

Empire State Manufacturing Survey

Business activity picked up in New York State, according to firms responding to the February 2020 *Empire State Manufacturing Survey*. The headline general business conditions index moved up eight points to 12.9. The new orders index shot up 16 points to 22.1, and the shipments index climbed to 18.9. Delivery times lengthened, and inventories increased significantly. Employment expanded only modestly, and the average workweek was little changed. Input price increases slowed somewhat, and selling price increases picked up a touch. Optimism about the six-month outlook continued to be somewhat subdued, and capital spending plans remained firm.

Growth Picks Up

Manufacturing firms in New York State reported that business activity grew

at a faster pace than in recent months. The general business conditions index increased eight points to 12.9, its highest level since May of last year. Thirty-four percent of respondents reported that conditions had improved over the month, while 21 percent reported that conditions had worsened. The new orders index climbed 16 points to 22.1, its highest level in well over a year, indicating that orders rose significantly. The shipments index rose ten points to 18.9. Delivery times were longer, and inventories climbed.

Labor Market Indicators Soft

The index for number of employees edged down to 6.6, indicating that employment grew to a small degree. The average workweek held near zero, a sign that the average workweek

was little changed. The prices paid index moved down seven points to 25.0, pointing to a slower pace of input price increases this month, while the prices received index edged up two points to 16.7.

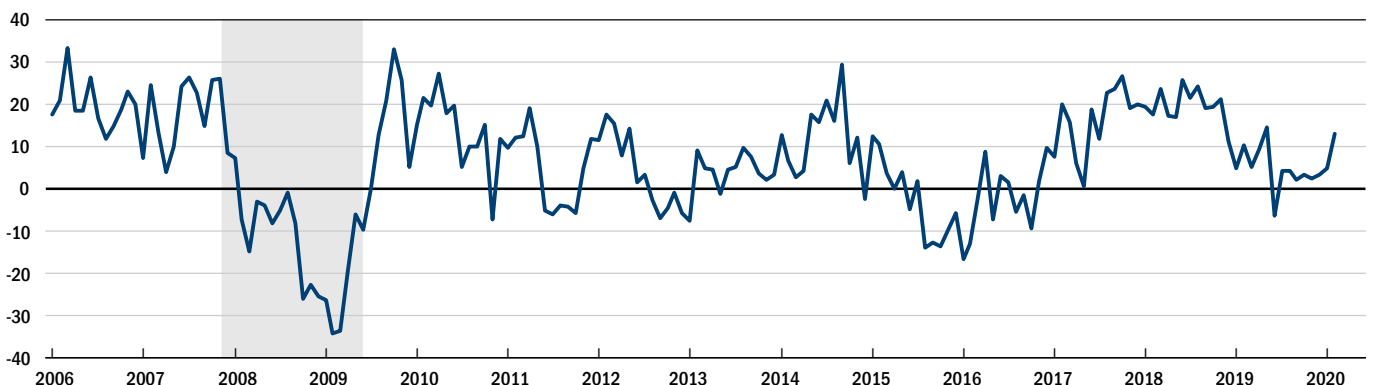
Optimism Remains Somewhat Subdued

Indexes assessing the six-month outlook suggested that optimism about future conditions was somewhat restrained. The index for future business conditions was little changed at 22.9. The indexes for future new orders and future shipments edged lower. Employment and hours worked are expected to grow modestly in the months ahead. The capital expenditures index came in at 22.0, and the technology spending index was little changed at 21.2. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

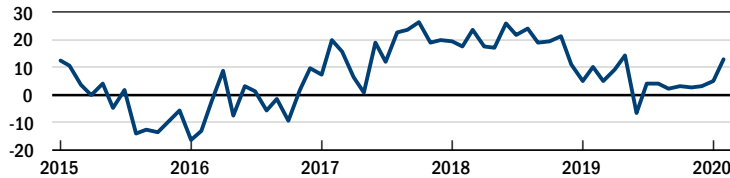


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

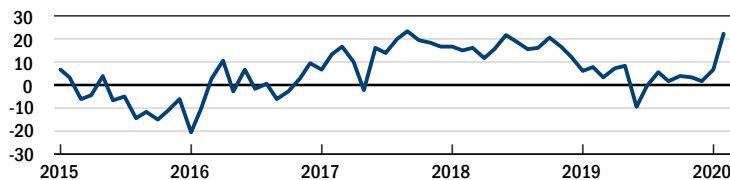
Change from Preceding Month

General Business Conditions



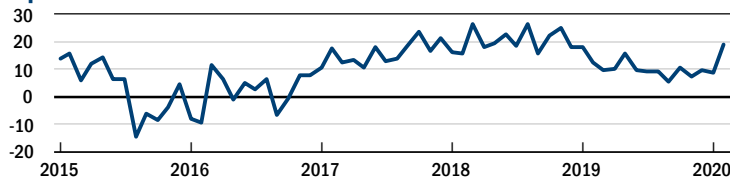
	Percent Reporting		Index
	Higher	Lower	
Jan	27.7	22.9	4.8
Feb	34.0	21.0	12.9
Change			8.1

New Orders



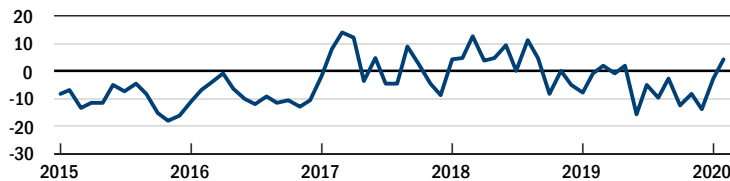
	Percent Reporting		Index
	Higher	Lower	
Jan	32.0	25.4	6.6
Feb	39.0	17.0	22.1
Change			15.5

Shipments



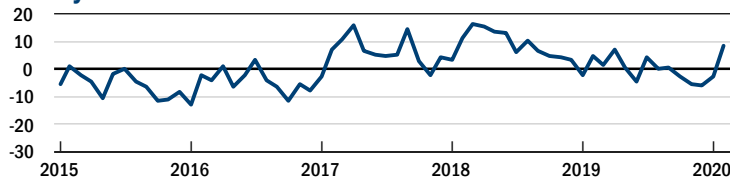
	Percent Reporting		Index
	Higher	Lower	
Jan	29.5	20.9	8.6
Feb	36.8	17.8	18.9
Change			10.3

Unfilled Orders



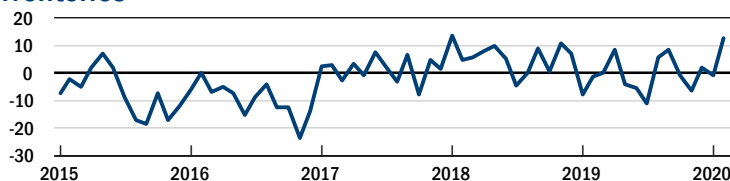
	Percent Reporting		Index
	Higher	Lower	
Jan	15.8	18.5	-2.7
Feb	18.9	14.4	4.5
Change			7.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jan	11.0	13.7	-2.7
Feb	15.9	7.6	8.3
Change			11.0

Inventories

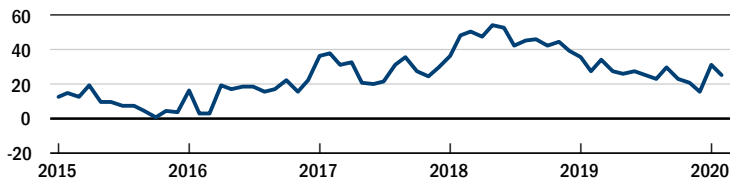


	Percent Reporting		Index
	Higher	Lower	
Jan	21.2	21.9	-0.7
Feb	29.5	16.7	12.9
Change			13.6

Current Indicators, *continued*

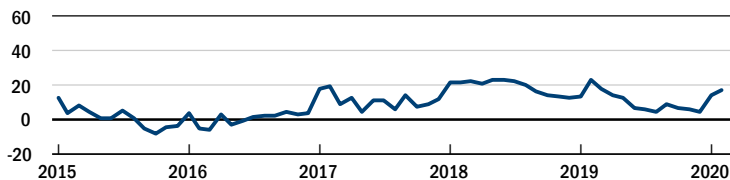
Change from Preceding Month

Prices Paid



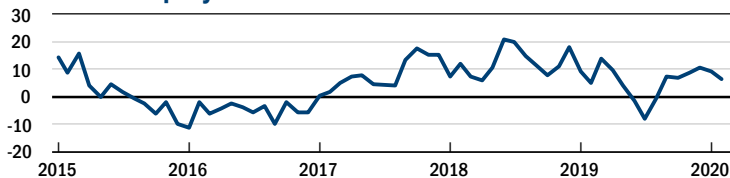
	Percent Reporting		Index
	Higher	Lower	
Jan	33.6	2.1	31.5
Feb	30.3	5.3	25.0
Change			-6.5

Prices Received



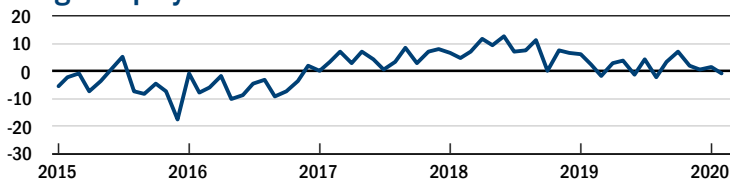
	Percent Reporting		Index
	Higher	Lower	
Jan	17.1	2.7	14.4
Feb	21.2	4.5	16.7
Change			2.3

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jan	18.3	9.3	9.0
Feb	18.7	12.1	6.6
Change			-2.4

Average Employee Workweek



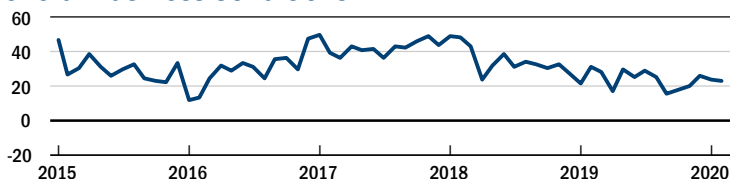
	Percent Reporting		Index
	Higher	Lower	
Jan	17.4	16.1	1.3
Feb	15.0	15.9	-1.0
Change			-2.3

Note: Data are seasonally adjusted.

Forward-Looking Indicators

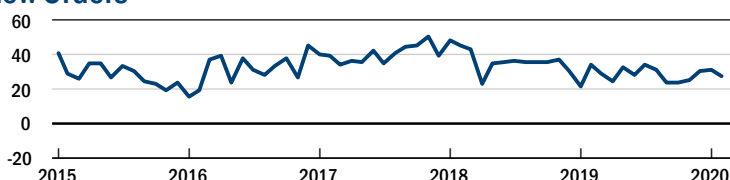
Expectations Six Months Ahead

General Business Conditions



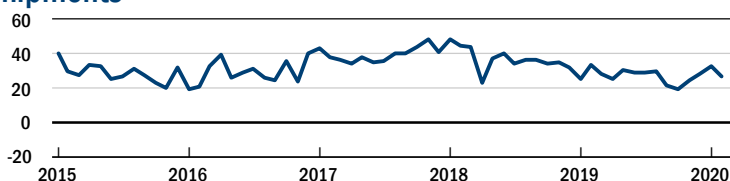
	Percent Reporting		Index
	Higher	Lower	
Jan	40.1	16.4	23.6
Feb	42.4	19.5	22.9
Change			-0.7

New Orders



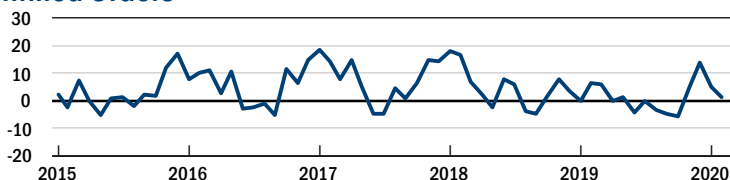
	Percent Reporting		Index
	Higher	Lower	
Jan	43.7	12.3	31.4
Feb	44.6	17.1	27.5
Change			-3.9

Shipments



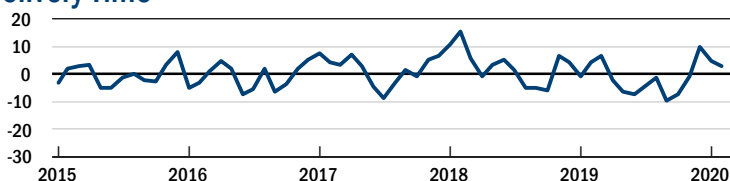
	Percent Reporting		Index
	Higher	Lower	
Jan	43.0	10.4	32.7
Feb	43.2	16.7	26.5
Change			-6.2

Unfilled Orders



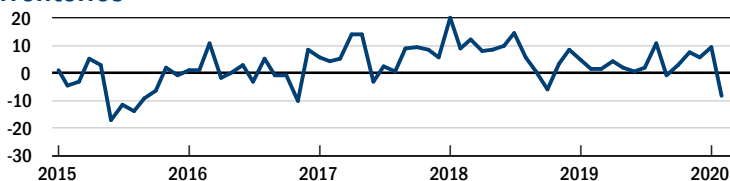
	Percent Reporting		Index
	Higher	Lower	
Jan	17.8	13.0	4.8
Feb	15.9	14.4	1.5
Change			-3.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jan	15.8	11.0	4.8
Feb	13.6	10.6	3.0
Change			-1.8

Inventories

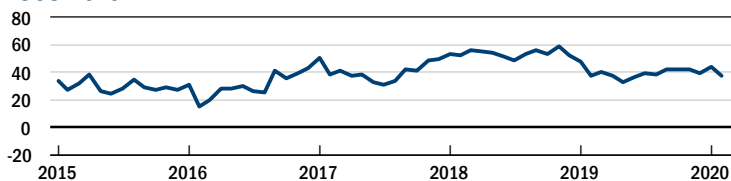


	Percent Reporting		Index
	Higher	Lower	
Jan	28.1	18.5	9.6
Feb	18.9	27.3	-8.3
Change			-17.9

Forward-Looking Indicators, *continued*

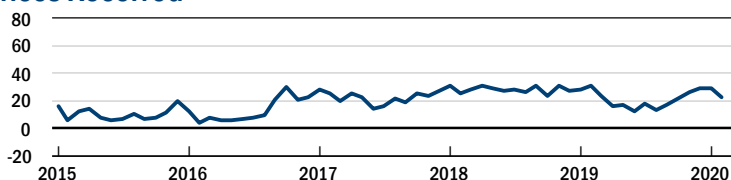
Expectations Six Months Ahead

Prices Paid



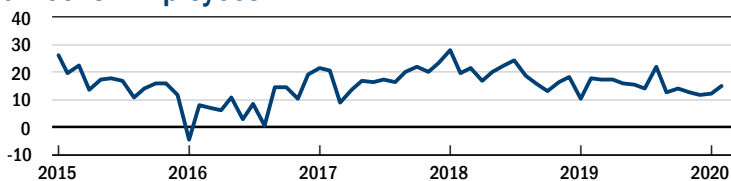
	Percent Reporting		Index
	Higher	Lower	
Jan	47.9	4.1	43.8
Feb	40.9	3.0	37.9
Change			-5.9

Prices Received



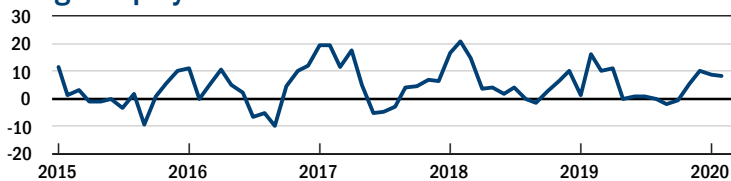
	Percent Reporting		Index
	Higher	Lower	
Jan	34.9	5.5	29.5
Feb	29.5	6.8	22.7
Change			-6.8

Number of Employees



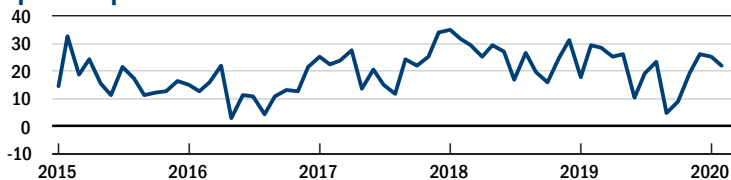
	Percent Reporting		Index
	Higher	Lower	
Jan	25.9	13.9	12.1
Feb	29.0	14.0	15.0
Change			2.9

Average Employee Workweek



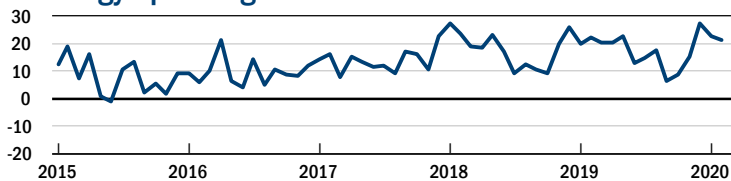
	Percent Reporting		Index
	Higher	Lower	
Jan	19.9	11.0	8.9
Feb	21.2	12.9	8.3
Change			-0.6

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jan	34.9	9.6	25.3
Feb	32.6	10.6	22.0
Change			-3.3

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jan	29.5	6.8	22.6
Feb	28.8	7.6	21.2
Change			-1.4

Note: Data are seasonally adjusted.