

Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

September 24, 2024

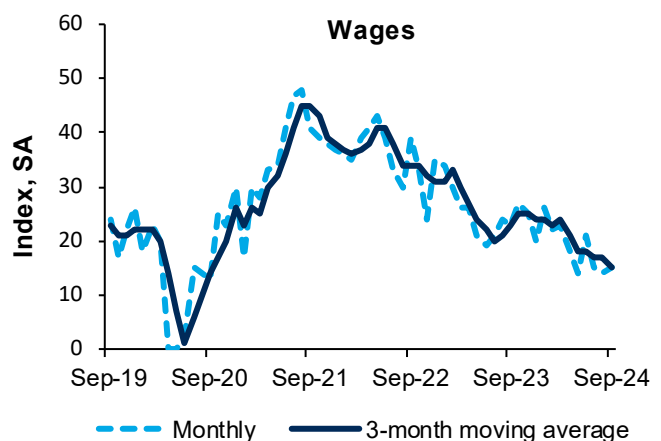
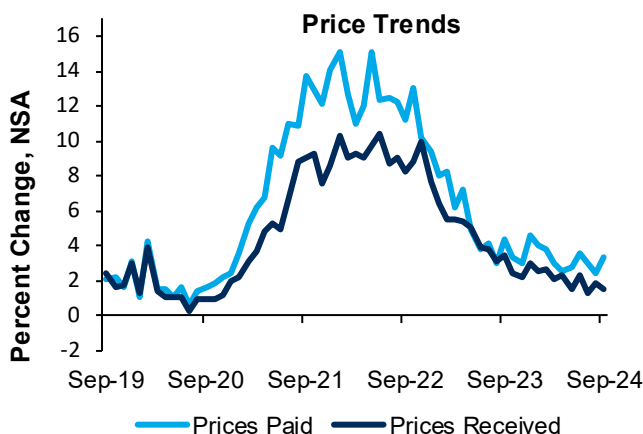
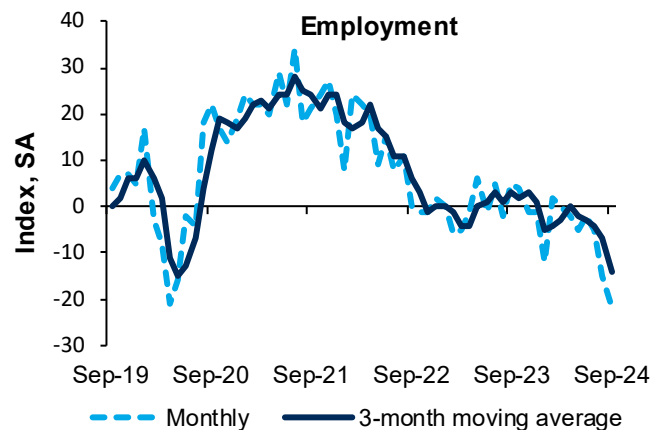
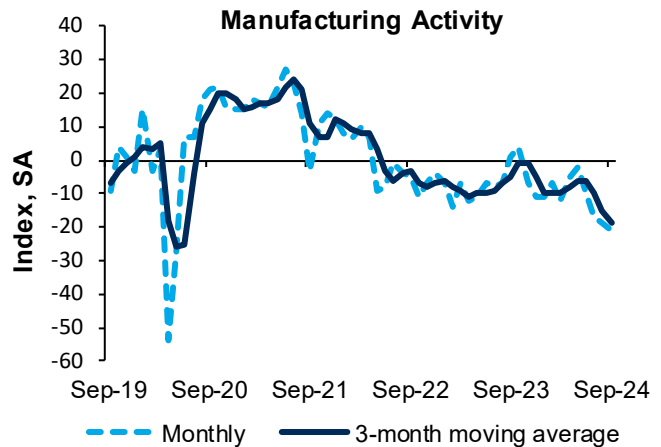
Manufacturing Activity Remained Sluggish in September

Fifth District manufacturing activity remained sluggish in September, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index edged down from -19 in August to -21 in September. Of its three component indexes, shipments decreased from -15 to -18, new orders increased from -26 to -23, and employment fell from -15 to -22.

The local business conditions index increased modestly but remained solidly in negative territory, while the index for future local business conditions rose from -18 to -6 in September. The future indexes for shipments and new orders both decreased but remained in positive territory, suggesting that firms continued to expect improvements in these areas over the next six months.

The vendor lead time index remained at -4 in September. On balance, firms continued to report declining backlogs in September as that index remained negative.

The average growth rate of prices paid increased in September, while the average growth rate of prices received decreased somewhat. Firms expected little change in price growth over the next 12 months.



Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

September 24, 2024

Business Activity Indexes¹

Business Sector Indicators	Current Conditions			Expectations ²		
	Sep-24	Aug-24	Jul-24	Sep-24	Aug-24	Jul-24
Fifth District Manufacturing Index ³	-21	-19	-17	--	--	--
Shipments	-18	-15	-21	15	23	22
Volume of New Orders	-23	-26	-23	7	14	20
Backlog of Orders	-16	-27	-20	-6	-12	2
Capacity Utilization	-20	-17	-13	2	10	13
Vendor Lead Time	-4	-4	1	0	-2	-3
Local Business Conditions	-18	-24	-21	-6	-18	7
Capital Expenditures	-13	-14	-9	-1	-6	10
Finished Goods Inventories	20	16	20	12	7	9
Raw Materials Inventories	12	18	17	4	6	16
Equipment & Software Spending	-13	-13	-10	-11	-9	2
Services Expenditures	-17	-12	-14	-11	-13	-8
Employment						
Number of Employees	-22	-15	-5	-12	-7	3
Wages	15	14	15	35	41	48
Availability of Skills Needed	-2	1	-5	-3	9	2
Price Trends⁴						
Prices Paid	3.36	2.45	3.00	2.89	2.28	3.20
Prices Received	1.57	1.87	1.31	1.96	1.62	1.29

Technical Notes:

- ¹ Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 72-82 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, excluding price trends, are seasonally adjusted. Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.
- ² Expectations refer to the time period six months out from the survey period.
- ³ 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.
- ⁴ 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