

Empire State Manufacturing Survey

The March 2016 *Empire State Manufacturing Survey* indicates that business activity steadied for New York manufacturers. The headline general business conditions climbed seventeen points to 0.6, its first positive reading since July of last year. The new orders and shipments indexes rose well above zero for the first time in several months, pointing to an increase in both orders and shipments. Price indexes suggested a slight increase in input prices and a small decline in selling prices. Labor market conditions were little changed, with employment and the average workweek holding fairly steady. The six-month outlook

improved, with the index for future new orders rising to its highest level in more than a year.

Business Conditions Stabilize

Business activity steadied for New York manufacturing firms, according to the March 2016 survey. After seven months in negative territory, the general business conditions index climbed seventeen points to 0.6. Twenty-five percent of respondents reported that conditions had improved over the month, while roughly the same percentage reported that conditions had worsened. The new orders index posted a steep gain of

twenty-one points, rising to 9.6—a positive reading that marked the first time orders had increased in several months. The shipments index shot up twenty-five points to 13.9, signaling an increase in shipments, and the unfilled orders index edged up three points to -4.0. The delivery time index inched down to -4.0. The inventories index fell to -6.9, suggesting a decline in inventory levels.

Employment Little Changed

The prices paid index held steady at 3.0, indicating a slight increase in input prices. At -6.0, the prices received index pointed to a small decline in selling prices. The index for number of employees edged down to -2.0, indicating that employment levels remained fairly steady, and the average workweek index rose to 2.0, a sign that the average workweek was also little changed.

Improvement Expected

Indexes for the six-month outlook indicated that conditions are expected to improve in the months ahead. The index for future business conditions climbed eleven points to 25.5. The index for future new orders advanced seventeen points to 38.9, its highest level in more than a year, and the index for future shipments rose ten points to 33.3. The capital expenditures index moved up three points to 15.8, and the technology spending index rose to 9.9. ■

General Business Conditions

Seasonally Adjusted



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

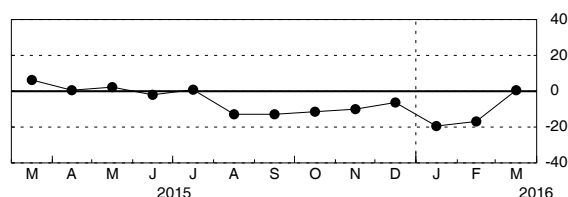
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	19.10	45.15	35.74	-16.64
Mar	24.55	51.53	23.92	0.62

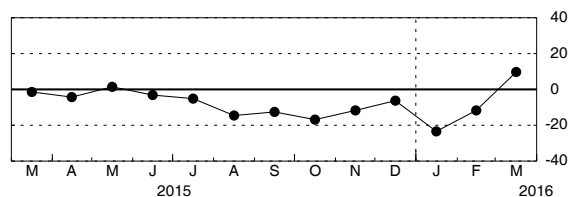
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	22.50	43.37	34.13	-11.63
Mar	34.87	39.83	25.30	9.57

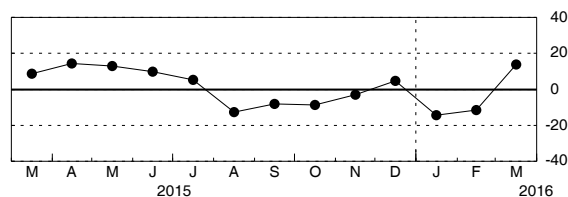
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	21.74	44.97	33.30	-11.56
Mar	36.66	40.56	22.78	13.88

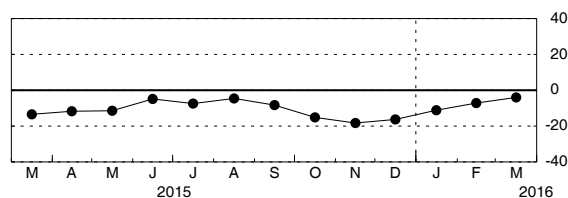
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	13.86	65.35	20.79	-6.93
Mar	12.87	70.30	16.83	-3.96

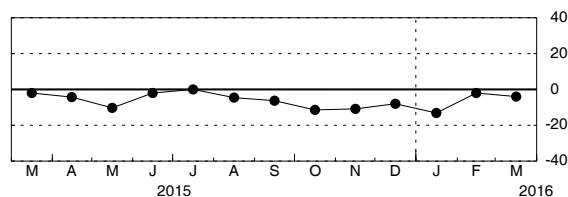
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	10.89	76.24	12.87	-1.98
Mar	8.91	78.22	12.87	-3.96

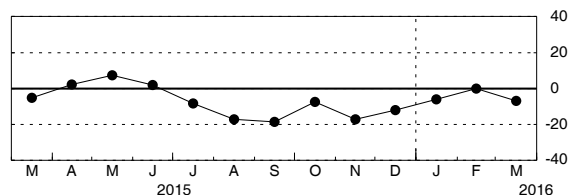
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	21.78	56.44	21.78	0.00
Mar	17.82	57.43	24.75	-6.93

Inventories - Diffusion Index



Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	15.84	71.29	12.87	2.97
Mar	11.88	79.21	8.91	2.97

Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	9.90	75.25	14.85	-4.95
Mar	7.92	78.22	13.86	-5.94

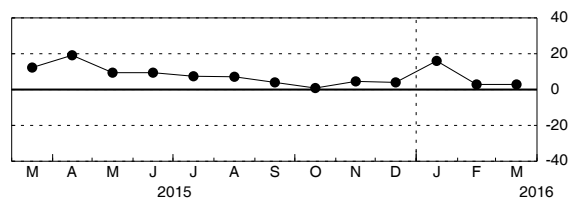
Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	13.86	71.29	14.85	-0.99
Mar	12.87	72.28	14.85	-1.98

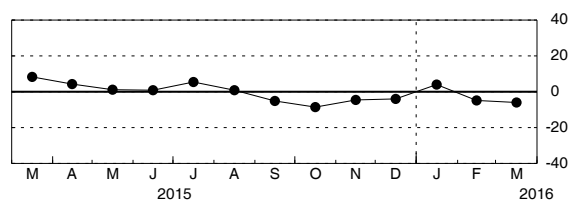
Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	8.91	76.24	14.85	-5.94
Mar	12.87	76.24	10.89	1.98

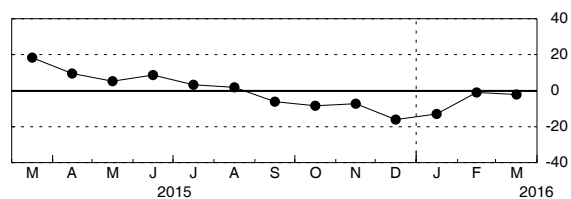
Prices Paid - Diffusion Index



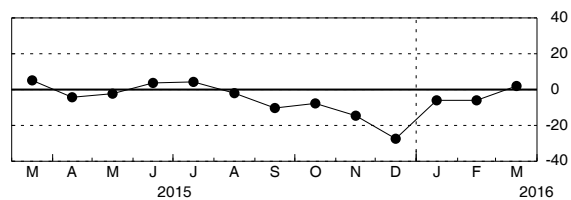
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

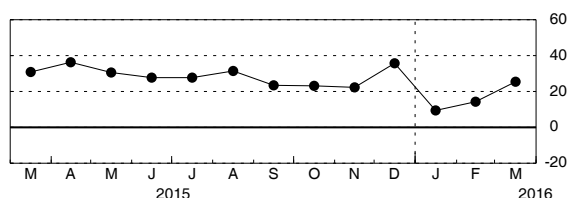
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	42.09	30.29	27.62	14.48
Mar	43.72	38.08	18.20	25.52

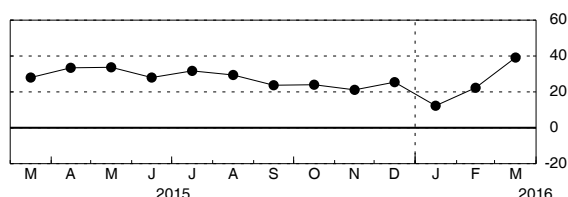
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	47.60	26.96	25.45	22.15
Mar	52.50	33.95	13.54	38.96

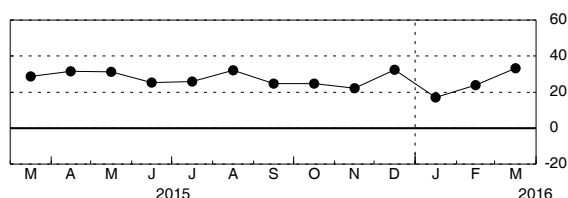
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	46.67	30.49	22.85	23.82
Mar	47.37	38.60	14.03	33.33

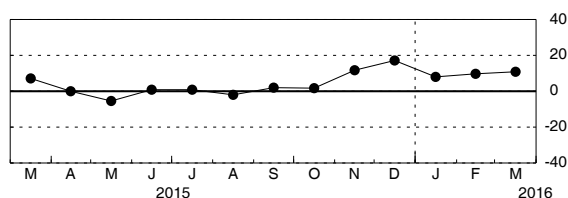
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	20.79	68.32	10.89	9.90
Mar	20.79	69.31	9.90	10.89

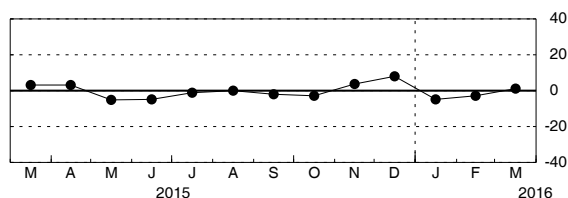
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	9.90	77.23	12.87	-2.97
Mar	10.89	79.21	9.90	0.99

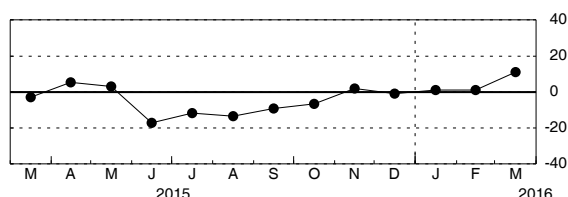
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	24.75	51.49	23.76	0.99
Mar	26.73	57.43	15.84	10.89

Inventories - Diffusion Index



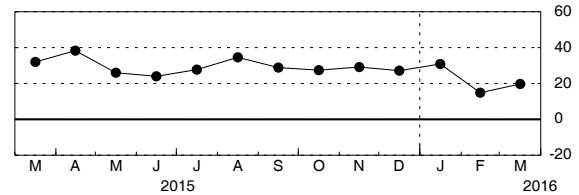
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	24.75	65.35	9.90	14.85
Mar	22.77	74.26	2.97	19.80

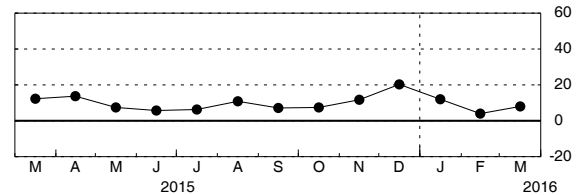
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	15.84	72.28	11.88	3.96
Mar	14.85	78.22	6.93	7.92

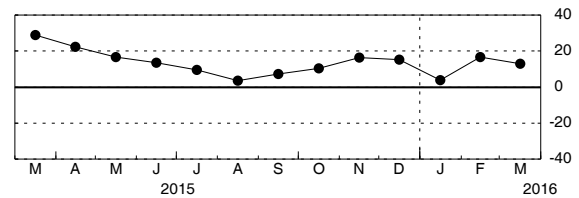
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	28.71	59.41	11.88	16.83
Mar	26.73	59.41	13.86	12.87

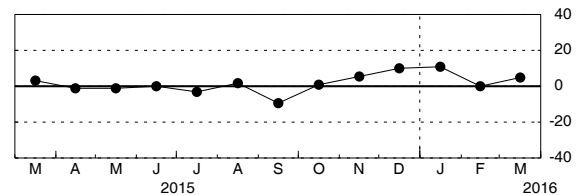
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	15.84	68.32	15.84	0.00
Mar	14.85	75.25	9.90	4.95

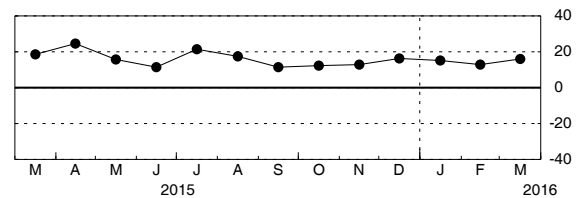
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	25.74	61.39	12.87	12.87
Mar	27.72	60.40	11.88	15.84

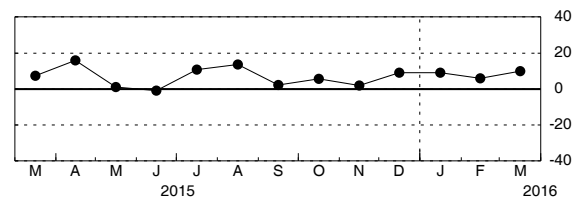
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Feb	17.82	70.30	11.88	5.94
Mar	22.77	64.36	12.87	9.90

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.