

# Empire State Manufacturing Survey

Business activity continued to grow strongly in New York State, according to firms responding to the October 2018 *Empire State Manufacturing Survey*. The headline general business conditions index rose two points to 21.1, pointing to a slightly faster pace of growth than in September. New orders and shipments both picked up noticeably. Delivery times continued to lengthen, while inventories held steady. Labor market indicators pointed to a modest increase in employment levels and no change in hours worked. Price indexes edged down but remained elevated, suggesting ongoing significant increases in both input prices and selling prices. Looking ahead, firms generally remained optimistic about the six-month outlook.

## Activity Continues to Expand

Manufacturing firms in New York State reported that business activity

continued to expand in October. The general business conditions index moved up two points to 21.1, suggesting that the pace of growth picked up slightly this month. Roughly 36 percent of respondents reported that conditions had improved over the month, while only 15 percent reported that conditions had worsened. The new orders index and the shipments index both showed strong growth, with the first index moving up six points to 22.5 and the second climbing twelve points to 26.3. Unfilled orders decreased, inventories held steady, and delivery times continued to lengthen.

## Employment Continues to Increase

The index for number of employees came in at 9.0 and the average workweek index fell to 0.2, indicating a modest increase in employment

levels and no change in the length of the workweek. Price increases slowed somewhat but remained elevated. The prices paid index fell four points to 42.0, and the prices received index edged down to 14.3.

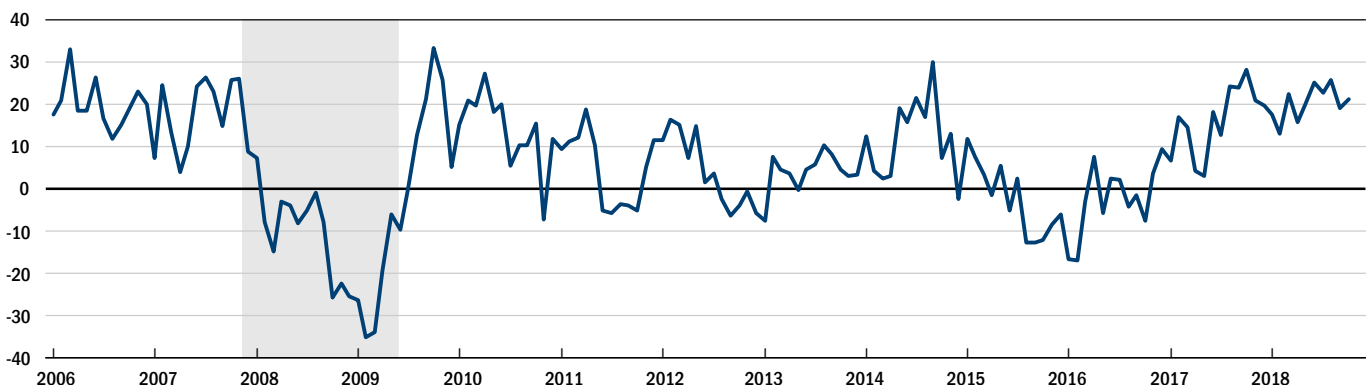
## Firms Remain Optimistic

Firms remained moderately optimistic about the six-month outlook. The index for future business conditions was little changed at 29.0, and the indexes for future new orders and shipments pointed to continued solid growth. Employment was expected to increase in the months ahead, and the indexes for future prices remained elevated. The capital expenditures index came in at 16.0, and the technology spending index was 9.2. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

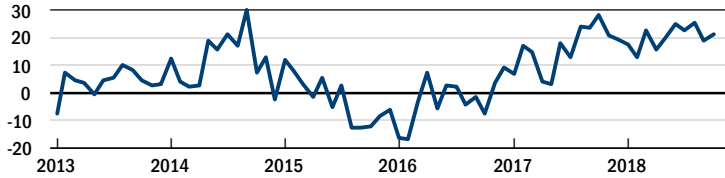


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

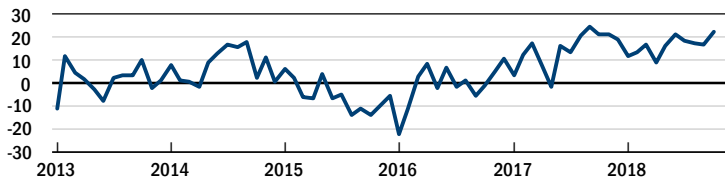
Change from Preceding Month

## General Business Conditions



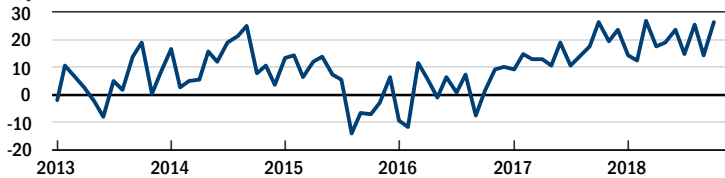
	Percent Reporting		Index
	Higher	Lower	
Sep	40.4	21.4	19.0
Oct	35.5	14.5	21.1
Change			2.1

## New Orders



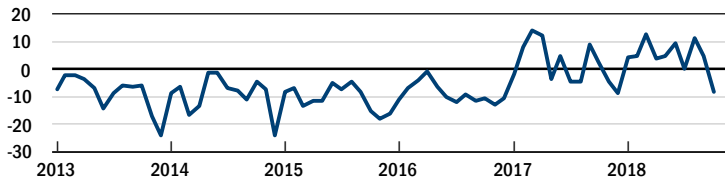
	Percent Reporting		Index
	Higher	Lower	
Sep	38.4	21.9	16.5
Oct	37.9	15.4	22.5
Change			6.0

## Shipments



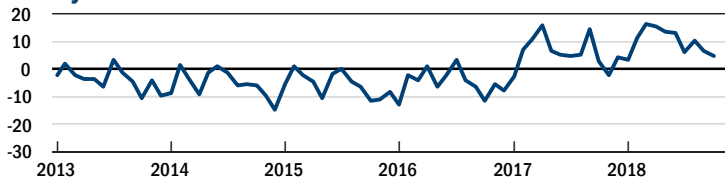
	Percent Reporting		Index
	Higher	Lower	
Sep	37.9	23.7	14.3
Oct	41.6	15.4	26.3
Change			12.0

## Unfilled Orders



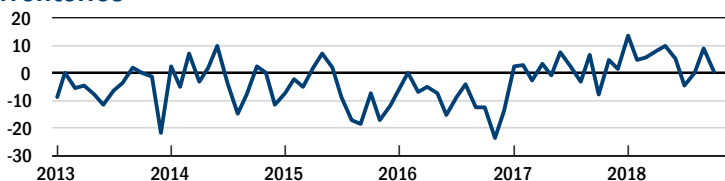
	Percent Reporting		Index
	Higher	Lower	
Sep	20.3	15.4	4.9
Oct	11.8	20.2	-8.4
Change			-13.3

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	16.3	9.8	6.5
Oct	16.8	11.8	5.0
Change			-1.5

## Inventories

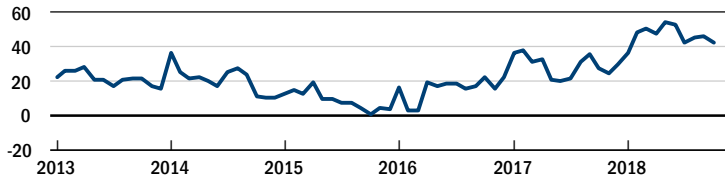


	Percent Reporting		Index
	Higher	Lower	
Sep	26.0	17.1	8.9
Oct	20.2	19.3	0.8
Change			-8.1

# Current Indicators, *continued*

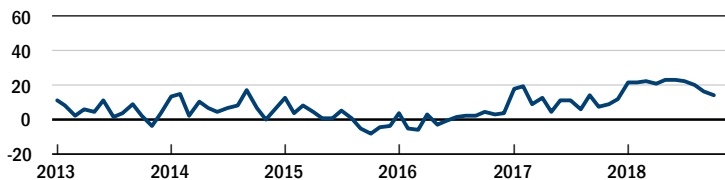
Change from Preceding Month

## Prices Paid



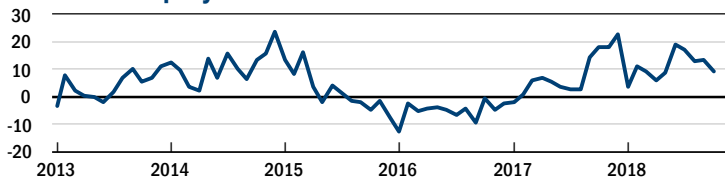
	Percent Reporting		Index
	Higher	Lower	
Sep	48.8	2.4	46.3
Oct	44.5	2.5	42.0
Change			-4.3

## Prices Received



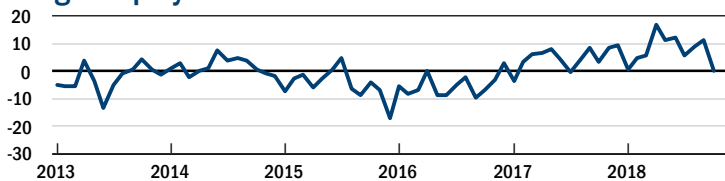
	Percent Reporting		Index
	Higher	Lower	
Sep	22.8	6.5	16.3
Oct	18.5	4.2	14.3
Change			-2.0

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Sep	21.7	8.4	13.3
Oct	15.1	6.1	9.0
Change			-4.3

## Average Employee Workweek



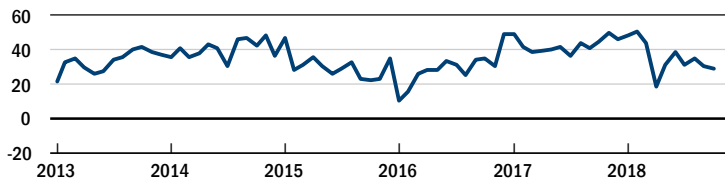
	Percent Reporting		Index
	Higher	Lower	
Sep	17.9	6.5	11.5
Oct	9.9	9.7	0.2
Change			-11.3

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

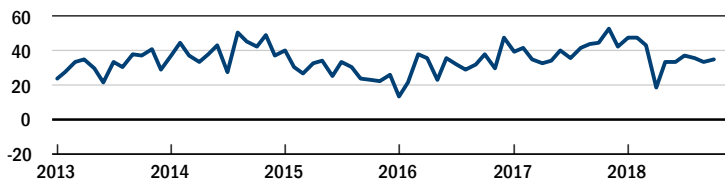
Expectations Six Months Ahead

## General Business Conditions



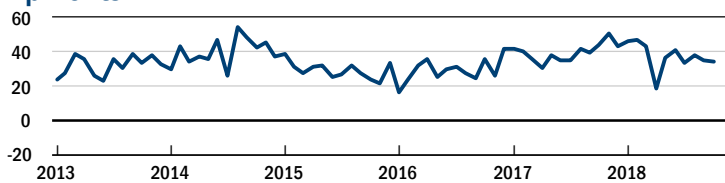
	Percent Reporting		Index
	Higher	Lower	
Sep	45.8	15.5	30.3
Oct	45.6	16.6	29.0
Change			-1.3

## New Orders



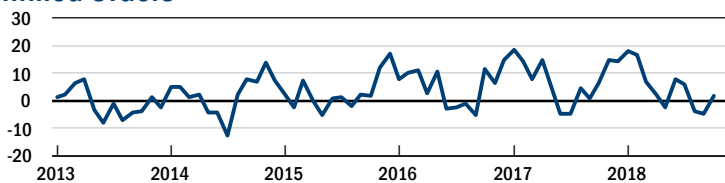
	Percent Reporting		Index
	Higher	Lower	
Sep	51.0	17.7	33.3
Oct	49.8	14.7	35.1
Change			1.8

## Shipments



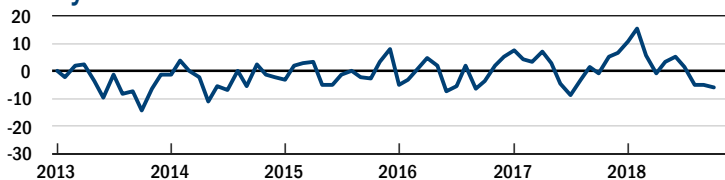
	Percent Reporting		Index
	Higher	Lower	
Sep	49.1	13.9	35.2
Oct	46.8	13.0	33.8
Change			-1.4

## Unfilled Orders



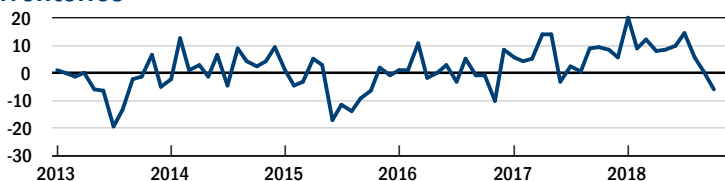
	Percent Reporting		Index
	Higher	Lower	
Sep	12.2	17.1	-4.9
Oct	16.0	14.3	1.7
Change			6.6

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	11.4	16.3	-4.9
Oct	11.8	17.6	-5.9
Change			-1.0

## Inventories

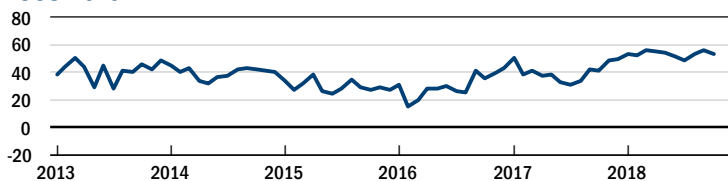


	Percent Reporting		Index
	Higher	Lower	
Sep	21.1	20.3	0.8
Oct	18.5	24.4	-5.9
Change			-6.7

# Forward-Looking Indicators, *continued*

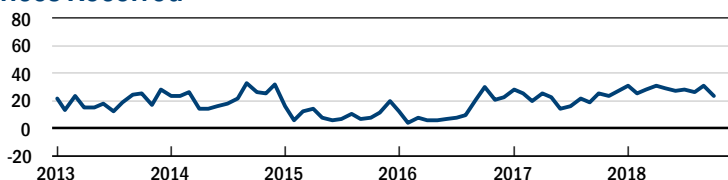
Expectations Six Months Ahead

## Prices Paid



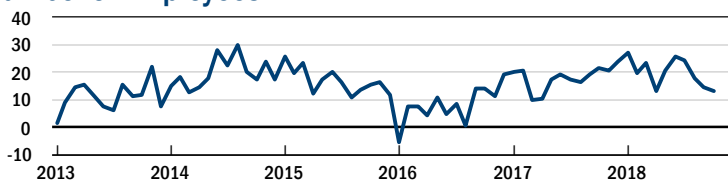
	Percent Reporting		Index
	Higher	Lower	
Sep	60.2	4.1	56.1
Oct	58.8	5.9	52.9
Change			-3.2

## Prices Received



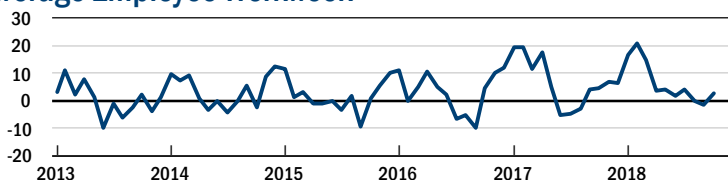
	Percent Reporting		Index
	Higher	Lower	
Sep	37.4	6.5	30.9
Oct	31.9	8.4	23.5
Change			-7.4

## Number of Employees



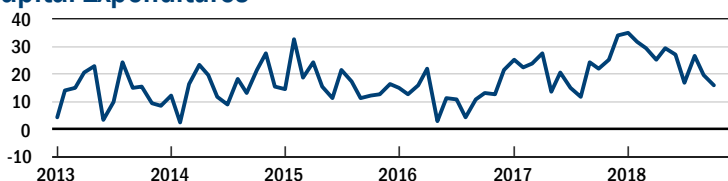
	Percent Reporting		Index
	Higher	Lower	
Sep	27.0	12.3	14.7
Oct	23.9	10.9	13.0
Change			-1.7

## Average Employee Workweek



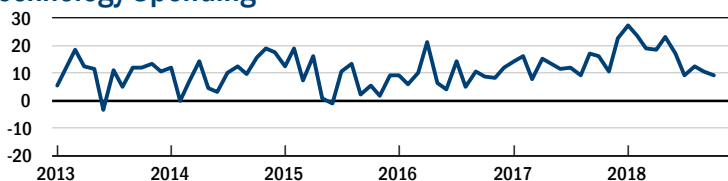
	Percent Reporting		Index
	Higher	Lower	
Sep	10.6	12.2	-1.6
Oct	11.8	9.2	2.5
Change			4.1

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Sep	30.1	10.6	19.5
Oct	27.7	11.8	16.0
Change			-3.5

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Sep	18.7	8.1	10.6
Oct	17.6	8.4	9.2
Change			-1.4

Note: Data are seasonally adjusted.