

Empire State Manufacturing Survey

Business activity continued to grow strongly in New York State, according to firms responding to the November 2017 *Empire State Manufacturing Survey*. Though the headline general business conditions index fell eleven points from the multiyear high it reached last month, it remained firmly in positive territory at 19.4. The new orders index climbed to 20.7 and the shipments index came in at 18.4—readings that pointed to ongoing solid gains in orders and shipments. Delivery times were slightly shorter than last month, and inventory levels edged higher. Labor market indicators reflected moderate employment gains and little change in hours worked. Both input prices and selling prices rose at a pace that was little changed from last month. Indexes assessing the six-month outlook suggested that firms were very optimistic about future business conditions.

Activity Remains Strong

Manufacturing firms in New York State reported that business activity continued to expand strongly. After reaching a three-year high last month, the general business conditions index fell eleven points to 19.4, suggesting a pace of growth that, while brisk, was slower than in October. Thirty-seven percent of respondents reported that conditions had improved over the month, while 17 percent reported that conditions had worsened. The new orders index moved up three points to 20.7, indicating solid growth in orders. After advancing to a multiyear high last month, the shipments index fell nine points to 18.4. The unfilled orders index moved down seven points to -4.6, pointing to a small decline in unfilled orders. The delivery time index fell five points to -5.4, indicating shorter delivery times, and the inventories index rose twelve points to 4.6, a sign that inventory levels increased modestly.

Employment Levels Continue to Escalate

The index for number of employees fell four points to 11.5, suggesting that employment expanded, though at a somewhat slower pace than last month. The average workweek index remained near zero, indicating that hours worked held steady. Prices increased at about the same pace as last month: the prices paid index edged down slightly to 24.6, and the prices received index inched up to 9.2.

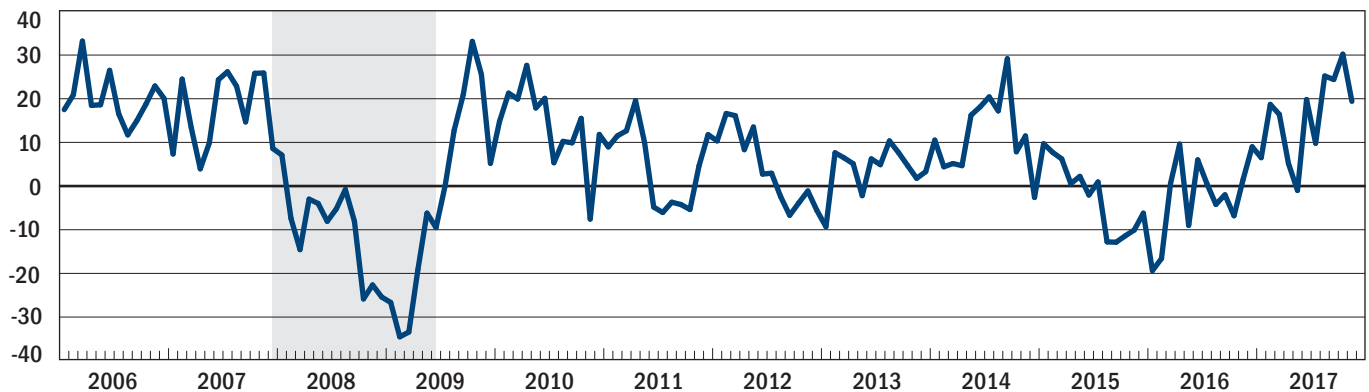
Optimism Grows

Looking ahead, firms were very optimistic about the six-month outlook. The index for future business conditions climbed five points to 49.9, and the index for future new orders rose nine points to 53.7, a multiyear high. Employment and the average workweek were expected to increase in the months ahead. The capital expenditures index climbed four points to 25.4, and the technology spending index fell six points to 10.8. ■

General Business Conditions

Seasonally Adjusted

Diffusion index

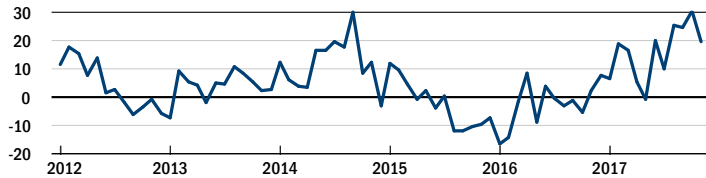


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

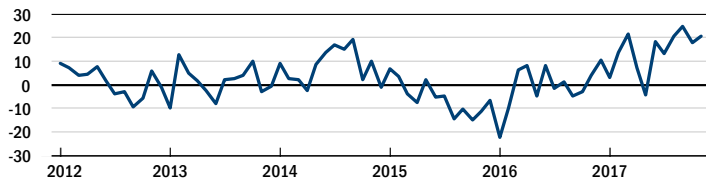
Change from Preceding Month

General Business Conditions



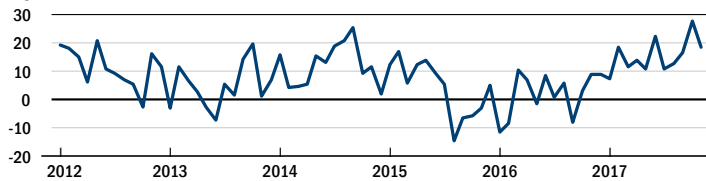
	Percent Reporting		Index
	Higher	Lower	
Oct	44.2	14.0	30.2
Nov	36.6	17.2	19.4
Change			-10.8

New Orders



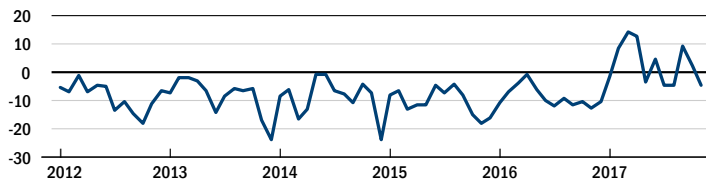
	Percent Reporting		Index
	Higher	Lower	
Oct	32.3	14.3	18.0
Nov	40.7	20.0	20.7
Change			2.7

Shipments



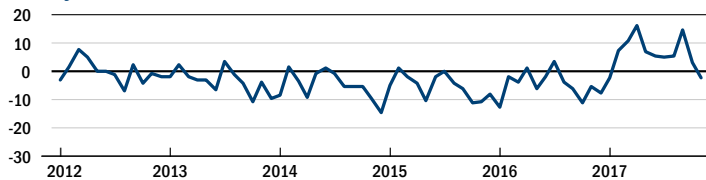
	Percent Reporting		Index
	Higher	Lower	
Oct	43.3	15.8	27.5
Nov	36.5	18.2	18.4
Change			-9.1

Unfilled Orders



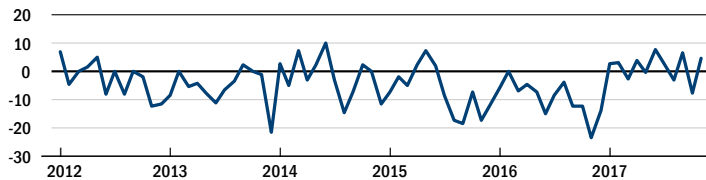
	Percent Reporting		Index
	Higher	Lower	
Oct	18.8	16.4	2.3
Nov	14.6	19.2	-4.6
Change			-6.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Oct	14.8	11.7	3.1
Nov	12.3	14.6	-2.3
Change			-5.4

Inventories

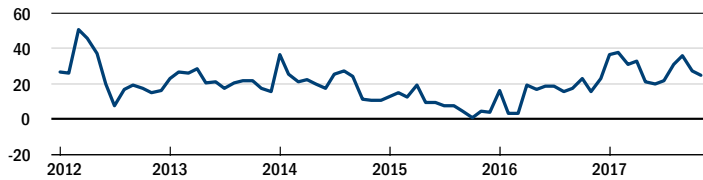


	Percent Reporting		Index
	Higher	Lower	
Oct	15.6	23.4	-7.8
Nov	23.1	18.5	4.6
Change			12.4

Current Indicators, *continued*

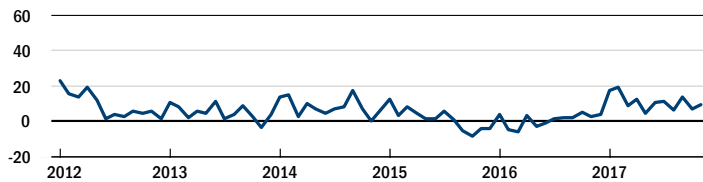
Change from Preceding Month

Prices Paid



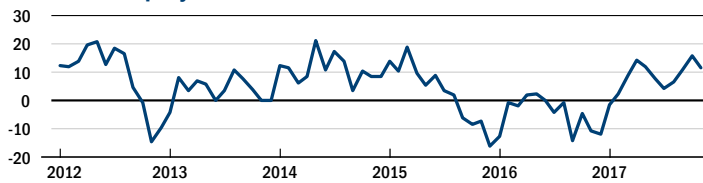
	Percent Reporting		Index
	Higher	Lower	
Oct	32.0	4.7	27.3
Nov	28.5	3.8	24.6
Change			-2.7

Prices Received



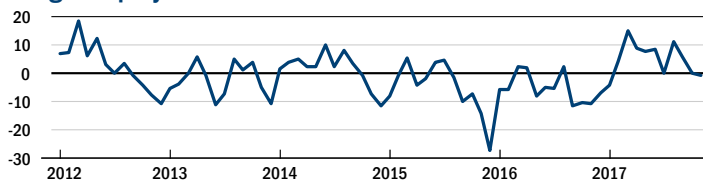
	Percent Reporting		Index
	Higher	Lower	
Oct	14.1	7.0	7.0
Nov	14.6	5.4	9.2
Change			2.2

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Oct	22.7	7.0	15.6
Nov	23.8	12.3	11.5
Change			-4.1

Average Employee Workweek



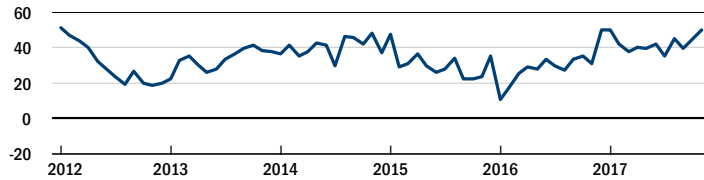
	Percent Reporting		Index
	Higher	Lower	
Oct	14.1	14.1	0.0
Nov	16.9	17.7	-0.8
Change			-0.8

Note: Data are seasonally adjusted.

Forward-Looking Indicators

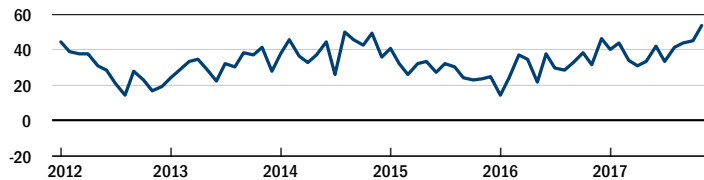
Expectations Six Months Ahead

General Business Conditions



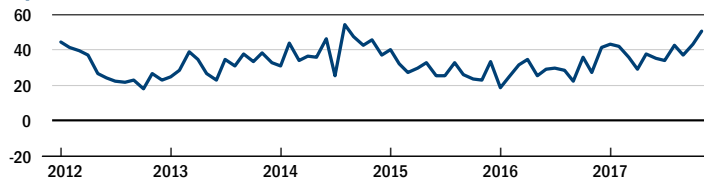
	Percent Reporting		Index
	Higher	Lower	
Oct	54.3	9.4	44.8
Nov	55.2	5.3	49.9
Change			5.1

New Orders



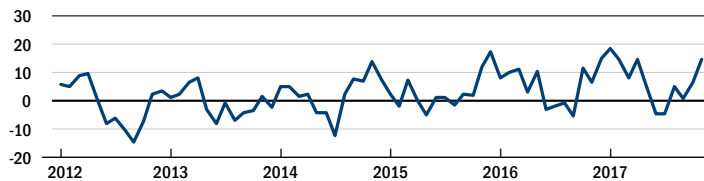
	Percent Reporting		Index
	Higher	Lower	
Oct	55.4	10.5	44.8
Nov	59.4	5.7	53.7
Change			8.9

Shipments



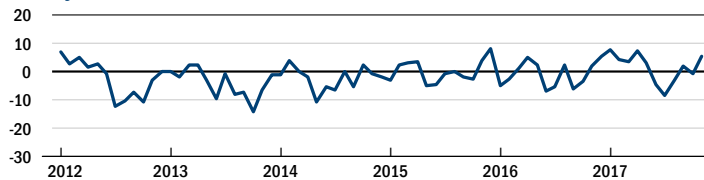
	Percent Reporting		Index
	Higher	Lower	
Oct	52.8	9.3	43.4
Nov	57.6	6.8	50.8
Change			7.4

Unfilled Orders



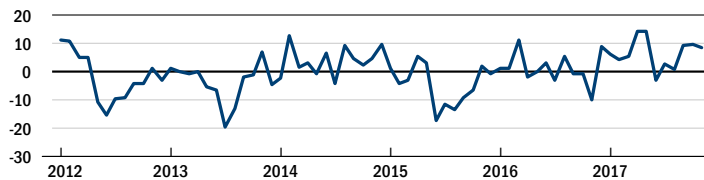
	Percent Reporting		Index
	Higher	Lower	
Oct	16.4	10.2	6.3
Nov	20.0	5.4	14.6
Change			8.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Oct	12.5	13.3	-0.8
Nov	13.8	8.5	5.4
Change			6.2

Inventories

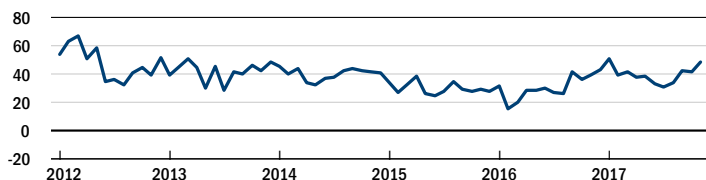


	Percent Reporting		Index
	Higher	Lower	
Oct	25.0	15.6	9.4
Nov	29.2	20.8	8.5
Change			-0.9

Forward-Looking Indicators, *continued*

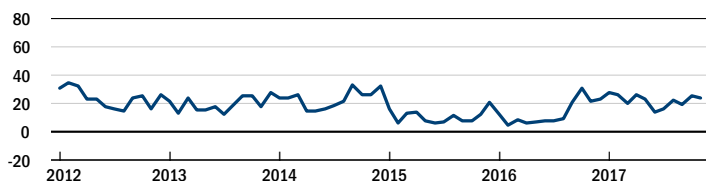
Expectations Six Months Ahead

Prices Paid



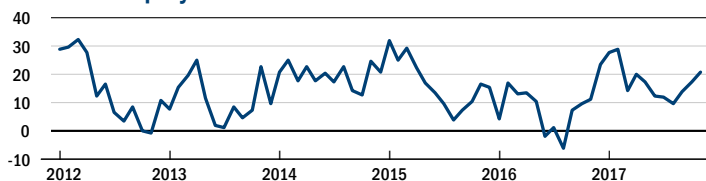
	Percent Reporting		Index
	Higher	Lower	
Oct	46.1	4.7	41.4
Nov	53.1	4.6	48.5
Change			7.1

Prices Received



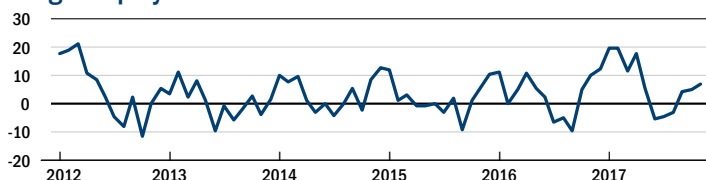
	Percent Reporting		Index
	Higher	Lower	
Oct	32.0	7.0	25.0
Nov	30.8	6.9	23.8
Change			-1.2

Number of Employees



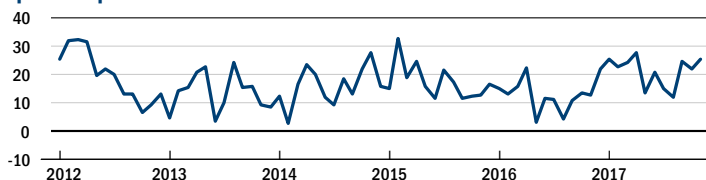
	Percent Reporting		Index
	Higher	Lower	
Oct	26.6	9.4	17.2
Nov	33.1	12.3	20.8
Change			3.6

Average Employee Workweek



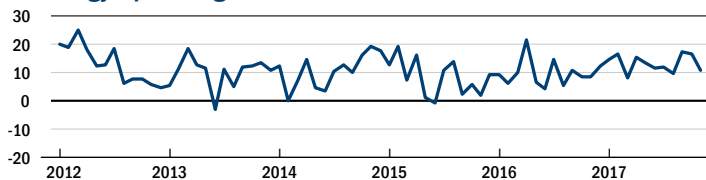
	Percent Reporting		Index
	Higher	Lower	
Oct	12.5	7.8	4.7
Nov	18.5	11.5	6.9
Change			2.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Oct	27.3	5.5	21.9
Nov	35.4	10.0	25.4
Change			3.5

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Oct	21.9	5.5	16.4
Nov	20.0	9.2	10.8
Change			-5.6

Note: Data are seasonally adjusted.