

November 2024

Note: Survey responses were collected from November 11 to November 18.

Manufacturing activity in the region softened overall, according to the firms responding to the November *Manufacturing Business Outlook Survey*. The survey's indicator for current general activity turned negative, while the indexes for new orders and shipments declined but remained positive. The employment index turned positive, suggesting an increase in employment overall. Both price indexes indicate overall increases in prices and remain near their long-run averages. The firms continue to expect growth over the next six months, with growth expectations more widespread this month.

Most Current Indicators Soften

The diffusion index for current general activity fell from 10.3 to -5.5, its second negative reading since January (see Chart). Nearly 18 percent of the firms reported increases in general activity this month (down from 24 percent last month), while 23 percent reported decreases (up from 14 percent); 58 percent reported no change (little changed from last month). The indexes for new orders and shipments also declined but remained positive: The new orders index decreased 5 points to 8.9, and the shipments index declined 3 points to 4.5.

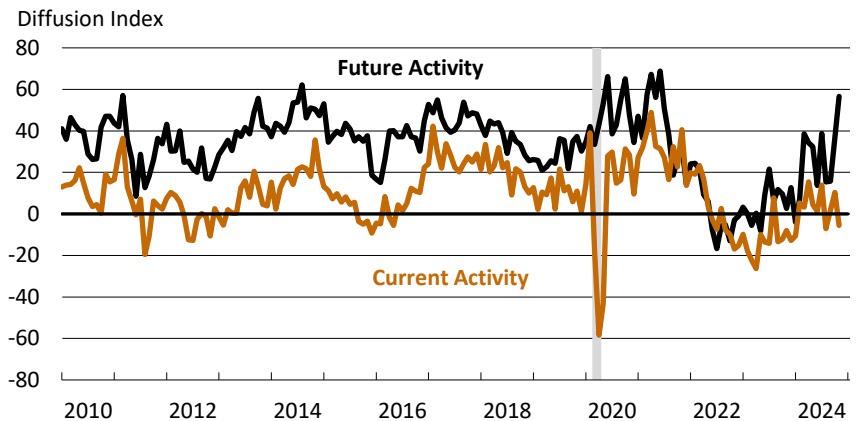
The firms reported an increase in employment, on balance, after reporting mostly steady employment last month. The employment index returned to positive territory, rising to 8.6. More than two-thirds of the firms reported no change in employment levels this month, while the share of firms reporting increases (17 percent) exceeded the share reporting decreases (9 percent). The average workweek index jumped 29 points to 17.4, its highest level since April 2022.

Firms Continue to Report Overall Price Increases

Both price indexes declined for the second consecutive month but remained positive. The prices paid index declined 3

Chart. Current and Future General Activity Indexes

January 2009 to November 2024



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

points to 26.6. Nearly 27 percent of the firms reported increases in input prices, while none reported decreases; 67 percent of the firms reported no change. The current prices received index fell 4 points to 14.3. Over 15 percent of the firms reported increases in prices received for their own goods, 1 percent reported decreases, and 76 percent reported no change.

Firms Expect Higher Increases in Own Prices

In this month's special questions, the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters (see Special Questions). Regarding their own prices over the next year, the firms' median forecast was for an expected increase of 3.0 percent, up slightly from 2.8 percent when this question was last asked in August. The firms reported a median increase of 3.0 percent in their own prices over the past year, unchanged from last quarter. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 3.4 percent over the next four quarters, down slightly from 3.5 percent in August. The firms'

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median forecast for the rate of inflation for U.S. consumers over the next year was also unchanged at 3.0 percent.

Most Future Indicators Rise

The diffusion index for future general activity jumped from 36.7 to 56.6 in November, its highest level since June 2021 (see Chart). The future new orders and shipments indexes rose to 66.2 and 52.1, respectively. Both indexes also reached their highest levels in over three years. The future prices paid index rose from 47.3 to 63.7, its highest level since April 2022. The future prices received index increased 9 points to 48.5. Expectations for overall increases in employment over the next six months were positive and more widespread, as the future employment index rose from 27.3 to 34.2.

Summary

Responses to the November *Manufacturing Business Outlook Survey* suggest softer regional manufacturing activity this month. The indicator for current activity fell into negative territory, and the new orders and shipments indexes also declined but remained positive. On balance, the firms indicated an increase in employment, and the price indexes were near their long-run averages. The survey's broad indicators for future activity suggest more widespread expectations for growth over the next six months. ■

Special Questions (November 2024)		
Please list the annual percent change with respect to the following:		
	Current	Previous (Aug. 2024)
For your firm:		
<i>Forecast for next year (2024Q4–2025Q4)</i>		
1. Prices your firm will receive (for its own goods and services sold).	3.0	2.8
2. Compensation your firm will pay per employee (for wages and benefits).	3.4	3.5
<i>Last year's price change (2023Q4–2024Q4)</i>		
3. Prices your firm did receive (for its own goods and services sold) over the last year.	3.0	3.0
For U.S. consumers:		
4. Prices U.S. consumers will pay for goods and services over the next year.	3.0	3.0
5. Prices U.S. consumers will pay for goods and services over the next 10 years (2024–2033).	3.0	3.0
The numbers represent medians of the individual forecasts (percent changes). For question 5, firms reported a 10-year annual-average change.		

MANUFACTURING BUSINESS OUTLOOK SURVEY November 2024	November vs. October					Six Months from Now vs. November				
	Previous Diffusion Index	Increase	No Change	Decrease	Diffusion Index	Previous Diffusion Index	Increase	No Change	Decrease	Diffusion Index
What is your evaluation of the level of general business activity?	10.3	17.6	58.2	23.1	-5.5	36.7	67.4	11.0	10.8	56.6
Company Business Indicators										
New Orders	14.2	26.5	51.0	17.6	8.9	40.1	72.7	13.2	6.5	66.2
Shipments	7.4	23.9	50.1	19.3	4.5	45.8	60.6	22.4	8.5	52.1
Unfilled Orders	-1.5	23.2	55.8	16.4	6.8	26.1	34.4	54.1	5.6	28.8
Delivery Times	10.2	6.6	79.9	8.7	-2.1	11.1	14.9	72.8	4.8	10.1
Inventories	0.5	15.8	63.7	10.4	5.4	4.4	22.8	50.7	17.6	5.3
Prices Paid	29.7	26.6	67.0	0.0	26.6	47.3	63.7	31.5	0.0	63.7
Prices Received	17.9	15.4	76.4	1.1	14.3	40.0	48.5	48.5	0.0	48.5
Number of Employees	-2.2	17.1	67.4	8.5	8.6	27.3	34.2	59.5	0.0	34.2
Average Employee Workweek	-11.8	19.1	73.9	1.7	17.4	25.0	18.0	73.4	1.1	16.9
Capital Expenditures	--	--	--	--	--	23.5	24.9	73.1	0.0	24.9
NOTES:										
(1) Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease.										
(2) All data are seasonally adjusted.										
(3) Percentages may not sum to 100 because of rounding, omission by respondents, or both.										
(4) Survey results reflect data received through November 18, 2024.										