

Empire State Manufacturing Survey

The August 2015 *Empire State Manufacturing Survey* indicates that business activity declined for New York manufacturers. The headline general business conditions index tumbled nineteen points to -14.9, its lowest level since 2009. The new orders and shipments indexes also fell sharply, to -15.7 and -13.8 respectively, pointing to a marked decline in both orders and shipments. The inventories index dropped to -17.3, signaling that inventory levels were lower. Price indexes showed that input prices were slightly higher, while selling prices were flat. Labor market indicators suggested that employment levels and hours worked were little changed. Indexes for the six-month outlook registered somewhat greater optimism than in July, with the future general

business conditions index rising seven points to 33.6.

Headline Index Falls to Its Lowest Level since the Great Recession

Business activity declined for New York manufacturers, according to the August 2015 survey. After hovering around zero since April, the general business conditions index dropped nineteen points to -14.9, its lowest level since April 2009. Nineteen percent of respondents reported that conditions had improved over the month, while 34 percent reported that conditions had worsened. The new orders index fell twelve points to -15.7, its lowest level in several years, indicating that orders were down appreciably, and the shipments index plunged twenty-two points to -13.8, pointing to a substantial

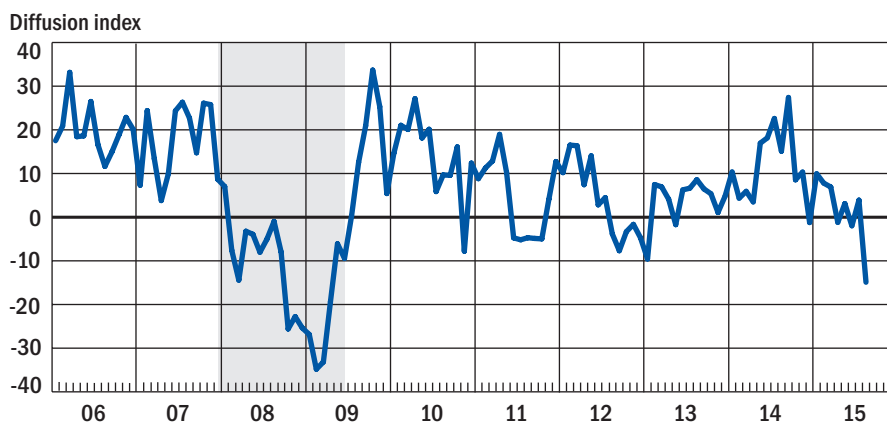
decline in shipments. The unfilled orders index edged up three points to -4.5. The delivery time index fell to -4.6, indicating slightly shorter delivery times, and the inventories index fell nine points to -17.3, suggesting that inventory levels were significantly lower than last month.

Employment Flat

Price increases remained subdued. The prices paid index was little changed at 7.3, continuing the pattern of modest input price increases seen in recent months. The prices received index fell to 0.9, indicating that selling prices were flat. Labor market indicators pointed to little change in employment and hours worked. The index for number of employees edged down one point to 1.8, and the average workweek index fell to -1.8.

General Business Conditions

Seasonally Adjusted



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

Despite Current Weakness, Outlook Remains Fairly Positive

While indexes for future activity fell short of the higher levels recorded throughout 2014, they still showed a fair degree of optimism about the six-month outlook. The index for future business activity climbed seven points to 33.6. The index for future new orders dipped to 29.4, while the index for future shipments rose eight points to 33.0. Indexes for future prices paid and received advanced. The index for future number of employees declined for a fifth consecutive month, reaching 3.6—a sign that little change in employment levels was expected in the months ahead. The capital expenditures index fell four points to 17.3, and the technology spending index rose three points to 13.6. ■

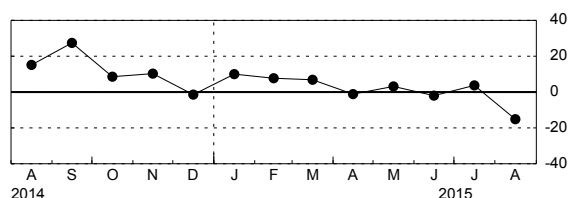
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	30.95	41.95	27.10	3.86
Aug	19.20	46.68	34.12	-14.92

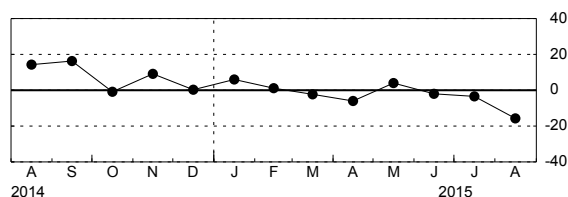
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	25.32	45.86	28.82	-3.50
Aug	18.69	46.91	34.39	-15.70

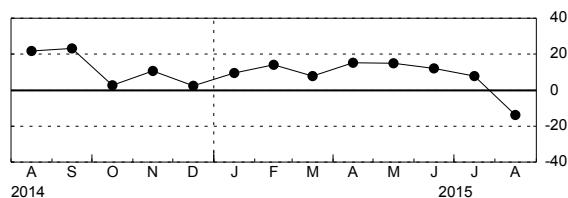
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	35.67	36.55	27.79	7.88
Aug	16.81	52.59	30.60	-13.79

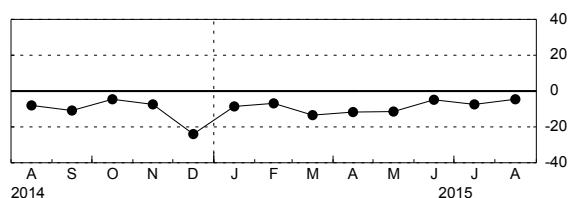
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	14.89	62.77	22.34	-7.45
Aug	12.73	70.00	17.27	-4.55

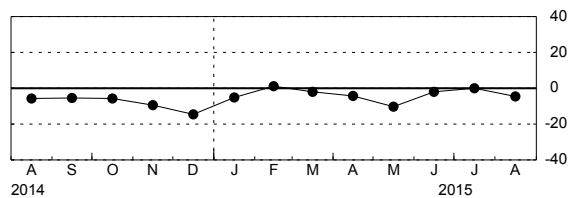
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	12.77	74.47	12.77	0.00
Aug	10.00	75.45	14.55	-4.55

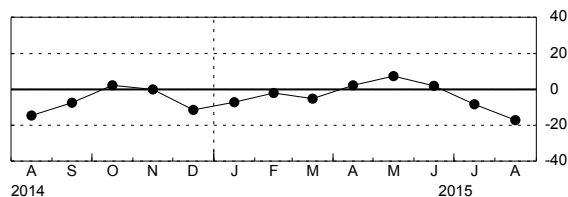
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	21.28	48.94	29.79	-8.51
Aug	16.36	50.00	33.64	-17.27

Inventories - Diffusion Index



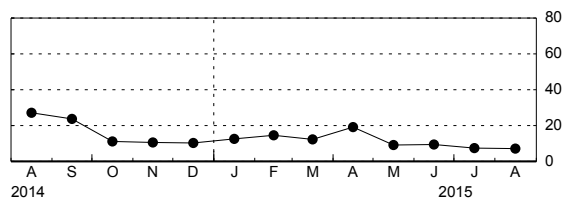
Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	13.83	79.79	6.38	7.45
Aug	18.18	70.91	10.91	7.27

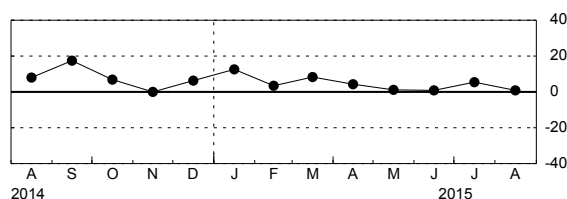
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	13.83	77.66	8.51	5.32
Aug	12.73	75.45	11.82	0.91

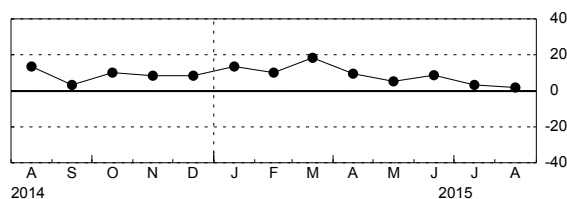
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	17.02	69.15	13.83	3.19
Aug	17.27	67.27	15.45	1.82

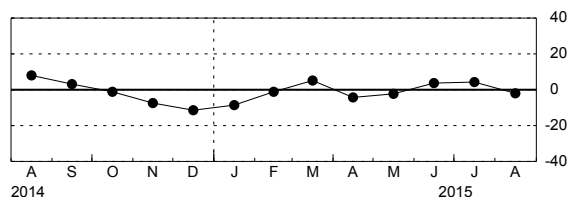
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	19.15	65.96	14.89	4.26
Aug	10.00	78.18	11.82	-1.82

Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

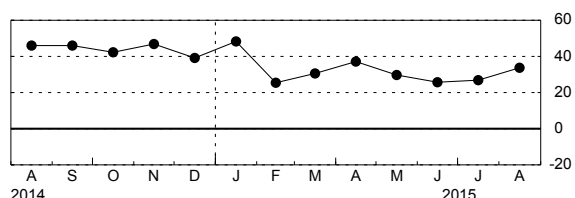
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	48.34	30.37	21.29	27.04
Aug	45.47	42.70	11.83	33.64

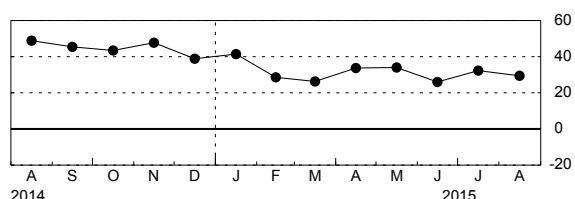
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	50.00	32.23	17.77	32.22
Aug	43.04	43.28	13.68	29.36

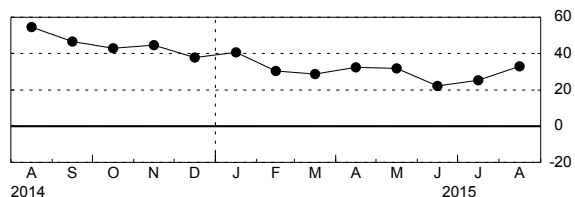
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	42.84	39.76	17.40	25.44
Aug	44.03	44.92	11.05	32.97

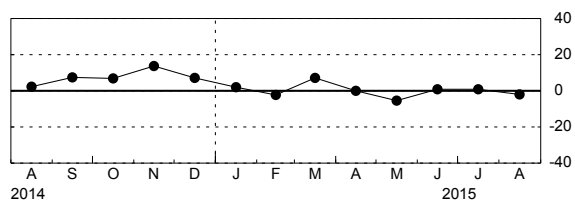
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	14.89	71.28	13.83	1.06
Aug	11.82	74.55	13.64	-1.82

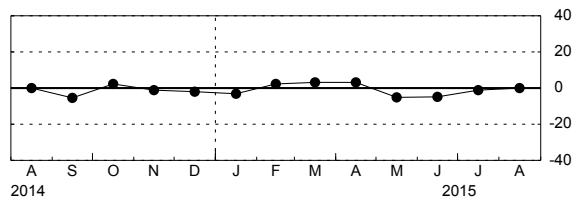
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	10.64	77.66	11.70	-1.06
Aug	10.00	80.00	10.00	0.00

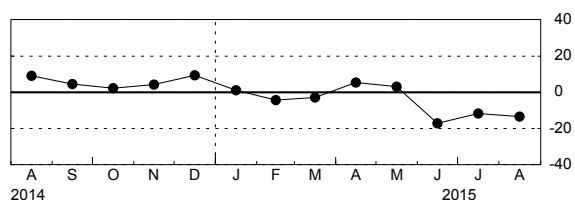
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	18.09	52.13	29.79	-11.70
Aug	16.36	53.64	30.00	-13.64

Inventories - Diffusion Index



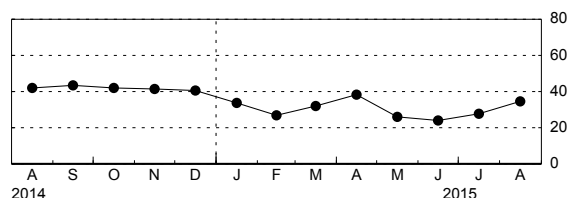
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	34.04	59.57	6.38	27.66
Aug	39.09	56.36	4.55	34.55

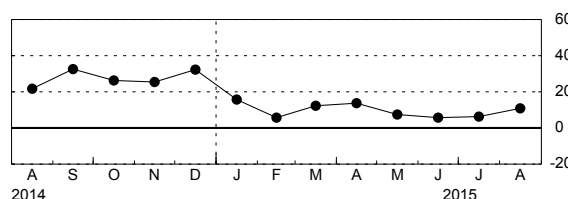
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	20.21	65.96	13.83	6.38
Aug	21.82	67.27	10.91	10.91

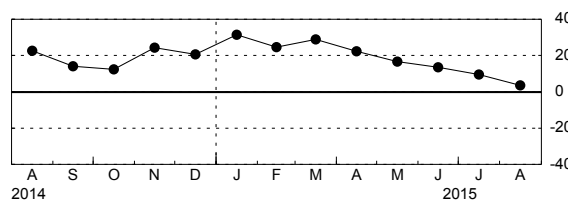
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	26.60	56.38	17.02	9.57
Aug	20.00	63.64	16.36	3.64

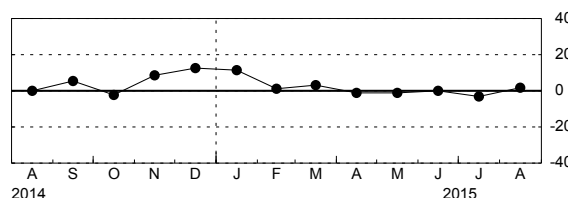
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	13.83	69.15	17.02	-3.19
Aug	12.73	76.36	10.91	1.82

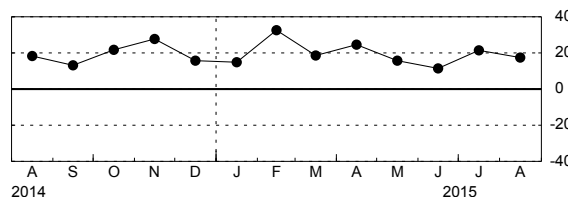
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	29.79	61.70	8.51	21.28
Aug	27.27	62.73	10.00	17.27

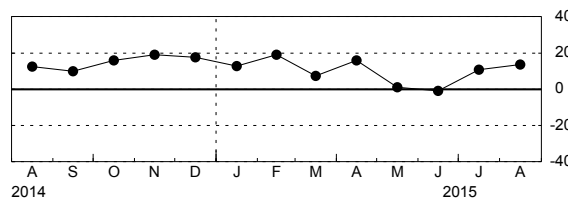
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	17.02	76.60	6.38	10.64
Aug	21.82	70.00	8.18	13.64

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.