

Empire State Manufacturing Survey

The February 2016 *Empire State Manufacturing Survey* indicates that business activity continued to decline for New York manufacturers. The headline general business conditions index edged up three points, but remained firmly in negative territory at -16.6. The new orders and shipments indexes indicated an ongoing decline in both orders and shipments. Price indexes suggested a slight increase in input prices and a small drop in selling prices. Employment levels steadied, while the average workweek index pointed to a decrease in hours worked. The six-month outlook remained weak, with the index for future general

business conditions up only slightly from last month's multi-year low.

Business Activity Continues to Contract

Business activity declined for a seventh consecutive month for New York manufacturing firms, according to the February 2016 survey. After dropping to its lowest level since the Great Recession in January, the general business conditions index edged up three points to -16.6. The new orders index climbed twelve points to -11.6, indicating that orders fell, though at a slower pace than last month. The shipments index rose

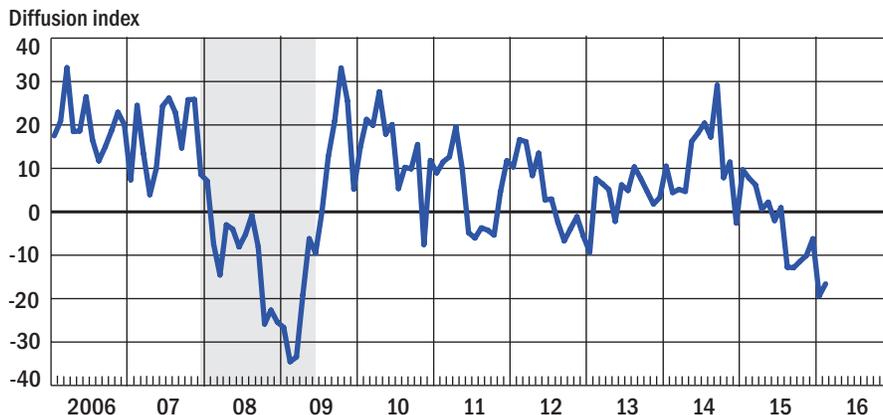
three points to -11.6—a sign that shipments continued to slide. The unfilled orders index advanced four points to -6.9. The delivery time index rose eleven points to -2.0 and the inventories index came in at zero, suggesting that delivery times held steady and inventories leveled off.

Employment Levels Unchanged

The prices paid index dropped thirteen points to 3, indicating a slight increase in input prices. The prices received index, down nine points to -5.0, suggested a small decline in selling prices. The index for number of employees rose twelve points to -1.0, indicating that employment levels were flat, and the average workweek index held steady at -6.0, signaling that the average workweek shortened.

General Business Conditions

Seasonally Adjusted



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

Optimism Remains Subdued

After falling sharply last month, indexes for the six-month outlook revealed that optimism about future business conditions remained weak. The index for future business conditions rose five points to 14.5. The indexes for future new orders and future shipments recovered somewhat after their steep declines in January, rising modestly to readings in the low 20s. Employment was expected to increase, with the index for expected number of employees climbing to 16.8. The capital expenditures index held steady at 12.9, and the technology spending index edged down to 5.9. ■

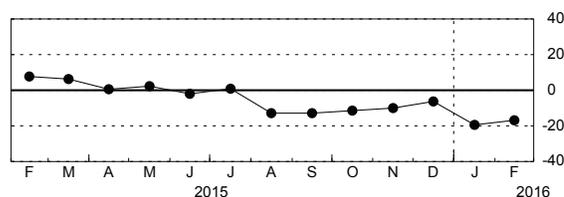
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	19.38	41.86	38.75	-19.37
Feb	19.10	45.15	35.74	-16.64

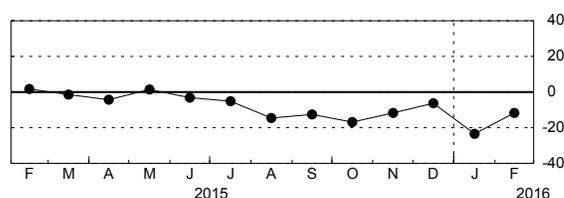
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	22.53	31.40	46.07	-23.54
Feb	22.50	43.37	34.13	-11.63

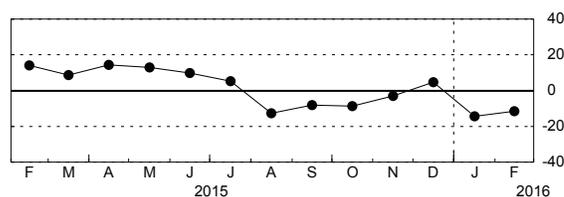
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	27.73	30.15	42.12	-14.39
Feb	21.74	44.97	33.30	-11.56

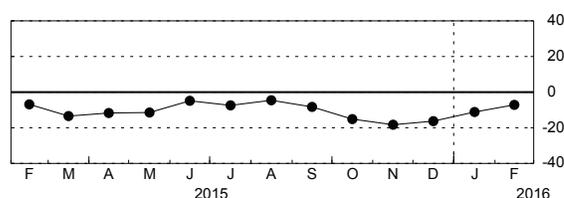
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	14.00	61.00	25.00	-11.00
Feb	13.86	65.35	20.79	-6.93

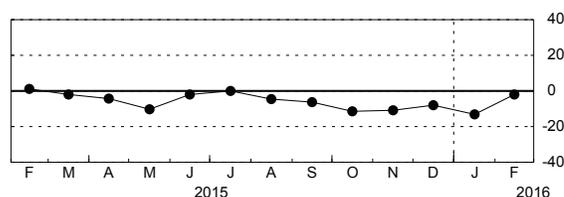
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	6.00	75.00	19.00	-13.00
Feb	10.89	76.24	12.87	-1.98

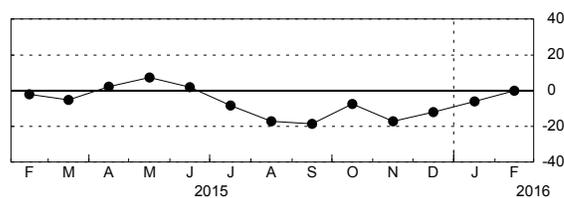
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	19.00	56.00	25.00	-6.00
Feb	21.78	56.44	21.78	0.00

Inventories - Diffusion Index



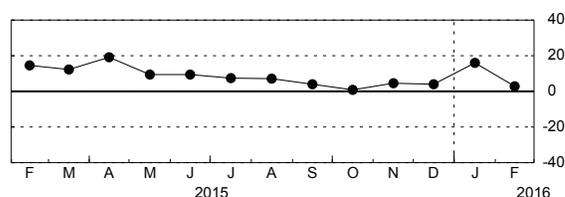
Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	22.00	72.00	6.00	16.00
Feb	15.84	71.29	12.87	2.97

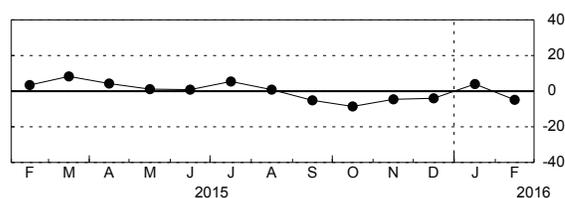
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	14.00	76.00	10.00	4.00
Feb	9.90	75.25	14.85	-4.95

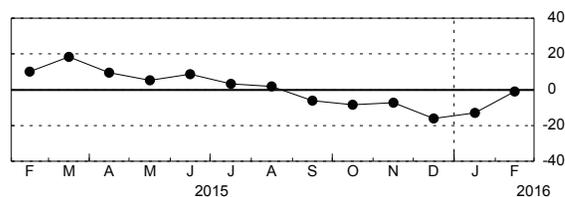
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	13.00	61.00	26.00	-13.00
Feb	13.86	71.29	14.85	-0.99

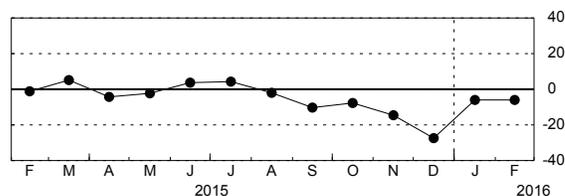
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	14.00	66.00	20.00	-6.00
Feb	8.91	76.24	14.85	-5.94

Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

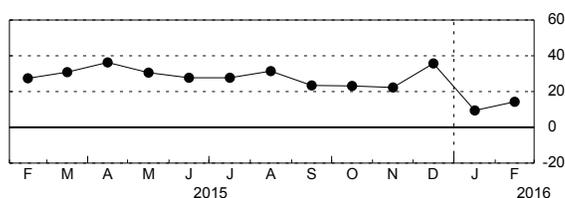
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	43.70	22.11	34.19	9.51
Feb	42.09	30.29	27.62	14.48

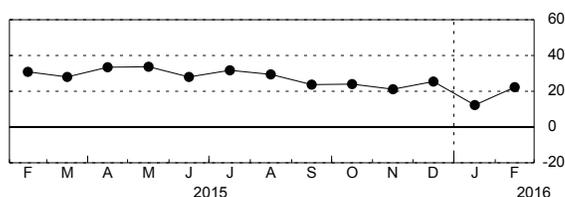
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	43.04	26.09	30.87	12.18
Feb	47.60	26.96	25.45	22.15

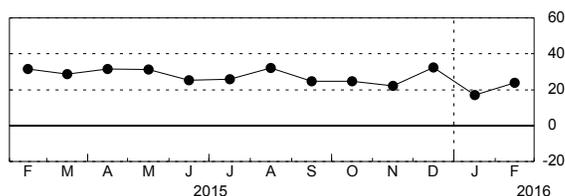
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	44.83	27.30	27.87	16.97
Feb	46.67	30.49	22.85	23.82

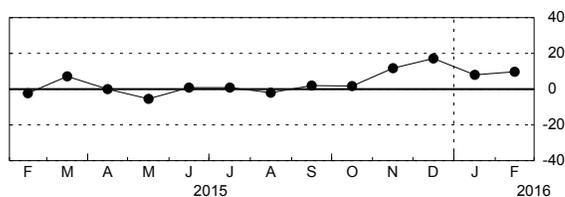
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	21.00	66.00	13.00	8.00
Feb	20.79	68.32	10.89	9.90

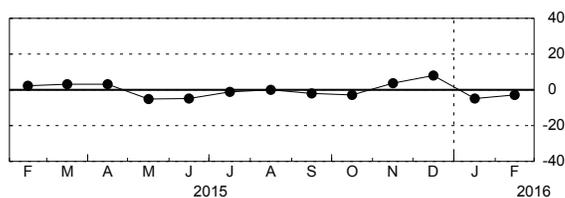
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	12.00	71.00	17.00	-5.00
Feb	9.90	77.23	12.87	-2.97

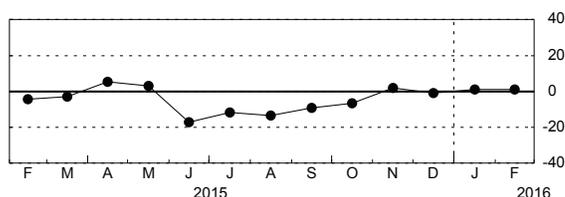
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	23.00	55.00	22.00	1.00
Feb	24.75	51.49	23.76	0.99

Inventories - Diffusion Index



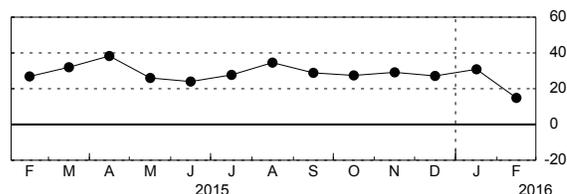
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	33.00	65.00	2.00	31.00
Feb	24.75	65.35	9.90	14.85

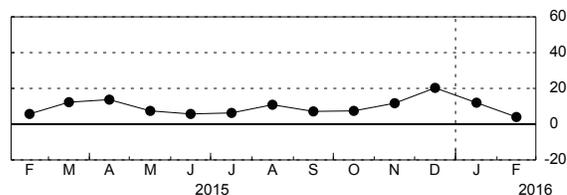
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	23.00	66.00	11.00	12.00
Feb	15.84	72.28	11.88	3.96

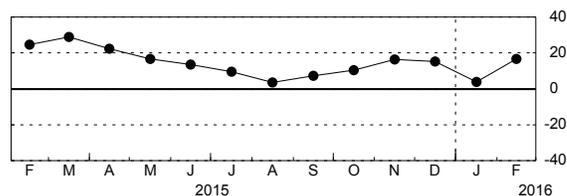
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	26.00	52.00	22.00	4.00
Feb	28.71	59.41	11.88	16.83

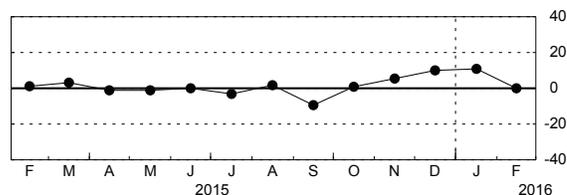
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	24.00	63.00	13.00	11.00
Feb	15.84	68.32	15.84	0.00

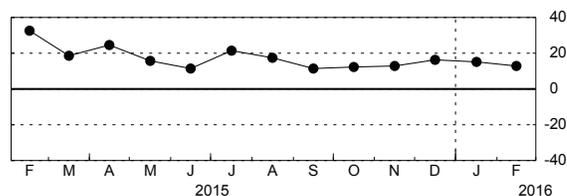
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	25.00	65.00	10.00	15.00
Feb	25.74	61.39	12.87	12.87

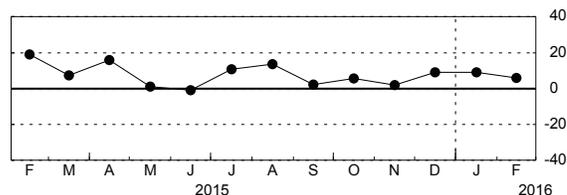
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jan	16.00	77.00	7.00	9.00
Feb	17.82	70.30	11.88	5.94

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.