

# Empire State Manufacturing Survey

The January 2014 *Empire State Manufacturing Survey* indicates that business activity expanded for New York manufacturers, and did so at a faster pace than in recent months. The general business conditions index rose ten points to 12.5, its highest level in more than a year. The new orders index climbed thirteen points to 11.0, a two-year high, and the shipments index rose to 15.5. The unfilled orders index remained negative at -8.5. The indexes for both prices paid and prices received were significantly higher, pointing to an acceleration in the pace of input and selling price increases. Employment indexes indicated an improvement in labor market conditions. Indexes for the six-month outlook continued to convey a fair degree of optimism about future conditions.

## Business Activity Picks Up

Business activity expanded modestly for New York manufacturers, according to the January 2014 survey. The general business conditions index rose ten points to 12.5, reaching its highest level since May of 2012. This month, 35 percent of respondents reported that conditions had improved over the month, while 22 percent reported that conditions had worsened. The new orders index climbed out of negative territory, rising thirteen points to 11.0, a two-year high. The shipments index rose eleven points to 15.5, and the unfilled orders index rose sixteen points to -8.5. The delivery time index was little changed at -8.5. The inventories index rose twenty-four points to 2.4, more than reversing last month's sharp decline.

## Price Increases Accelerate

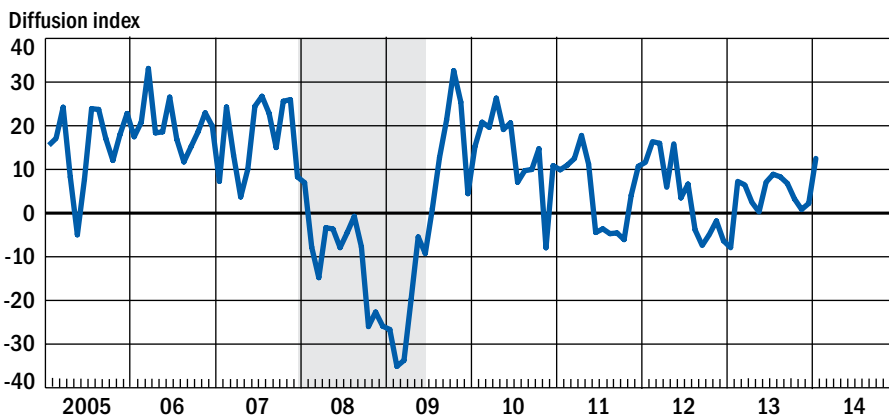
The indexes for both prices paid and prices received were significantly higher. The prices paid index rose twenty-one points to 36.6, its highest level in more than a year, pointing to a substantial pickup in the pace of input price increases. The prices received index rose ten points to 13.4, indicating an acceleration in the pace of selling price increases as well. Employment indexes suggested an improvement in labor market conditions. The index for number of employees rose twelve points to 12.2, indicating a modest increase in employment levels, and the average workweek index rose to 1.2—a sign that hours worked held steady.

## Six-Month Outlook Remains Optimistic

Indexes for the six-month outlook remained fairly optimistic. The index for future general business conditions was little changed at 37.5. The index for future new orders climbed nine points to 39.1, and the index for future shipments inched down to 30.6. The index for future prices paid fell three points to 45.1, and the index for future prices received fell to 23.2. The index for expected number of employees rose to 20.7, and the future average workweek index climbed to 9.8. The capital expenditures index increased four points to 12.2, and the technology spending index rose to the same level, 12.2. ■

## General Business Conditions

Seasonally adjusted



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

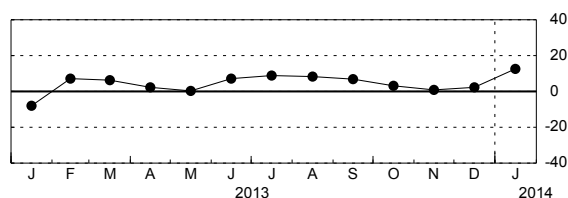
# Current Indicators

Change from Preceding Month

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	25.99	50.24	23.77	2.22
Jan	34.74	43.03	22.23	12.51

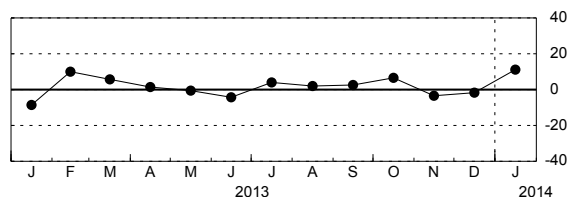
General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	24.02	50.27	25.71	-1.69
Jan	34.67	41.65	23.69	10.98

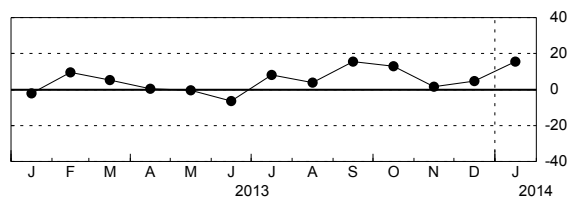
New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	31.42	41.84	26.73	4.69
Jan	32.60	50.32	17.08	15.52

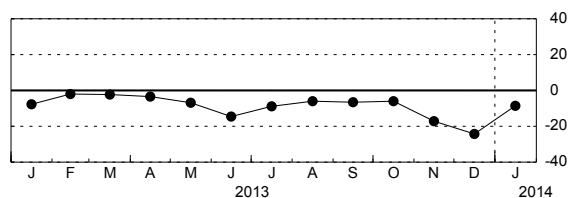
Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	4.82	66.27	28.92	-24.10
Jan	12.20	67.07	20.73	-8.54

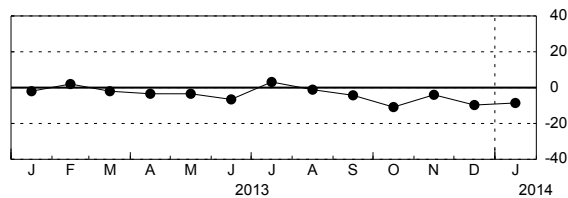
Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	3.61	83.13	13.25	-9.64
Jan	8.54	74.39	17.07	-8.54

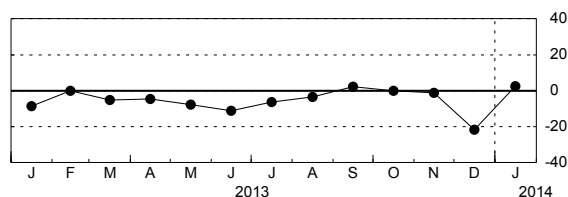
Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	13.25	51.81	34.94	-21.69
Jan	23.17	56.10	20.73	2.44

Inventories - Diffusion Index



## Current Indicators, *continued*

### Change from Preceding Month

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	16.87	81.93	1.20	15.66
Jan	37.80	60.98	1.22	36.59

#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	12.05	79.52	8.43	3.61
Jan	20.73	71.95	7.32	13.41

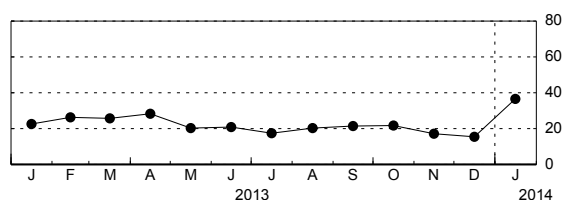
#### Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	13.25	73.49	13.25	0.00
Jan	24.39	63.41	12.20	12.20

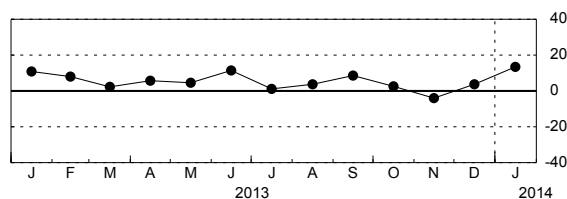
#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	7.23	74.70	18.07	-10.84
Jan	18.29	64.63	17.07	1.22

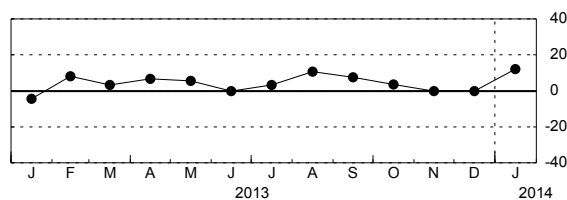
Prices Paid - Diffusion Index



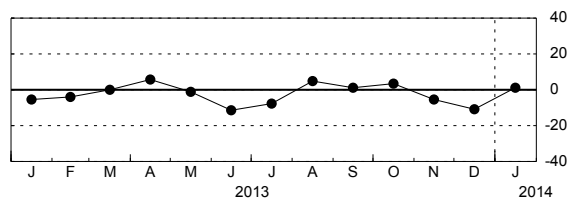
Prices Received - Diffusion Index



Number of Employees - Diffusion Index



Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

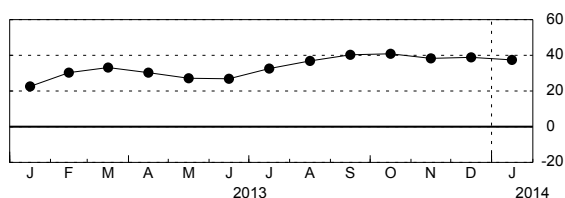
# Forward-Looking Indicators

Expectations Six Months Ahead

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	49.27	40.43	10.31	38.96
Jan	49.59	38.34	12.08	37.51

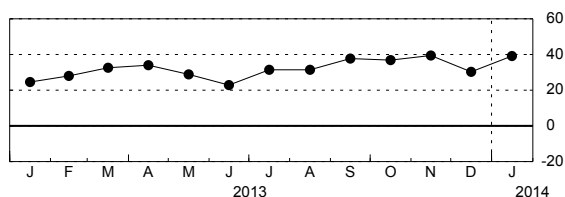
General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	42.43	45.30	12.28	30.15
Jan	51.81	35.48	12.71	39.10

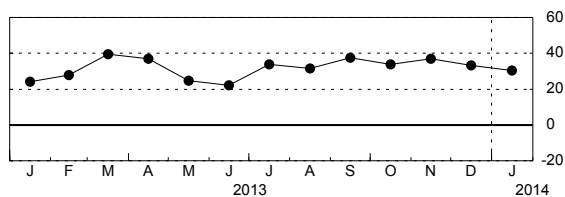
New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	45.81	41.69	12.50	33.31
Jan	45.97	38.64	15.39	30.58

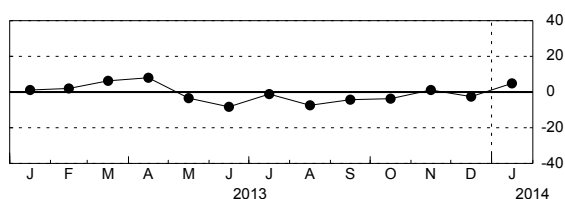
Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	12.05	73.49	14.46	-2.41
Jan	12.20	80.49	7.32	4.88

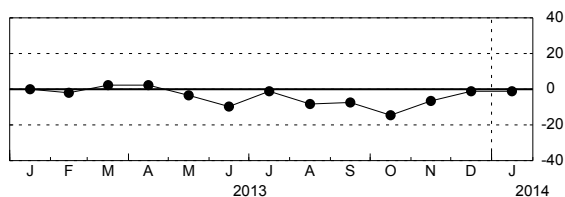
Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	9.64	79.52	10.84	-1.20
Jan	8.54	81.71	9.76	-1.22

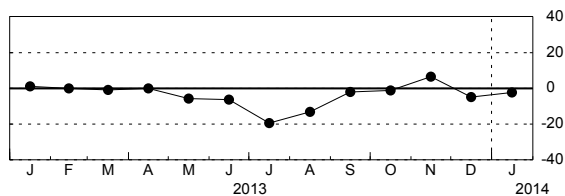
Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	22.89	49.40	27.71	-4.82
Jan	23.17	51.22	25.61	-2.44

Inventories - Diffusion Index



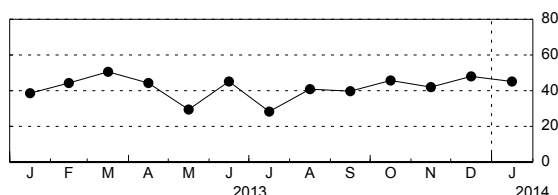
## Forward-Looking Indicators, *continued*

### Expectations Six Months Ahead

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	53.01	42.17	4.82	48.19
Jan	50.00	45.12	4.88	45.12

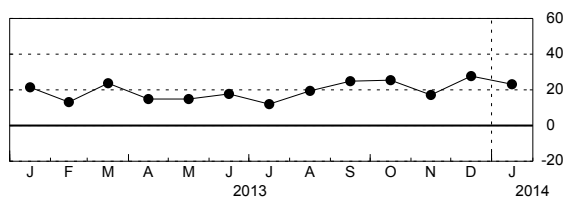
Prices Paid - Diffusion Index



#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	37.35	53.01	9.64	27.71
Jan	29.27	64.63	6.10	23.17

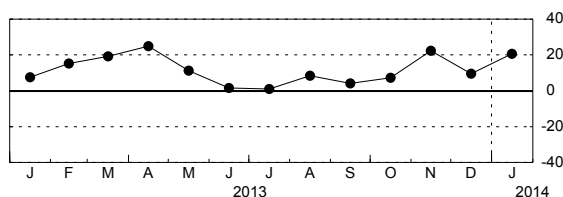
Prices Received - Diffusion Index



#### Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	24.10	61.45	14.46	9.64
Jan	29.27	62.20	8.54	20.73

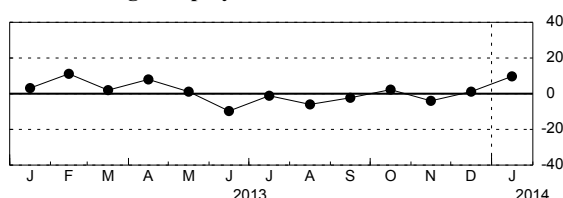
Number of Employees - Diffusion Index



#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	18.07	65.06	16.87	1.20
Jan	18.29	73.17	8.54	9.76

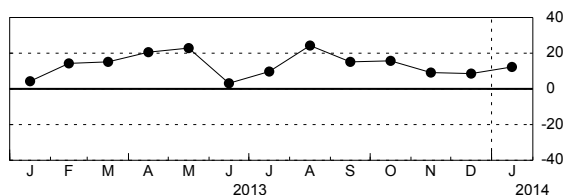
Average Employee Workweek - Diffusion Index



#### Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	25.30	57.83	16.87	8.43
Jan	26.83	58.54	14.63	12.20

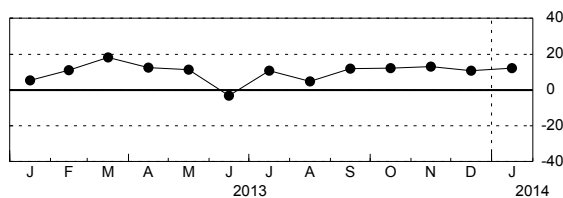
Capital Expenditures - Diffusion Index



#### Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	22.89	65.06	12.05	10.84
Jan	23.17	65.85	10.98	12.20

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.