Indexes for future prices paid and received were little changed. The index for future employment declined for a fourth consecutive month to 9.6, but it still suggested that manufacturers expected employment levels to rise. The capital expenditures index climbed ten points to 21.3, and the technology spending index moved up to 10.6. ■

General Business Conditions

Seasonally Adjusted



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

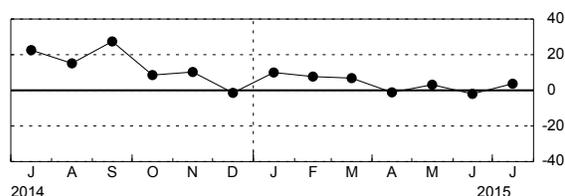
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	25.90	46.21	27.89	-1.98
Jul	30.95	41.95	27.10	3.86

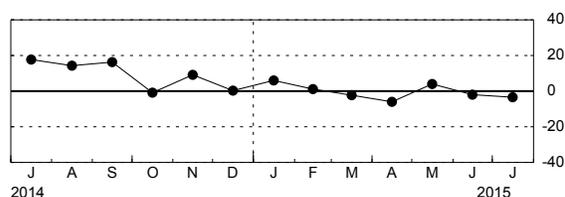
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	24.82	48.24	26.94	-2.12
Jul	25.32	45.86	28.82	-3.50

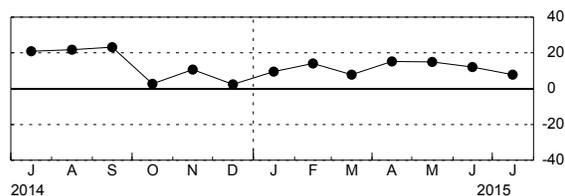
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	36.39	39.23	24.38	12.01
Jul	35.67	36.55	27.79	7.88

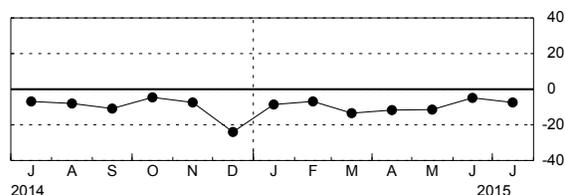
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	13.46	68.27	18.27	-4.81
Jul	14.89	62.77	22.34	-7.45

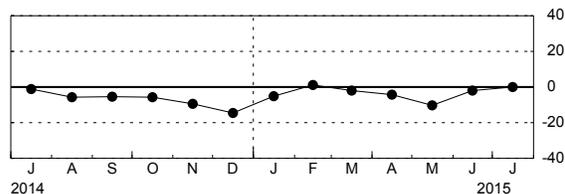
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	13.46	71.15	15.38	-1.92
Jul	12.77	74.47	12.77	0.00

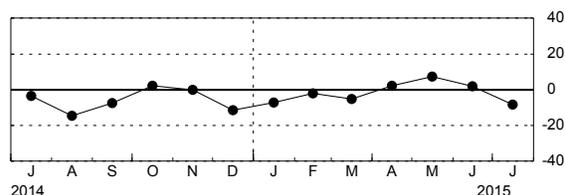
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	25.00	51.92	23.08	1.92
Jul	21.28	48.94	29.79	-8.51

Inventories - Diffusion Index



Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	14.42	80.77	4.81	9.62
Jul	13.83	79.79	6.38	7.45

Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	6.73	87.50	5.77	0.96
Jul	13.83	77.66	8.51	5.32

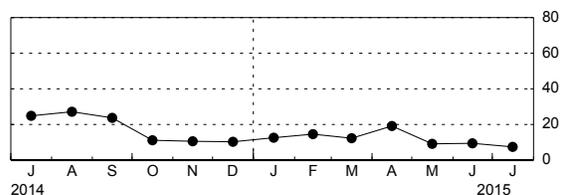
Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	21.15	66.35	12.50	8.65
Jul	17.02	69.15	13.83	3.19

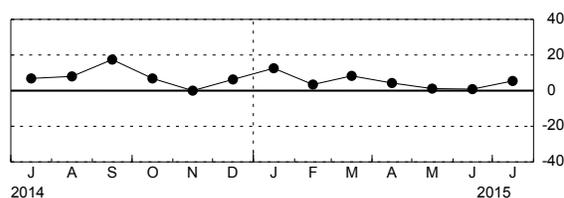
Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	14.42	75.00	10.58	3.85
Jul	19.15	65.96	14.89	4.26

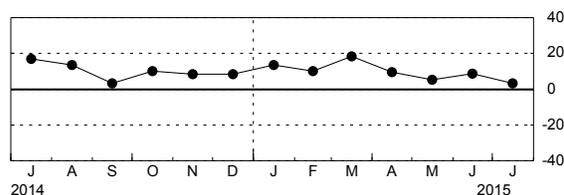
Prices Paid - Diffusion Index



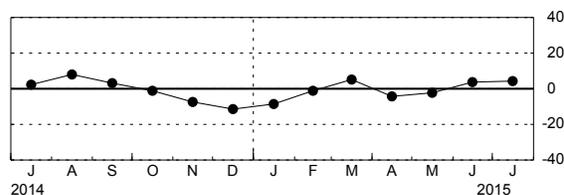
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

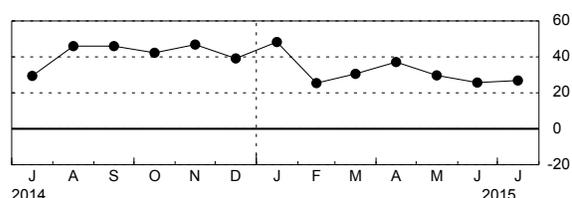
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	41.00	43.84	15.16	25.84
Jul	48.34	30.37	21.29	27.04

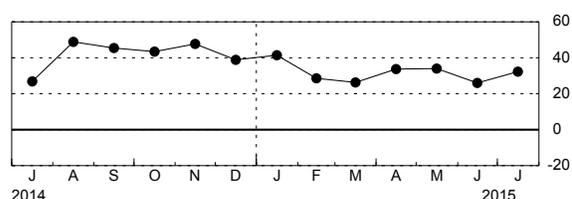
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	42.69	40.71	16.60	26.10
Jul	50.00	32.23	17.77	32.22

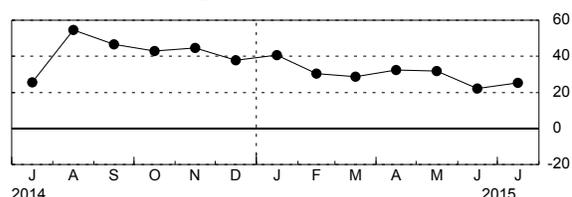
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	39.95	42.20	17.85	22.11
Jul	42.84	39.76	17.40	25.44

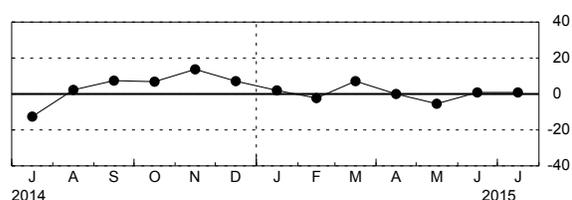
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	13.46	74.04	12.50	0.96
Jul	14.89	71.28	13.83	1.06

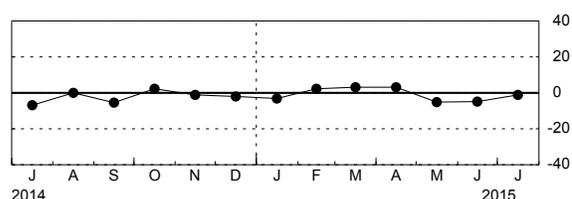
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	8.65	77.88	13.46	-4.81
Jul	10.64	77.66	11.70	-1.06

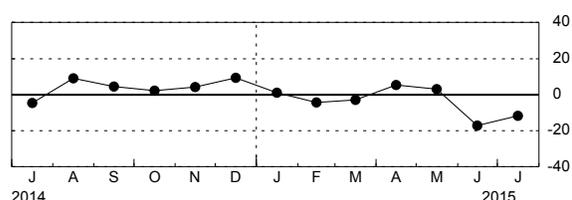
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	12.50	57.69	29.81	-17.31
Jul	18.09	52.13	29.79	-11.70

Inventories - Diffusion Index



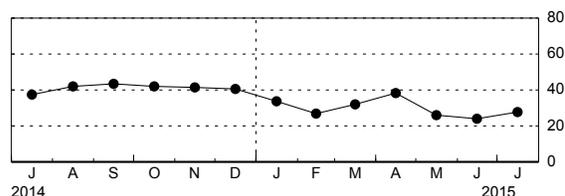
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	28.85	66.35	4.81	24.04
Jul	34.04	59.57	6.38	27.66

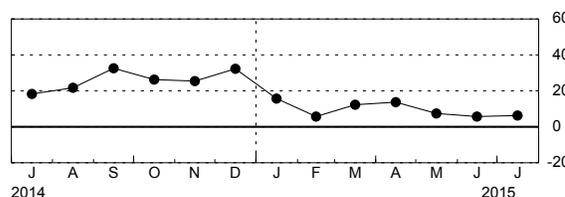
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	14.42	76.92	8.65	5.77
Jul	20.21	65.96	13.83	6.38

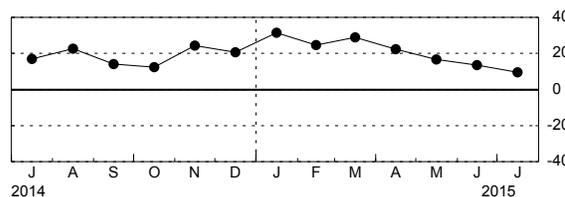
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	24.04	65.38	10.58	13.46
Jul	26.60	56.38	17.02	9.57

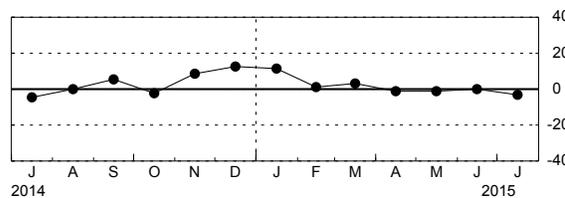
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	14.42	71.15	14.42	0.00
Jul	13.83	69.15	17.02	-3.19

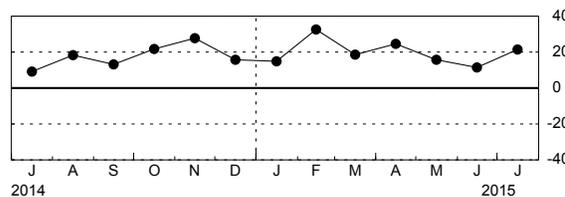
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	24.04	63.46	12.50	11.54
Jul	29.79	61.70	8.51	21.28

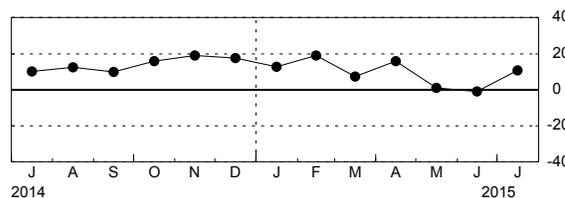
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jun	9.62	79.81	10.58	-0.96
Jul	17.02	76.60	6.38	10.64

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.