

# Empire State Manufacturing Survey

The October 2014 *Empire State Manufacturing Survey* indicates that business activity grew modestly for New York manufacturers. The headline general business conditions index fell twenty-one points to 6.2, signaling that the pace of growth slowed significantly from last month. The new orders index dropped nineteen points to -1.7, indicating a slight decline in orders, and the shipments index fell twenty-six points to 1.1, indicating that shipments were flat. The employment index rose seven points to 10.2, pointing to an increase in employment levels, while the average workweek index fell to a level just below zero, suggesting that hours worked held steady. Both price indexes fell this month—a sign that the pace of growth had moderated for input prices and selling prices. Indexes for the six-month outlook were somewhat lower than last month, but continued to convey a high degree of optimism about future business conditions.

## Growth in Business Activity Slows

After reaching a multiyear high last month, the general business conditions index plummeted twenty-one points to 6.2, pointing to a substantial slowing in the pace of growth in business activity for New York manufacturers. The decline in the index was driven by a drop in the share of respondents reporting that conditions had improved relative to the preceding month's; this share fell from 46 percent to 25 percent in October, while the share of respondents reporting worsening conditions was little changed at 19 percent. The new orders index fell eighteen points to -1.7—evidence of a slight decrease in orders. Like the drop in the general business conditions index, this decline reflected a large drop in those reporting an increase. The shipments index tumbled twenty-six points to 1.1, indicating that orders were flat

on the heels of a sharp increase last month. The unfilled orders index rose slightly but remained negative at -4.5. The delivery time index was little changed at -5.7, and the inventories index, up ten points to 2.3, showed that inventory had increased slightly after declining the prior three months.

## Price Increases Less Widespread

Both price indexes declined, indicating a slower pace of growth in input and selling prices alike. The prices paid index fell thirteen points to 11.4, its lowest level in more than two years, and the prices received index fell eleven points to 6.8. Employment indexes pointed to a modest increase in employment levels and little change in hours worked. The index for number of employees climbed seven points to 10.2, and the average workweek index dropped four points to -1.1.

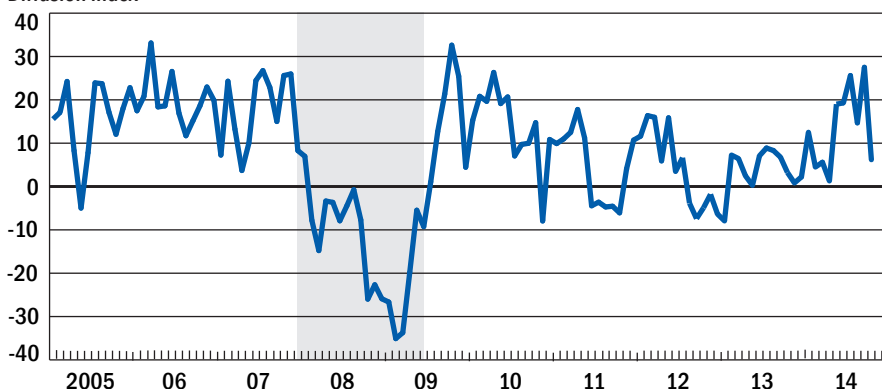
## Growth Expected to Continue in the Months Ahead

Most of the indexes assessing the future outlook were down from last month. Nevertheless, they remained fairly high by historical standards, and conveyed an expectation that activity would continue to grow in the months ahead. The index for future general business conditions fell five points to 41.7. The future new orders index fell three points to 42.3, and the future shipments index declined five points to 42.5. The index for expected number of employees dropped to 12.5, and the future average workweek index fell below zero. The capital expenditures index climbed nine points to 21.6, its highest level in several months, and the technology spending index rose to 15.9. ■

## General Business Conditions

Seasonally Adjusted

Diffusion index



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

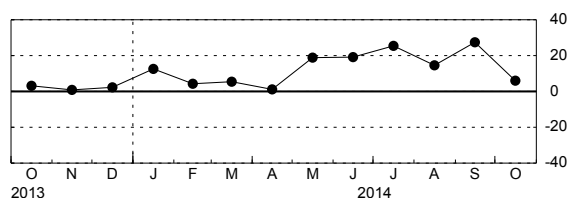
# Current Indicators

Change from Preceding Month

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	45.97	35.60	18.43	27.54
Oct	25.43	55.30	19.27	6.17

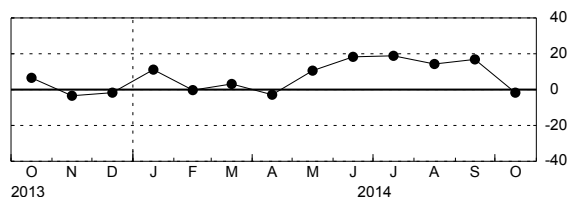
General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	40.07	36.72	23.21	16.86
Oct	21.88	54.52	23.61	-1.73

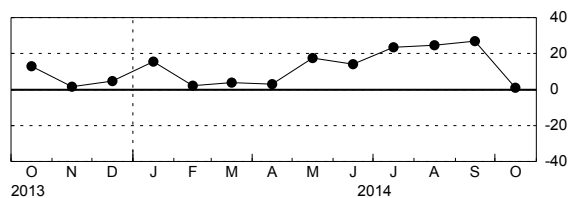
New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	43.79	39.49	16.71	27.08
Oct	26.11	48.90	24.99	1.12

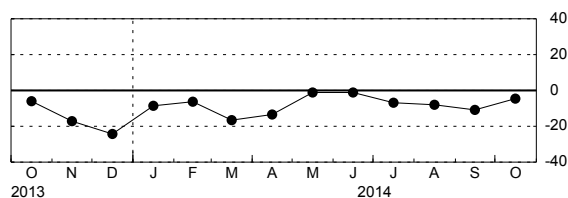
Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	11.96	65.22	22.83	-10.87
Oct	13.64	68.18	18.18	-4.55

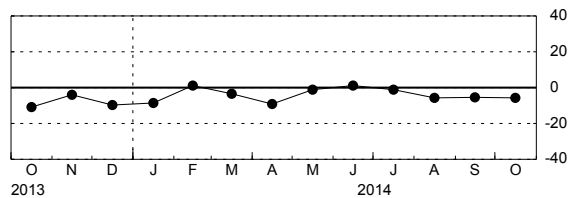
Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	10.87	72.83	16.30	-5.43
Oct	6.82	80.68	12.50	-5.68

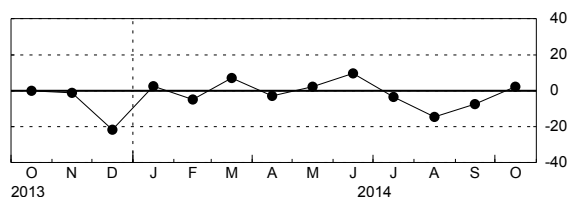
Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	19.57	53.26	27.17	-7.61
Oct	22.73	56.82	20.45	2.27

Inventories - Diffusion Index



## Current Indicators, *continued*

### Change from Preceding Month

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	27.17	69.57	3.26	23.91
Oct	15.91	79.55	4.55	11.36

#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	19.57	78.26	2.17	17.39
Oct	11.36	84.09	4.55	6.82

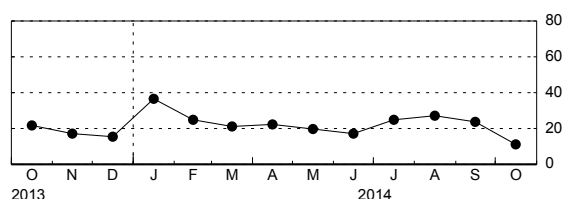
#### Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	19.57	64.13	16.30	3.26
Oct	22.73	64.77	12.50	10.23

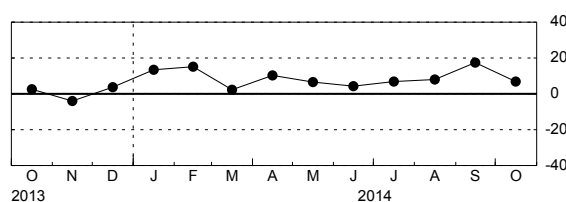
#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	15.22	72.83	11.96	3.26
Oct	11.36	76.14	12.50	-1.14

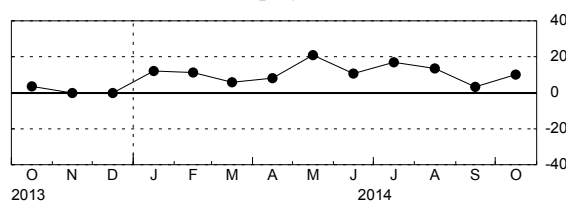
Prices Paid - Diffusion Index



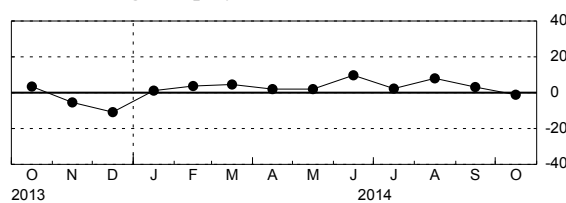
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

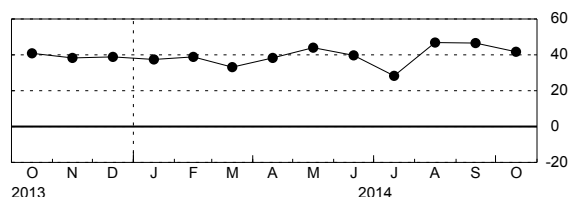
# Forward-Looking Indicators

Expectations Six Months Ahead

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	58.13	30.45	11.42	46.72
Oct	50.22	41.22	8.56	41.66

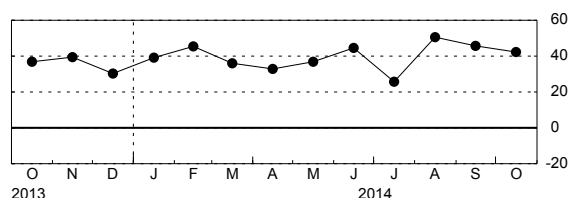
General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	57.12	31.31	11.56	45.56
Oct	52.92	36.50	10.58	42.34

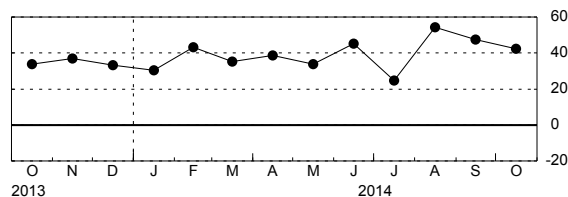
New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	56.83	33.81	9.37	47.46
Oct	52.08	38.38	9.54	42.54

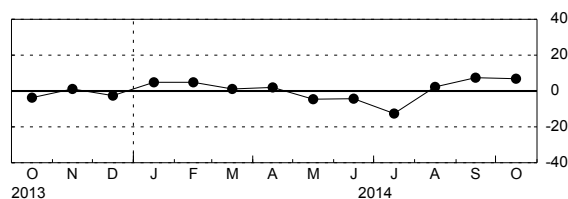
Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	17.39	72.83	9.78	7.61
Oct	20.45	65.91	13.64	6.82

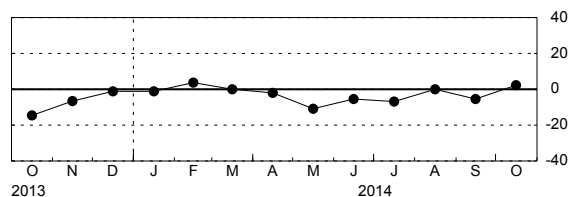
Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	8.70	77.17	14.13	-5.43
Oct	13.64	75.00	11.36	2.27

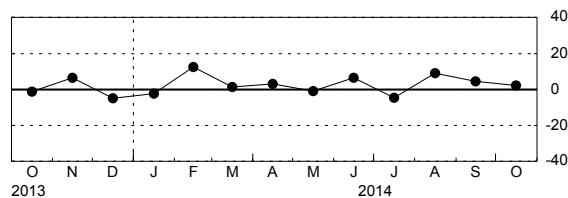
Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	25.00	54.35	20.65	4.35
Oct	25.00	52.27	22.73	2.27

Inventories - Diffusion Index



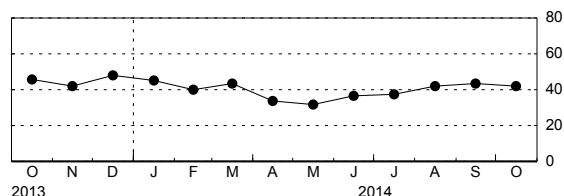
## Forward-Looking Indicators, *continued*

### Expectations Six Months Ahead

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	45.65	52.17	2.17	43.48
Oct	45.45	51.14	3.41	42.05

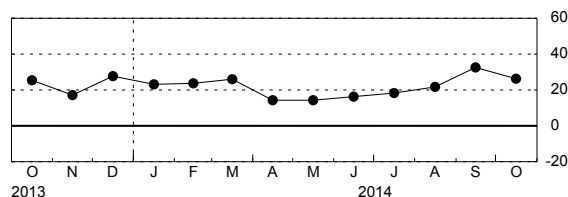
Prices Paid - Diffusion Index



#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	36.96	58.70	4.35	32.61
Oct	35.23	55.68	9.09	26.14

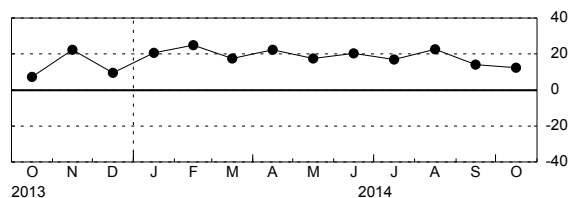
Prices Received - Diffusion Index



#### Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	26.09	61.96	11.96	14.13
Oct	23.86	64.77	11.36	12.50

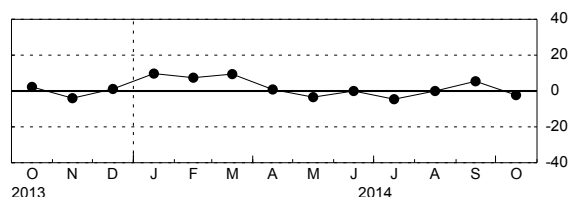
Number of Employees - Diffusion Index



#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	16.30	72.83	10.87	5.43
Oct	11.36	75.00	13.64	-2.27

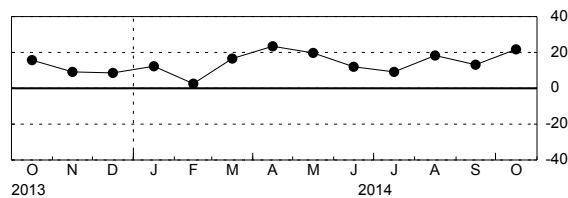
Average Employee Workweek - Diffusion Index



#### Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	29.35	54.35	16.30	13.04
Oct	34.09	53.41	12.50	21.59

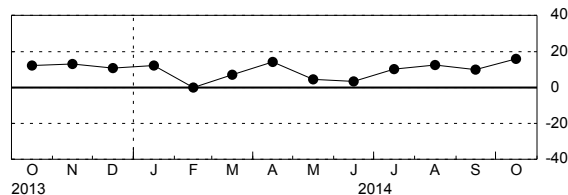
Capital Expenditures - Diffusion Index



#### Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Sep	21.74	66.30	11.96	9.78
Oct	27.27	61.36	11.36	15.91

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.