

Empire State Manufacturing Survey

Business activity continued to grow strongly in New York State, according to firms responding to the September 2017 *Empire State Manufacturing Survey*. The headline general business conditions index held steady at 24.4. The new orders index rose four points to 24.9 and the shipments index climbed four points to 16.2, pointing to ongoing solid gains in orders and shipments. Unfilled orders increased, and delivery times continued to lengthen. Labor market indicators pointed to a modest increase in employment and hours worked. Both input prices and selling prices rose at a faster pace than last month. Indexes assessing the six-month outlook suggested that firms remained optimistic about future conditions.

Brisk Pace of Growth Continues

Manufacturing firms in New York State reported that business activity continued

to expand strongly in September. After reaching a three-year high in August, the general business conditions index held steady at 24.4. Forty percent of respondents reported that conditions had improved over the month, while 16 percent reported that conditions had worsened. The new orders index climbed four points to 24.9, pointing to another month of solid gains in orders, and the shipments index advanced to 16.2. The unfilled orders index moved out of negative territory, its fourteen-point rise to 8.9 signaling an increase in unfilled orders. The delivery time index rose nine points to 14.6, pointing to longer delivery times, and the inventories index rose to 6.5, a sign that inventory levels were somewhat higher.

Price Increases Pick Up

Labor market conditions improved in September. The index for number of

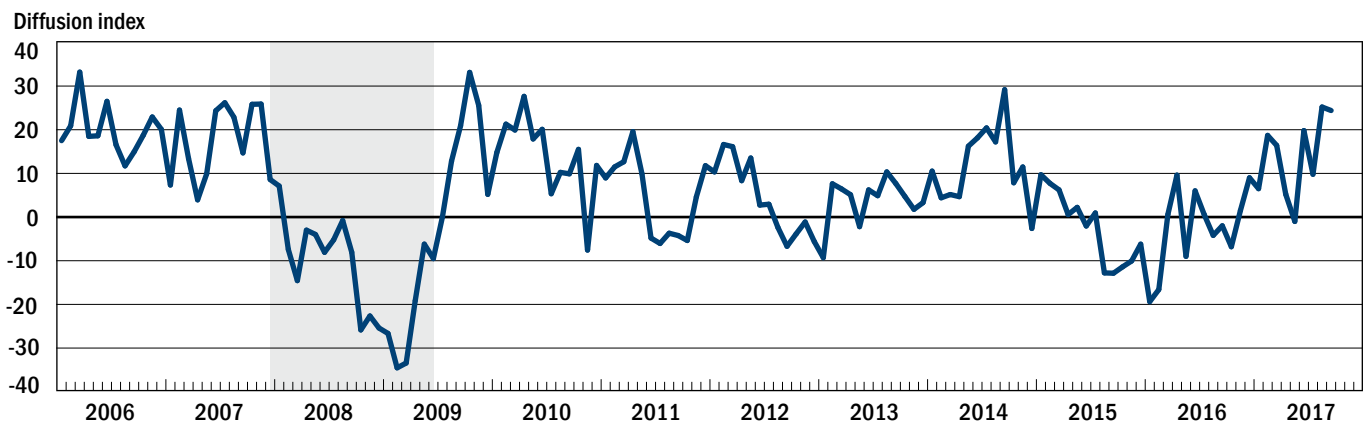
employees advanced four points to 10.6, suggesting a modest increase in employment levels, and the average workweek index remained positive at 5.7, indicating that the average workweek was somewhat longer. Prices increased at a faster clip than last month: the prices paid index rose five points to 35.8, and the prices received index moved up eight points to 13.8.

Firms Remain Optimistic

Indexes assessing the six-month outlook suggested that firms continued to be optimistic about future conditions. The index for future business conditions came in at 39.3, and the index for future new orders edged up two points to 43.7. Employment was expected to increase modestly. The capital expenditures index climbed thirteen points to 24.4, and the technology spending index moved up to 17.1. ■

General Business Conditions

Seasonally Adjusted

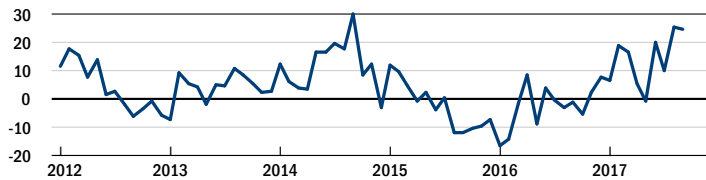


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

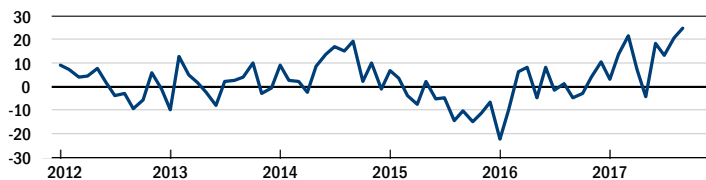
Change from Preceding Month

General Business Conditions



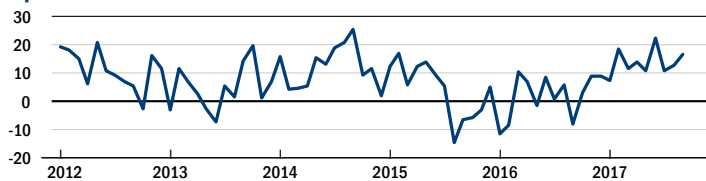
	Percent Reporting		Index
	Higher	Lower	
Aug	42.4	17.2	25.2
Sep	40.4	16.0	24.4
Change			-0.8

New Orders



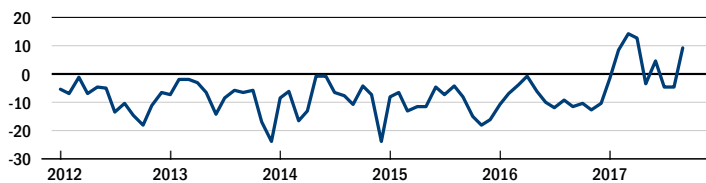
	Percent Reporting		Index
	Higher	Lower	
Aug	42.0	21.5	20.6
Sep	38.7	13.7	24.9
Change			4.3

Shipments



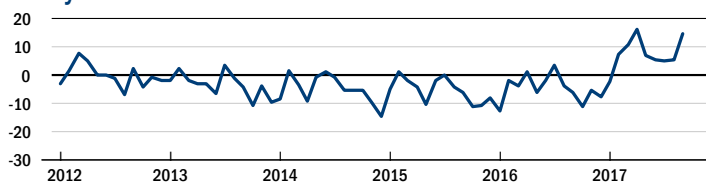
	Percent Reporting		Index
	Higher	Lower	
Aug	33.7	21.3	12.4
Sep	37.6	21.3	16.2
Change			3.8

Unfilled Orders



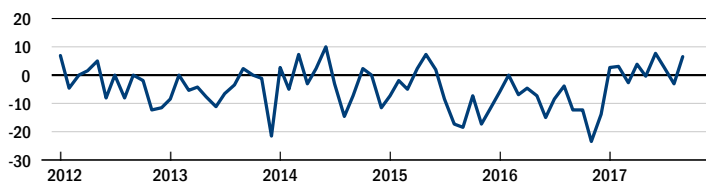
	Percent Reporting		Index
	Higher	Lower	
Aug	16.3	20.9	-4.7
Sep	22.0	13.0	8.9
Change			13.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	17.1	11.6	5.4
Sep	20.3	5.7	14.6
Change			9.2

Inventories

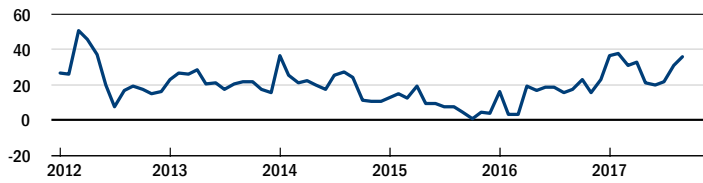


	Percent Reporting		Index
	Higher	Lower	
Aug	23.3	26.4	-3.1
Sep	22.8	16.3	6.5
Change			9.6

Current Indicators, *continued*

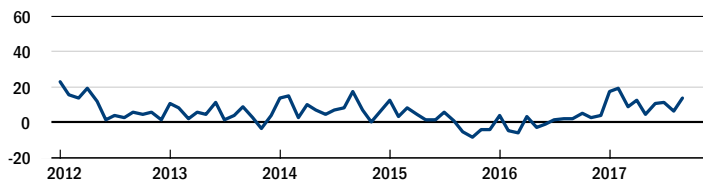
Change from Preceding Month

Prices Paid



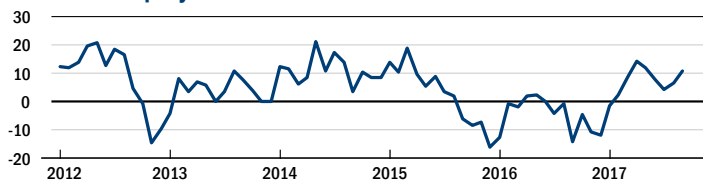
	Percent Reporting		Index
	Higher	Lower	
Aug	31.8	0.8	31.0
Sep	36.6	0.8	35.8
Change			4.8

Prices Received



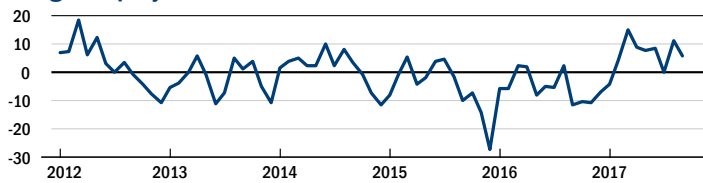
	Percent Reporting		Index
	Higher	Lower	
Aug	10.9	4.7	6.2
Sep	17.9	4.1	13.8
Change			7.6

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Aug	20.9	14.7	6.2
Sep	22.8	12.2	10.6
Change			4.4

Average Employee Workweek



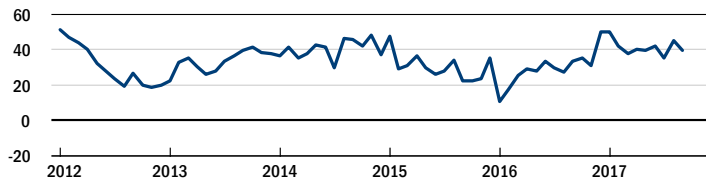
	Percent Reporting		Index
	Higher	Lower	
Aug	23.3	12.4	10.9
Sep	16.3	10.6	5.7
Change			-5.2

Note: Data are not seasonally adjusted.

Forward-Looking Indicators

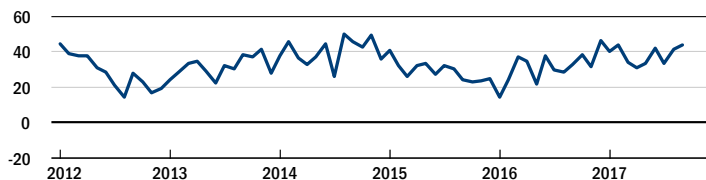
Expectations Six Months Ahead

General Business Conditions



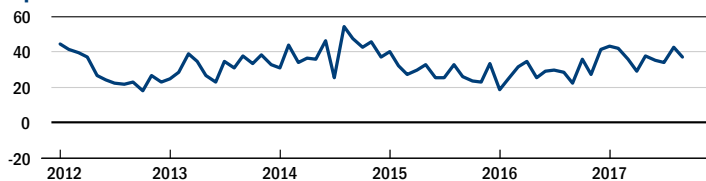
	Percent Reporting		Index
	Higher	Lower	
Aug	53.9	8.6	45.2
Sep	51.4	12.2	39.3
Change			-5.9

New Orders



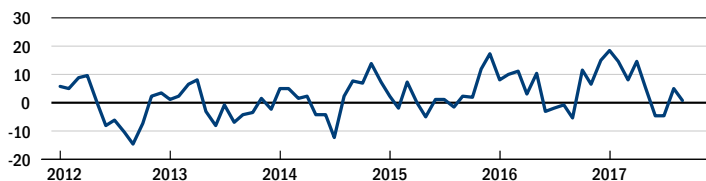
	Percent Reporting		Index
	Higher	Lower	
Aug	53.2	11.9	41.3
Sep	55.2	11.5	43.7
Change			2.4

Shipments



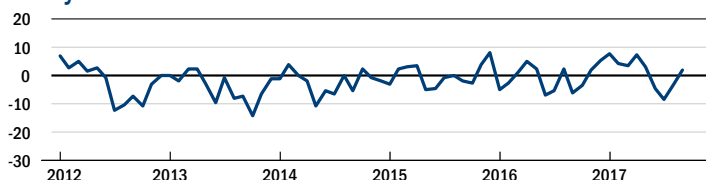
	Percent Reporting		Index
	Higher	Lower	
Aug	53.0	10.2	42.7
Sep	48.9	11.9	37.0
Change			-5.7

Unfilled Orders



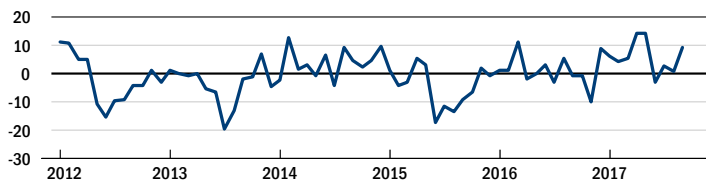
	Percent Reporting		Index
	Higher	Lower	
Aug	14.7	10.1	4.7
Sep	12.2	11.4	0.8
Change			-3.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	9.3	12.4	-3.1
Sep	9.8	8.1	1.6
Change			4.7

Inventories

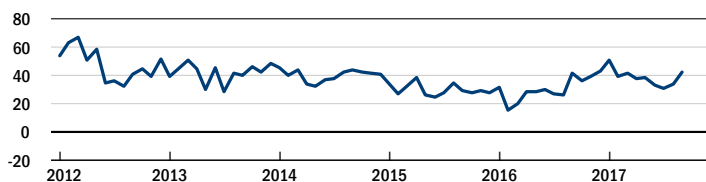


	Percent Reporting		Index
	Higher	Lower	
Aug	20.2	19.4	0.8
Sep	25.2	16.3	8.9
Change			8.1

Forward-Looking Indicators, *continued*

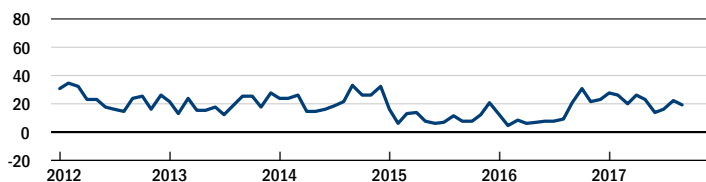
Expectations Six Months Ahead

Prices Paid



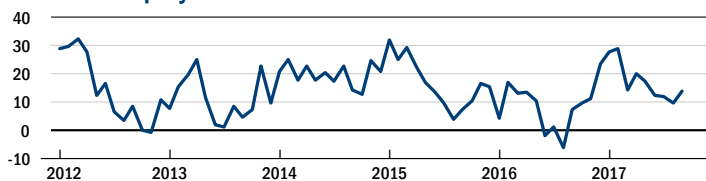
	Percent Reporting		Index
	Higher	Lower	
Aug	38.0	4.7	33.3
Sep	44.7	2.4	42.3
Change			9.0

Prices Received



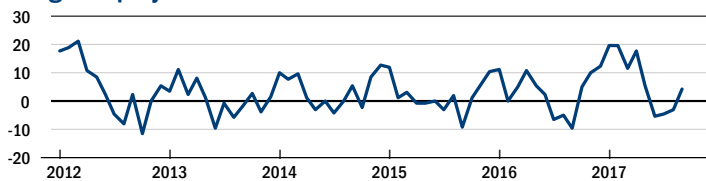
	Percent Reporting		Index
	Higher	Lower	
Aug	27.1	5.4	21.7
Sep	25.2	6.5	18.7
Change			-3.0

Number of Employees



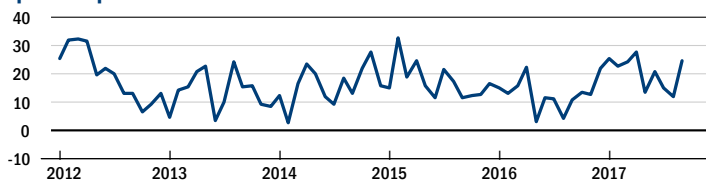
	Percent Reporting		Index
	Higher	Lower	
Aug	19.4	10.1	9.3
Sep	26.0	12.2	13.8
Change			4.5

Average Employee Workweek



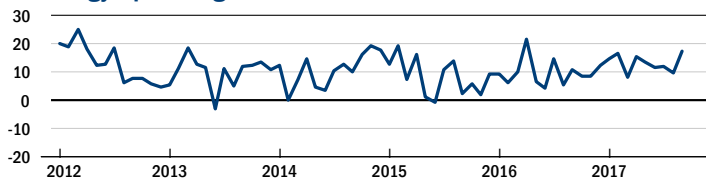
	Percent Reporting		Index
	Higher	Lower	
Aug	9.4	12.5	-3.1
Sep	12.2	8.1	4.1
Change			7.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Aug	23.3	11.6	11.6
Sep	32.5	8.1	24.4
Change			12.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Aug	18.6	9.3	9.3
Sep	24.4	7.3	17.1
Change			7.8

Note: Data are not seasonally adjusted.