Empire State Manufacturing Survey: Activity Picks Up in February  
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by Jill Mislinski  
of Advisor Perspectives

This morning we got the latest *Empire State Manufacturing Survey*. The diffusion index for General Business Conditions at 12.9 was an increase of 8.1 from the previous month’s 4.8. The *Investing.com* forecast was for a reading of 5.0.

The Empire State Manufacturing Index rates the relative level of general business conditions in New York state. A level above 0.0 indicates improving conditions, below indicates worsening conditions. The reading is compiled from a survey of about 200 manufacturers in New York state.

Here is the opening paragraph from the report.

Business activity picked up in New York State, according to firms responding to the February 2020 Empire State Manufacturing Survey. The headline general business conditions index moved up eight points to 12.9. The new orders index shot up 16 points to 22.1, and the shipments index climbed to 18.9. Delivery times lengthened, and inventories increased significantly. Employment expanded only modestly, and the average workweek was little changed. Input price increases slowed somewhat, and selling price increases picked up a touch. Optimism about the six-month outlook continued to be somewhat subdued, and capital spending plans remained firm. [full report]

Here is a chart of the current conditions and its 3-month moving average, which helps clarify the trend for this extremely volatile indicator:
Click this link to access a PDF set of charts of the individual components over the past 12 months.

Since this survey only goes back to July of 2001, we only have one complete business cycle with which to evaluate its usefulness as an indicator for the broader economy. Following the Great Recession, the index has slipped into contraction multiple times, as the general trend slowed. We saw a gradual decline in 2015 that picked up in 2016, with a decline starting in mid- to late-2018.

Here is an overlay of the current and future conditions (a six-month outlook).
Meanwhile, here’s another look at the latest ISM Manufacturing Business Activity Index.
Let's compare all five Regional Manufacturing indicators. Here is a three-month moving average overlay of each since 2001 (for those with data).
Here is the same chart including the average of the five. Readers will notice the range in expansion and contraction between all regions.
Here are the remaining four monthly manufacturing indicators that we track:

Texas Manufacturing Outlook Survey (TMOS)

Kansas City Manufacturing Survey

Fifth District Manufacturing Survey (Richmond)

Philadelphia Fed Manufacturing Business Outlook Survey

Regional Fed Overview