

# Empire State Manufacturing Survey

Business activity grew at a robust pace in New York State, according to firms responding to the October 2017 *Empire State Manufacturing Survey*. The headline general business conditions index climbed six points to 30.2, its highest level in three years. The new orders index came in at 18.0 and the shipments index rose eleven points to 27.5—readings that pointed to ongoing solid gains in orders and shipments. Delivery times were slightly longer, and inventory levels decreased. Labor market indicators reflected a strong increase in employment and little change in hours worked. Both input prices and selling prices rose at a somewhat slower pace than last month. Indexes assessing the six-month outlook suggested that firms remained optimistic about future conditions.

## Growth Accelerates

Manufacturing firms in New York State reported that business activity

continued to expand strongly in October. The general business conditions index climbed six points to 30.2, its highest level since 2014. Forty-four percent of respondents reported that conditions had improved over the month, while 14 percent reported that conditions had worsened. The new orders index fell seven points, but at 18.0, pointed to solid gains in orders. The shipments index advanced eleven points to 27.5, its highest level in several years. The unfilled orders index moved down seven points to 2.3. The delivery time index fell twelve points to 3.1, a level indicating slightly longer delivery times, and the inventories index fell fourteen points to -7.8, a sign that inventory levels declined modestly.

## Employment Levels Increase

The index for number of employees rose five points to 15.6, suggesting that

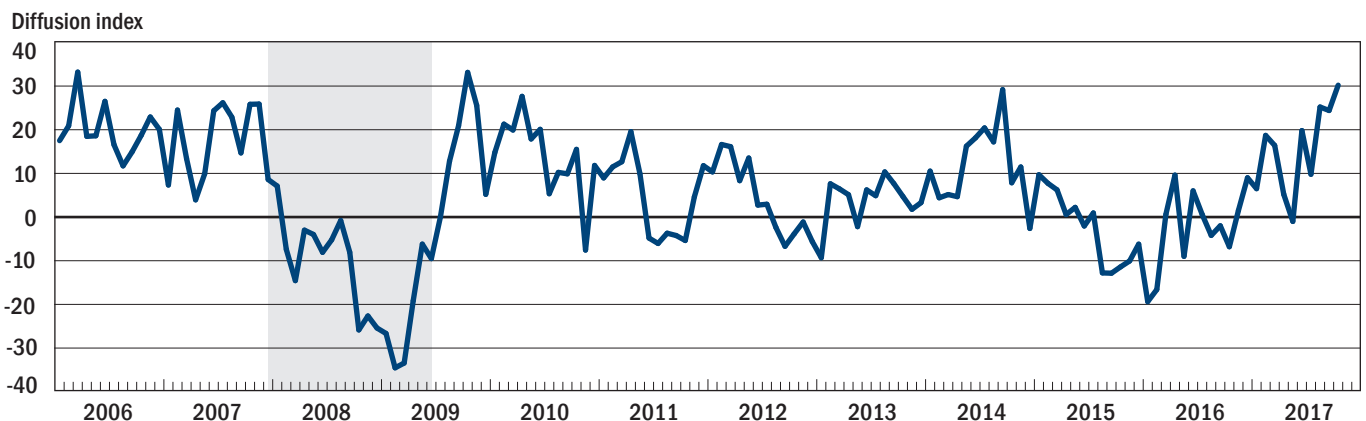
employment expanded more strongly this month, while the average workweek index registered zero, indicating that the average workweek held steady. Prices increased at a somewhat slower pace than last month: the prices paid index fell nine points to 27.3, and the prices received index moved down seven points to 7.0.

## 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 climbed six points to 44.8, and the index for future new orders also came in at 44.8. Employment was expected to increase modestly. The capital expenditures index edged down three points to 21.9, and the technology spending index was little changed at 16.4. ■

## General Business Conditions

Seasonally Adjusted

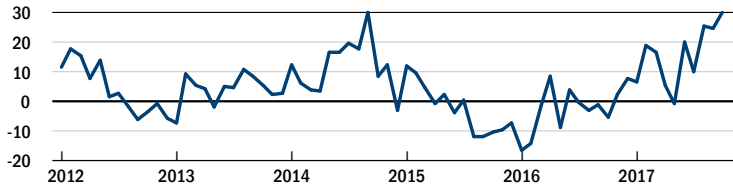


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

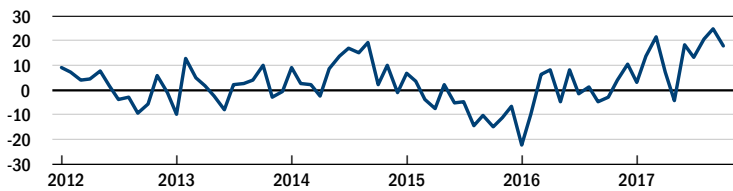
Change from Preceding Month

## General Business Conditions



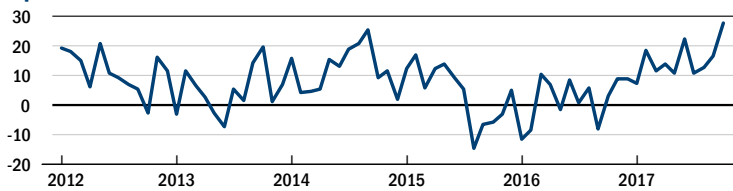
	Percent Reporting		Index
	Higher	Lower	
Sep	40.4	16.0	24.4
Oct	44.2	14.0	30.2
Change			5.8

## New Orders



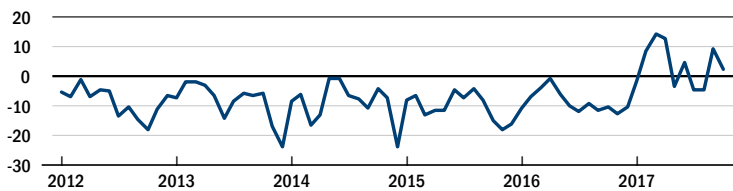
	Percent Reporting		Index
	Higher	Lower	
Sep	38.7	13.7	24.9
Oct	32.3	14.3	18.0
Change			-6.9

## Shipments



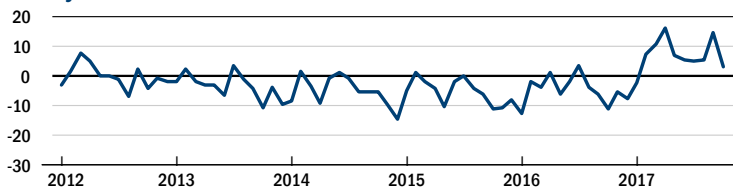
	Percent Reporting		Index
	Higher	Lower	
Sep	37.6	21.3	16.2
Oct	43.3	15.8	27.5
Change			11.3

## Unfilled Orders



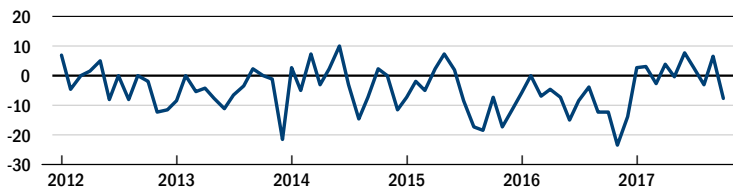
	Percent Reporting		Index
	Higher	Lower	
Sep	22.0	13.0	8.9
Oct	18.8	16.4	2.3
Change			-6.6

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	20.3	5.7	14.6
Oct	14.8	11.7	3.1
Change			-11.5

## Inventories

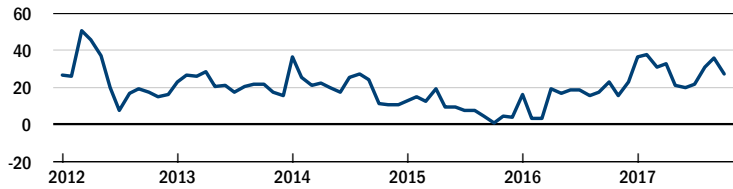


	Percent Reporting		Index
	Higher	Lower	
Sep	22.8	16.3	6.5
Oct	15.6	23.4	-7.8
Change			-14.3

## Current Indicators, *continued*

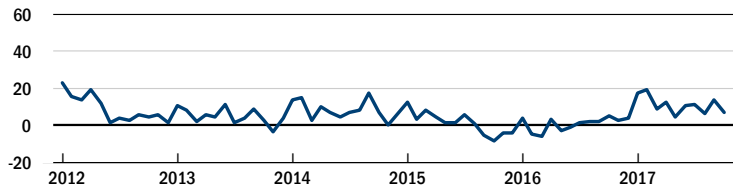
Change from Preceding Month

### Prices Paid



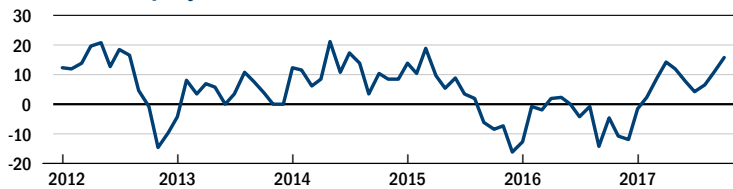
	Percent Reporting		Index
	Higher	Lower	
Sep	36.6	0.8	35.8
Oct	32.0	4.7	27.3
Change			-8.5

### Prices Received



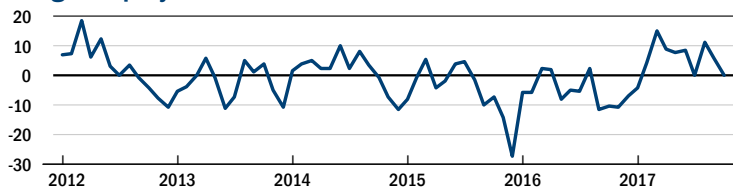
	Percent Reporting		Index
	Higher	Lower	
Sep	17.9	4.1	13.8
Oct	14.1	7.0	7.0
Change			-6.8

### Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Sep	22.8	12.2	10.6
Oct	22.7	7.0	15.6
Change			5.0

### Average Employee Workweek



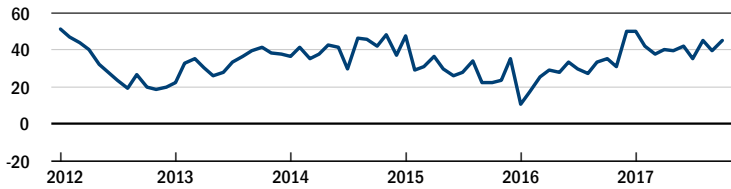
	Percent Reporting		Index
	Higher	Lower	
Sep	16.3	10.6	5.7
Oct	14.1	14.1	0.0
Change			-5.7

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

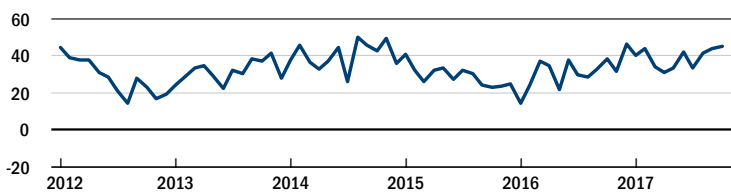
Expectations Six Months Ahead

## General Business Conditions



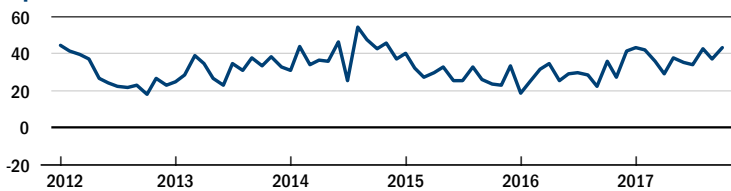
	Percent Reporting		Index
	Higher	Lower	
Sep	51.4	12.2	39.3
Oct	54.3	9.4	44.8
Change			5.5

## New Orders



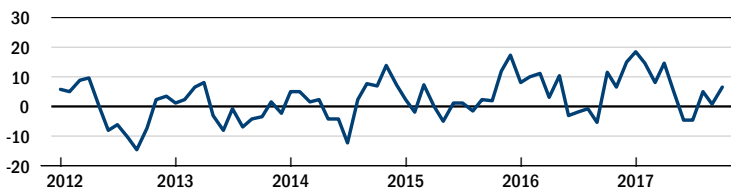
	Percent Reporting		Index
	Higher	Lower	
Sep	55.2	11.5	43.7
Oct	55.4	10.5	44.8
Change			1.1

## Shipments



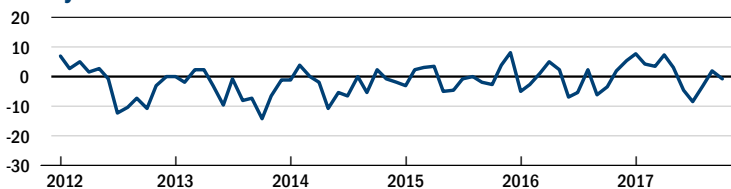
	Percent Reporting		Index
	Higher	Lower	
Sep	48.9	11.9	37.0
Oct	52.8	9.3	43.4
Change			6.4

## Unfilled Orders



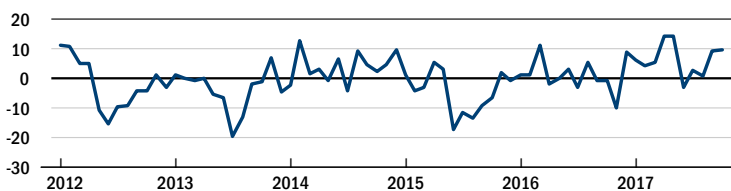
	Percent Reporting		Index
	Higher	Lower	
Sep	12.2	11.4	0.8
Oct	16.4	10.2	6.3
Change			5.5

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	9.8	8.1	1.6
Oct	12.5	13.3	-0.8
Change			-2.4

## Inventories

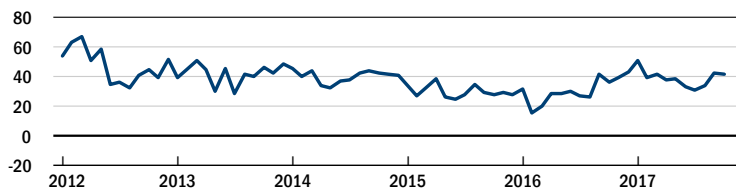


	Percent Reporting		Index
	Higher	Lower	
Sep	25.2	16.3	8.9
Oct	25.0	15.6	9.4
Change			0.5

## Forward-Looking Indicators, *continued*

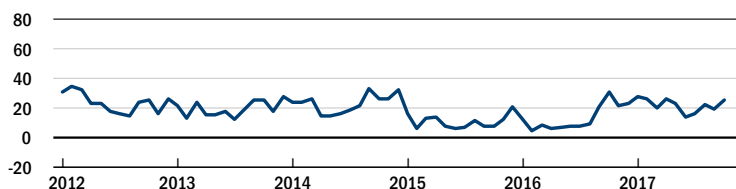
Expectations Six Months Ahead

### Prices Paid



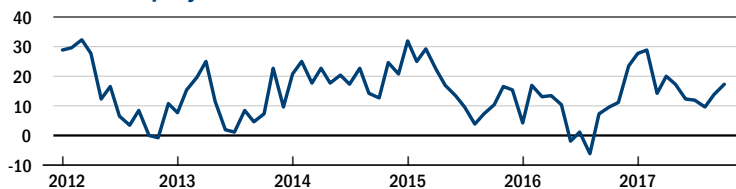
	Percent Reporting		Index
	Higher	Lower	
Sep	44.7	2.4	42.3
Oct	46.1	4.7	41.4
Change			-0.9

### Prices Received



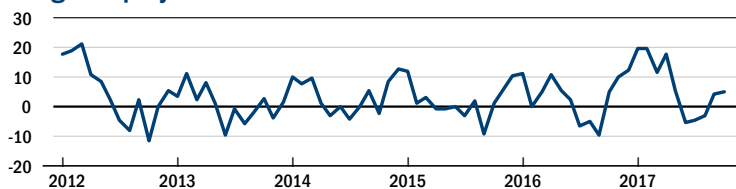
	Percent Reporting		Index
	Higher	Lower	
Sep	25.2	6.5	18.7
Oct	32.0	7.0	25.0
Change			6.3

### Number of Employees



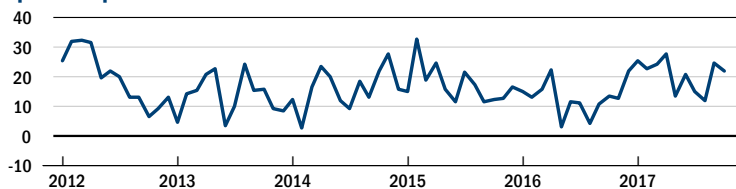
	Percent Reporting		Index
	Higher	Lower	
Sep	26.0	12.2	13.8
Oct	26.6	9.4	17.2
Change			3.4

### Average Employee Workweek



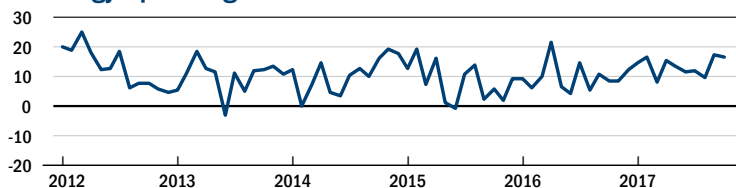
	Percent Reporting		Index
	Higher	Lower	
Sep	12.2	8.1	4.1
Oct	12.5	7.8	4.7
Change			0.6

### Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Sep	32.5	8.1	24.4
Oct	27.3	5.5	21.9
Change			-2.5

### Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Sep	24.4	7.3	17.1
Oct	21.9	5.5	16.4
Change			-0.7

Note: Data are seasonally adjusted.