

# Empire State Manufacturing Survey

Business activity stabilized in New York State, according to firms responding to the November 2016 *Empire State Manufacturing Survey*. The headline general business conditions index climbed out of negative territory for the first time in four months, rising eight points to 1.5. The new orders and shipments indexes also turned positive, rising to 3.1 and 8.5, respectively. Labor market conditions remained weak, with the number of employees and average workweek indexes both at -10.9. The inventories index fell eleven points to -23.6, pointing to a marked decline in inventory levels. Although price indexes were lower, they remained positive, suggesting a slower pace of growth in both input prices and selling prices. Indexes for the six-month outlook conveyed somewhat less optimism about future conditions than in October.

## Business Activity Steadies

Manufacturing firms in New York State reported that business activity was essentially flat in November. On the heels of three consecutive negative readings, the general business conditions index rose eight points to 1.5. Twenty-seven percent of respondents reported that conditions had improved over the month, while 25 percent reported that conditions had worsened. The new orders index climbed nine points to 3.1, indicating that orders edged higher, and the shipments index rose nine points to 8.5, pointing to an increase in shipments. The unfilled orders index inched down to -12.7, and at -5.5, the delivery time index signaled shorter delivery times. The inventories index fell eleven points to -23.6, a multiyear low, indicating that inventory levels declined significantly.

## Labor Market Conditions Remain Weak

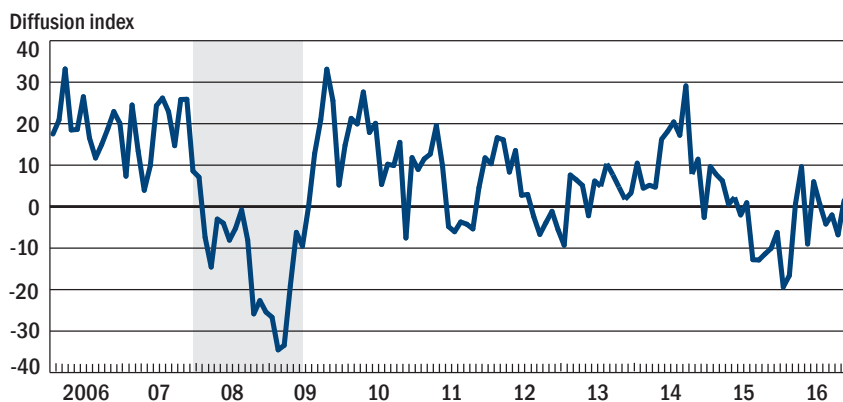
Both employment indexes remained negative in November. The index for number of employees dropped six points to -10.9, a sign that employment levels were contracting, and the average workweek index, little changed at -10.9, pointed to a decline in hours worked. The prices paid index fell seven points to 15.5, indicating that input price increases slowed, and the prices received index edged down to 2.7, signaling that selling prices were marginally higher.

## Optimism Slightly Lower

Indexes for the six-month outlook suggested that respondents were somewhat less optimistic about future conditions than they were last month. The index for future business conditions retreated six points to 29.9. The index for future new orders and the index for future shipments fell to similar levels. Indexes for future employment and the future average workweek, at 10.9 and 10.0, respectively, indicated that firms expected to expand employee rolls and hours worked in the months ahead. Indexes for future prices suggested that firms anticipated an increase in both input prices and selling prices over the next six months. The capital expenditures and technology spending indexes continued to point to modest increases in spending for both categories. ■

## General Business Conditions

Seasonally Adjusted

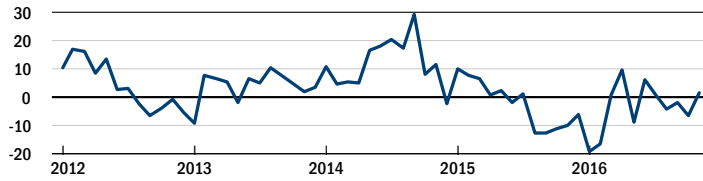


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

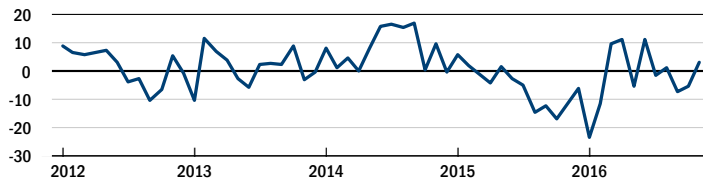
Change from Preceding Month

## General Business Conditions



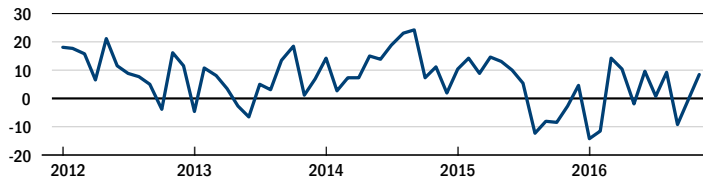
	Percent Reporting		Index
	Higher	Lower	
Oct	26.6	33.4	-6.8
Nov	26.6	25.2	1.5
Change			8.3

## New Orders



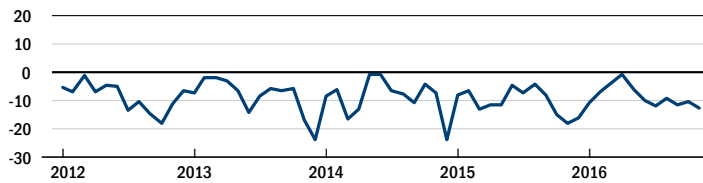
	Percent Reporting		Index
	Higher	Lower	
Oct	26.7	32.3	-5.6
Nov	29.4	26.3	3.1
Change			8.7

## Shipments



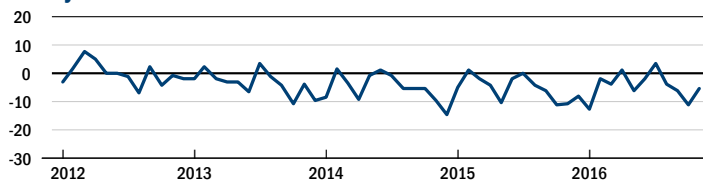
	Percent Reporting		Index
	Higher	Lower	
Oct	29.3	29.9	-0.6
Nov	32.2	23.7	8.5
Change			9.1

## Unfilled Orders



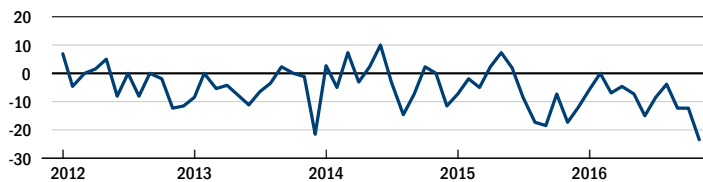
	Percent Reporting		Index
	Higher	Lower	
Oct	9.4	19.8	-10.4
Nov	9.1	21.8	-12.7
Change			-2.3

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Oct	7.5	18.9	-11.3
Nov	4.5	10.0	-5.5
Change			5.8

## Inventories

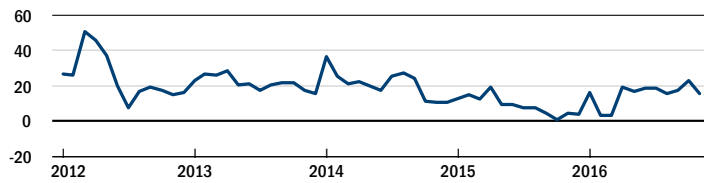


	Percent Reporting		Index
	Higher	Lower	
Oct	19.8	32.1	-12.3
Nov	16.4	40.0	-23.6
Change			-11.3

## Current Indicators, *continued*

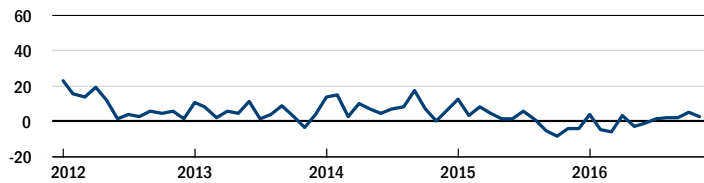
Change from Preceding Month

### Prices Paid



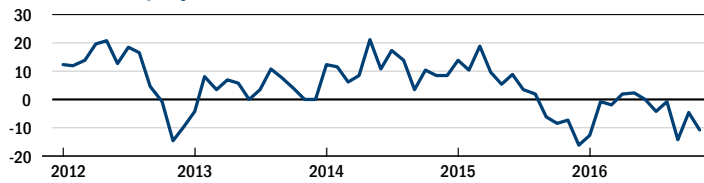
	Percent Reporting		Index
	Higher	Lower	
Oct	24.5	1.9	22.6
Nov	18.2	2.7	15.5
Change			-7.1

### Prices Received



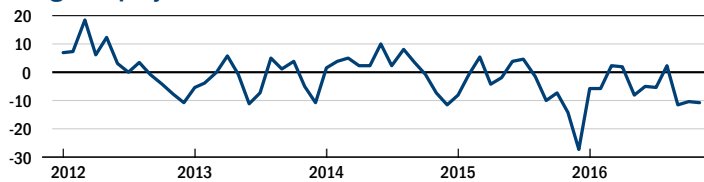
	Percent Reporting		Index
	Higher	Lower	
Oct	11.3	6.6	4.7
Nov	10.0	7.3	2.7
Change			-2.0

### Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Oct	15.1	19.8	-4.7
Nov	10.9	21.8	-10.9
Change			-6.2

### Average Employee Workweek



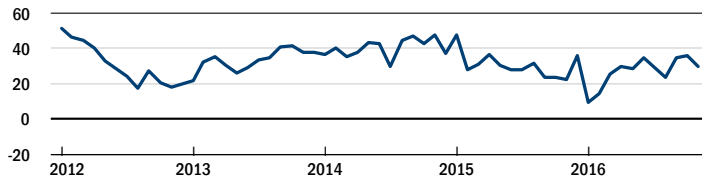
	Percent Reporting		Index
	Higher	Lower	
Oct	9.4	19.8	-10.4
Nov	9.1	20.0	-10.9
Change			-0.5

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

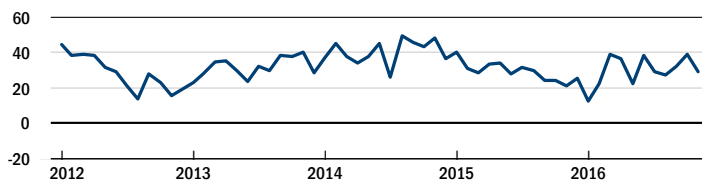
Expectations Six Months Ahead

## General Business Conditions



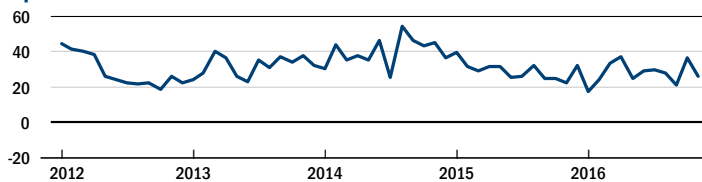
	Percent Reporting		Index
	Higher	Lower	
Oct	47.2	11.2	36.0
Nov	45.0	15.1	29.9
Change			-6.1

## New Orders



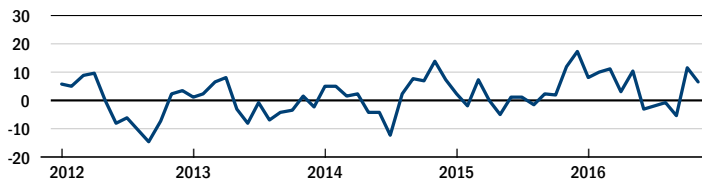
	Percent Reporting		Index
	Higher	Lower	
Oct	51.1	12.1	39.0
Nov	44.9	16.2	28.7
Change			-10.3

## Shipments



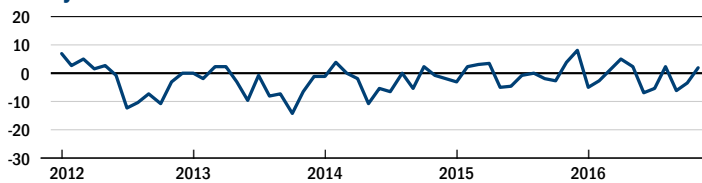
	Percent Reporting		Index
	Higher	Lower	
Oct	47.2	10.6	36.5
Nov	42.2	16.2	26.0
Change			-10.5

## Unfilled Orders



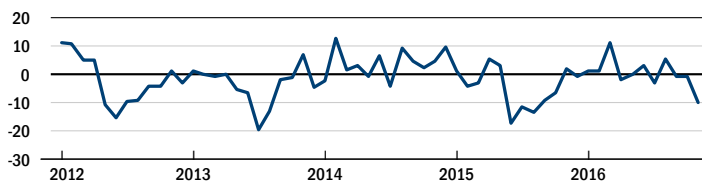
	Percent Reporting		Index
	Higher	Lower	
Oct	17.9	6.6	11.3
Nov	14.5	8.2	6.4
Change			-4.9

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Oct	9.4	13.2	-3.8
Nov	10.0	8.2	1.8
Change			5.6

## Inventories

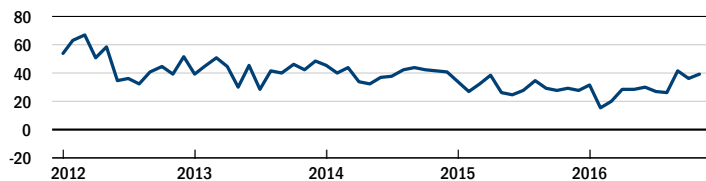


	Percent Reporting		Index
	Higher	Lower	
Oct	20.8	21.7	-0.9
Nov	20.0	30.0	-10.0
Change			-9.1

## Forward-Looking Indicators, *continued*

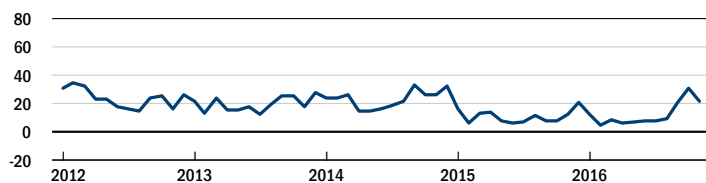
Expectations Six Months Ahead

### Prices Paid



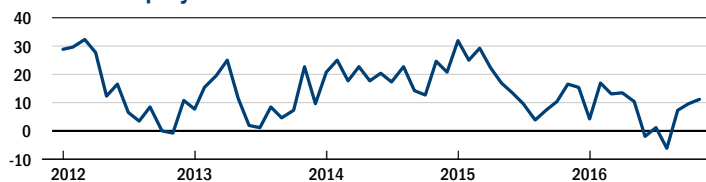
	Percent Reporting		Index
	Higher	Lower	
Oct	37.7	1.9	35.8
Nov	43.6	4.5	39.1
Change			3.3

### Prices Received



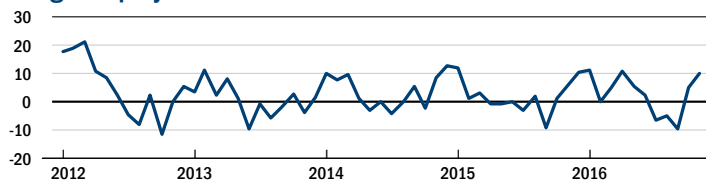
	Percent Reporting		Index
	Higher	Lower	
Oct	35.8	5.7	30.2
Nov	28.2	7.3	20.9
Change			-9.3

### Number of Employees



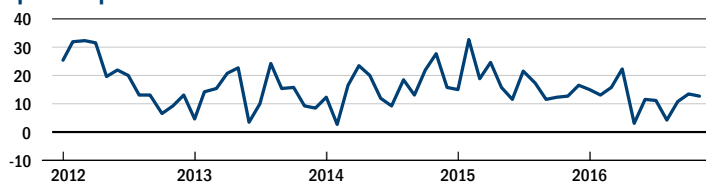
	Percent Reporting		Index
	Higher	Lower	
Oct	24.5	15.1	9.4
Nov	26.4	15.5	10.9
Change			1.5

### Average Employee Workweek



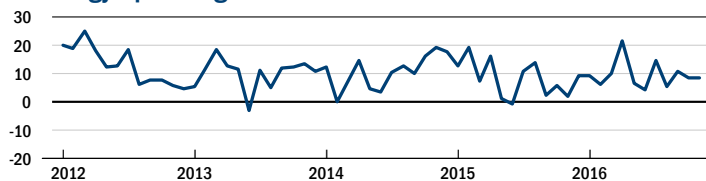
	Percent Reporting		Index
	Higher	Lower	
Oct	15.1	10.4	4.7
Nov	19.1	9.1	10.0
Change			5.3

### Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Oct	27.4	14.2	13.2
Nov	26.4	13.6	12.7
Change			-0.5

### Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Oct	18.9	10.4	8.5
Nov	19.1	10.9	8.2
Change			-0.3

Note: Data are seasonally adjusted.