

Empire State Manufacturing Survey

The April 2016 *Empire State Manufacturing Survey* indicates that business activity expanded for New York manufacturers. The headline general business conditions climbed nine points to 9.6, its highest level in more than a year. The new orders and shipments indexes registered an increase in both orders and shipments, and inventories were slightly lower than last month. The prices paid index climbed sixteen points to 19.2, pointing to a pickup in input price increases, while the prices received index rose above zero, a sign that selling prices increased. Employment levels and the average workweek were little changed from March. The six-month outlook continued to improve, with the index

for future business conditions rising for a third straight month.

Business Conditions Improve

Business activity expanded for New York manufacturing firms for the first time in over a year, according to the April 2016 survey. After remaining in negative territory for seven months, the general business conditions index rose to a reading slightly above zero last month, and climbed nine more points to reach 9.6 in April. Thirty-one percent of respondents reported that conditions had improved over the month, while 22 percent reported that conditions had worsened. After a steep gain last month, the new orders index edged up two points to 11.1, pointing to an

increase in orders. The shipments index edged lower but, at 10.2, still signaled a modest increase in shipments. The unfilled orders and delivery time indexes both came in close to zero. The inventories index was -4.8, indicating that inventory levels were slightly lower.

Employment Holds Steady

The prices paid index rose sixteen points to 19.2, suggesting that input prices increased at a significantly faster pace than last month. The prices received index, up nine points to 2.9, showed a small increase in selling prices. The index for number of employees edged up to 2.0, indicating that employment levels remained fairly steady, and the average workweek index was unchanged at 2.0, a sign that hours worked remained largely the same.

General Business Conditions

Seasonally Adjusted



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

Outlook Continues to Improve

Indexes for the six-month outlook indicated that conditions were expected to improve in the months ahead. The index for future business conditions moved up four points to 29.4—its third consecutive rise. The index for future new orders remained elevated at 36.6, and the index for future shipments climbed to 37.2. Future employment indexes conveyed an expectation that employment levels and the average workweek would rise modestly over the next six months. The capital expenditures index climbed six points to 22.1, and the technology spending index rose to 21.2. ■

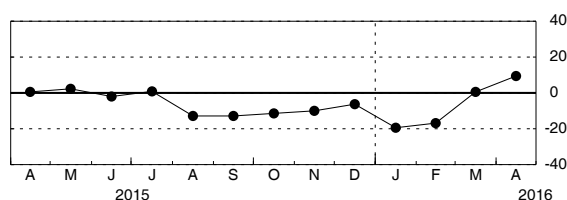
Current Indicators

Change from Preceding Month

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	24.55	51.53	23.92	0.62
Apr	31.15	47.25	21.59	9.56

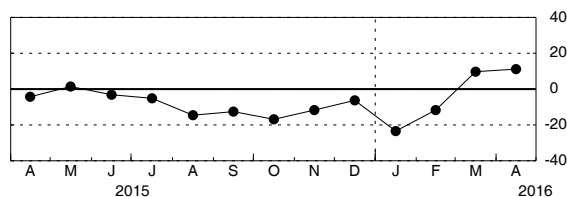
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	34.87	39.83	25.30	9.57
Apr	35.25	40.64	24.11	11.14

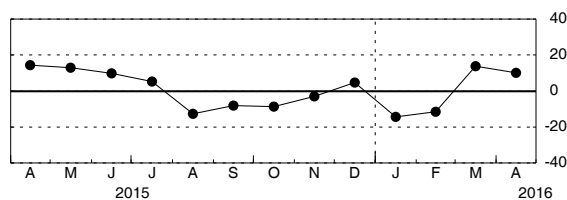
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	36.66	40.56	22.78	13.88
Apr	36.96	36.24	26.79	10.17

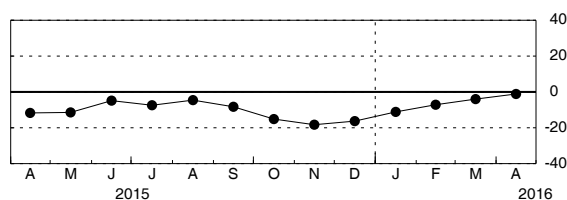
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	12.87	70.30	16.83	-3.96
Apr	14.42	70.19	15.38	-0.96

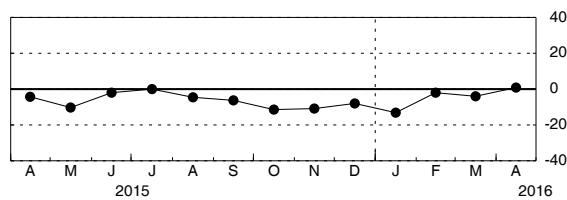
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	8.91	78.22	12.87	-3.96
Apr	9.62	81.73	8.65	0.96

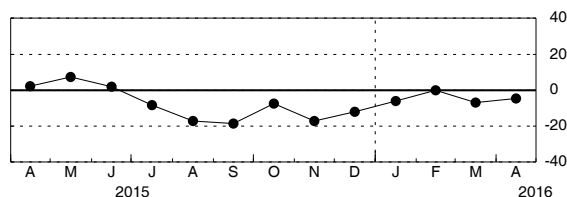
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	17.82	57.43	24.75	-6.93
Apr	19.23	56.73	24.04	-4.81

Inventories - Diffusion Index



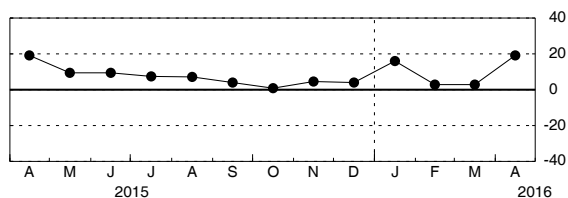
Current Indicators, *continued*

Change from Preceding Month

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	11.88	79.21	8.91	2.97
Apr	24.04	71.15	4.81	19.23

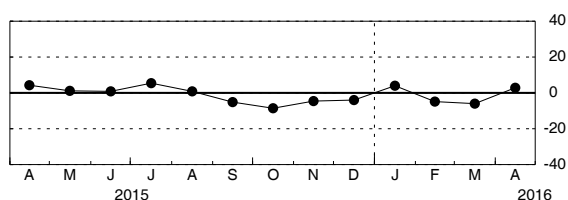
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	7.92	78.22	13.86	-5.94
Apr	11.54	79.81	8.65	2.88

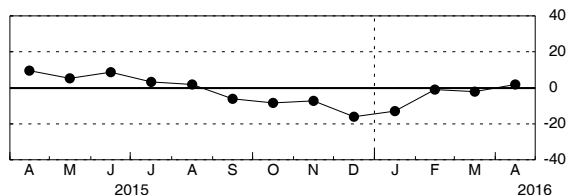
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	12.87	72.28	14.85	-1.98
Apr	17.31	67.31	15.38	1.92

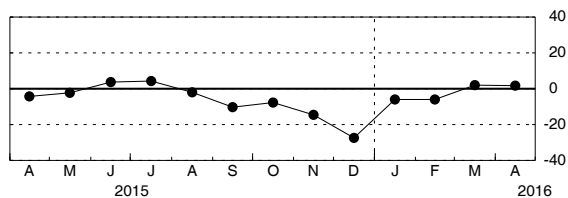
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	12.87	76.24	10.89	1.98
Apr	12.50	76.92	10.58	1.92

Average Employee Workweek - Diffusion Index



Note: All data are seasonally adjusted.

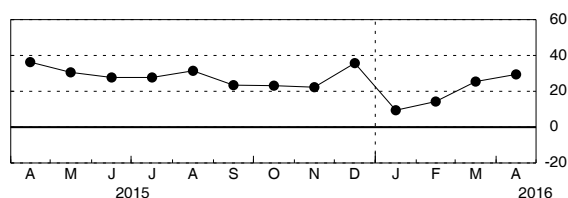
Forward-Looking Indicators

Expectations Six Months Ahead

General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	43.72	38.08	18.20	25.52
Apr	45.38	38.64	15.98	29.40

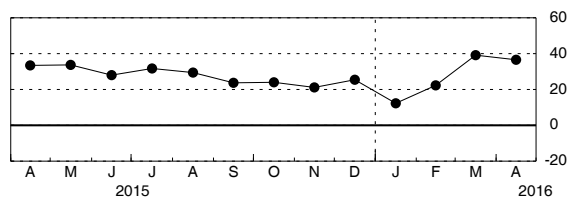
General Business Conditions - Diffusion Index



New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	52.50	33.95	13.54	38.96
Apr	50.42	35.72	13.86	36.55

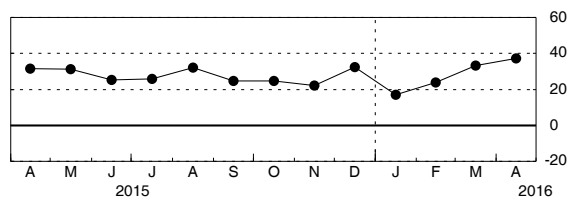
New Orders - Diffusion Index



Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	47.37	38.60	14.03	33.33
Apr	52.35	32.49	15.16	37.18

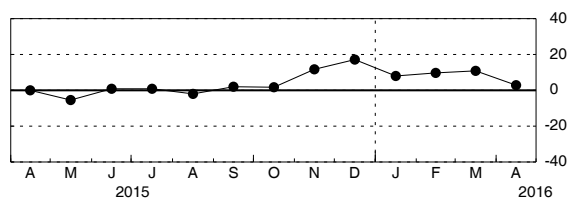
Shipments - Diffusion Index



Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	20.79	69.31	9.90	10.89
Apr	16.35	70.19	13.46	2.88

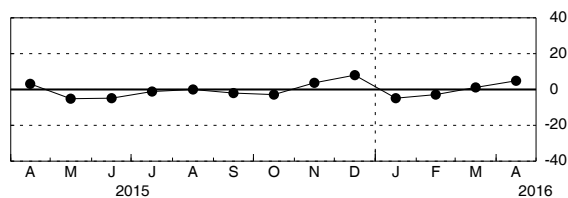
Unfilled Orders - Diffusion Index



Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	10.89	79.21	9.90	0.99
Apr	15.38	74.04	10.58	4.81

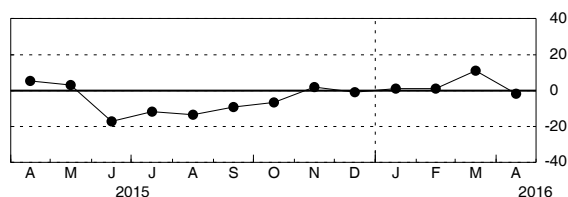
Delivery Time - Diffusion Index



Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	26.73	57.43	15.84	10.89
Apr	22.12	53.85	24.04	-1.92

Inventories - Diffusion Index



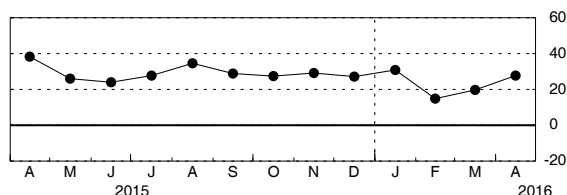
Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	22.77	74.26	2.97	19.80
Apr	34.62	58.65	6.73	27.88

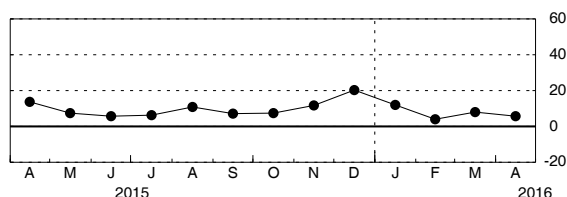
Prices Paid - Diffusion Index



Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	14.85	78.22	6.93	7.92
Apr	16.35	73.08	10.58	5.77

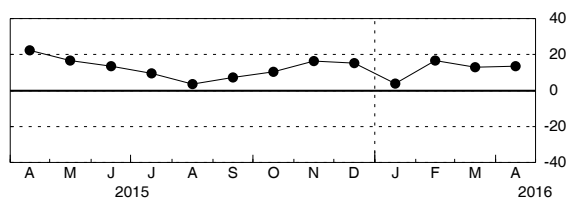
Prices Received - Diffusion Index



Number of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	26.73	59.41	13.86	12.87
Apr	26.92	59.62	13.46	13.46

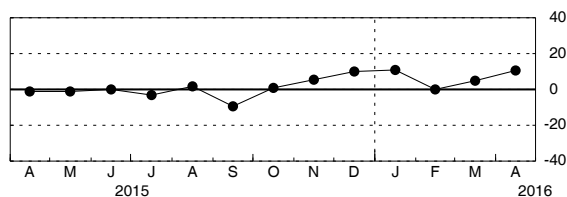
Number of Employees - Diffusion Index



Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	14.85	75.25	9.90	4.95
Apr	21.15	68.27	10.58	10.58

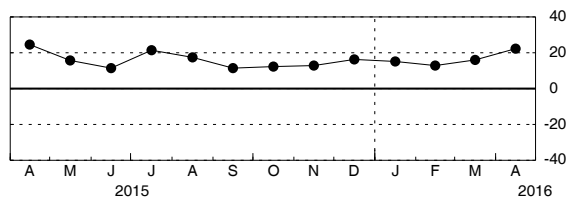
Average Employee Workweek - Diffusion Index



Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	27.72	60.40	11.88	15.84
Apr	33.65	54.81	11.54	22.12

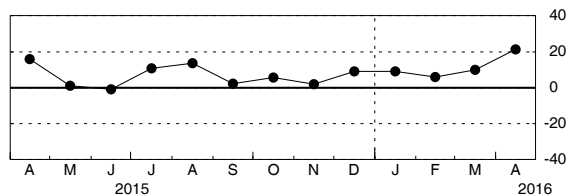
Capital Expenditures - Diffusion Index



Technology Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	22.77	64.36	12.87	9.90
Apr	27.88	65.38	6.73	21.15

Technology Spending - Diffusion Index



Note: All data are seasonally adjusted.