

# Regional Surveys of Business Activity

## Fifth District Survey of Manufacturing Activity

June 25, 2024

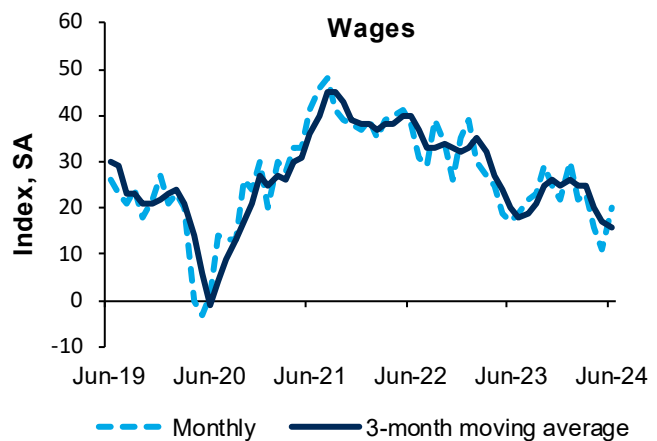
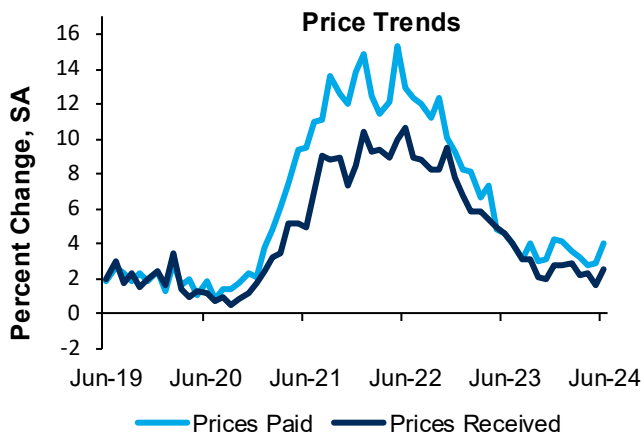
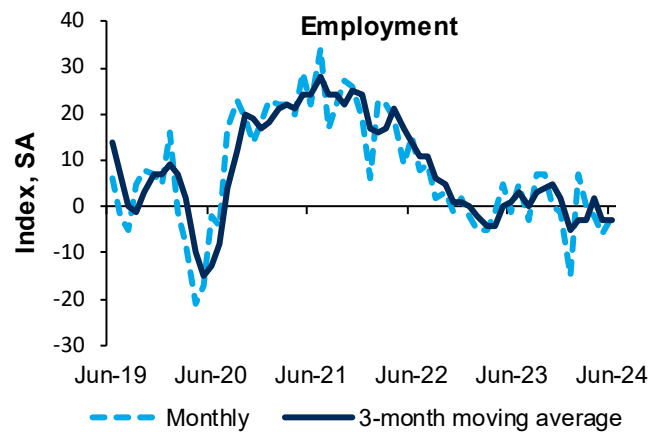
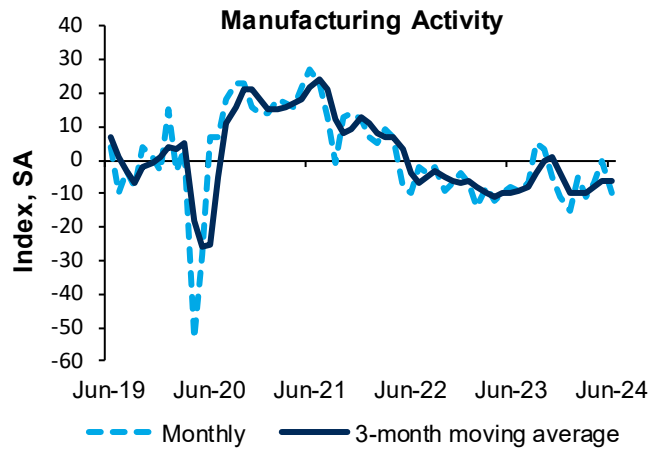
### Manufacturing Activity Slowed in June

Fifth District manufacturing activity slowed in June, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index decreased from 0 in May to -10 in June. Of its three component indexes, shipments fell notably from 13 to -9, new orders decreased from -6 to -17, and employment rose from -6 to -2.

Firms grew notably less optimistic about local business conditions, as the index fell from 3 to -15. The index for future local business conditions, however, increased from 6 in May to 10 in June. The future indexes for shipments and new orders remained solidly in positive territory, suggesting that firms continued to expect improvements in these areas over the next six months.

Although the vendor lead time index increased, on balance, firms continued to report declining backlogs and vendor lead times in June, as those indexes both remained negative.

The average growth rate of prices paid and prices received increased in June. Firms expected price growth to moderate slightly over the next 12 months.



# Regional Surveys of Business Activity

## Fifth District Survey of Manufacturing Activity

June 25, 2024

### Business Activity Indexes<sup>1</sup>

Business Sector Indicators	Current Conditions			Expectations <sup>2</sup>		
	Jun-24	May-24	Apr-24	Jun-24	May-24	Apr-24
Fifth District Manufacturing Index <sup>3</sup>	-10	0	-7	--	--	--
Shipments	-9	13	-10	26	25	32
Volume of New Orders	-17	-6	-9	22	25	31
Backlog of Orders	-27	-19	-17	-3	-1	-2
Capacity Utilization	-7	-7	-5	2	6	20
Vendor Lead Time	-4	-13	-7	-8	-14	-6
Local Business Conditions	-15	3	6	10	6	16
Capital Expenditures	4	-7	-1	1	4	-1
Finished Goods Inventories	9	16	10	4	8	1
Raw Materials Inventories	15	17	12	5	8	-2
Equipment & Software Spending	-4	-11	-2	-7	-7	1
Services Expenditures	-5	-18	-8	-7	-12	-13
<b>Employment</b>						
Number of Employees	-2	-6	-2	3	0	3
Wages	20	11	16	50	42	43
Availability of Skills Needed	4	0	-6	-1	-5	0
<b>Price Trends<sup>4</sup></b>						
Prices Paid	4.01	2.92	2.79	3.52	3.24	3.29
Prices Received	2.58	1.63	2.37	2.42	2.38	2.29

#### Technical Notes:

- Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 65-72 firms. All firms surveyed are located within the Fifth Federal Reserve District, which includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and most of West Virginia. Data are seasonally adjusted. Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.
- Expectations refer to the time period six months out from the survey period.
- The manufacturing index is a gauge of broad activity in the District's manufacturing sector. It is a composite index representing a weighted average of the shipments (33 percent), new orders (40 percent) and employment (27 percent) indexes.
- Current price changes are percentage changes over the last 12 months. Expected price changes are expected changes over the next 12 months.

For more information contact Jason Kosakow at 571.287.0448 or [Rich.RegionalSurveyTeam@rich.frb.org](mailto:Rich.RegionalSurveyTeam@rich.frb.org)