

Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

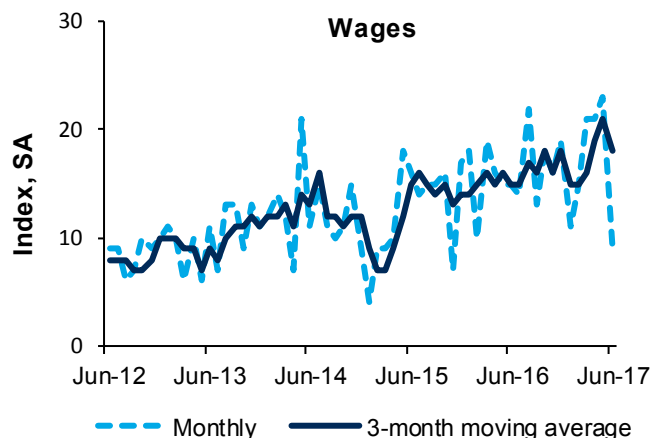
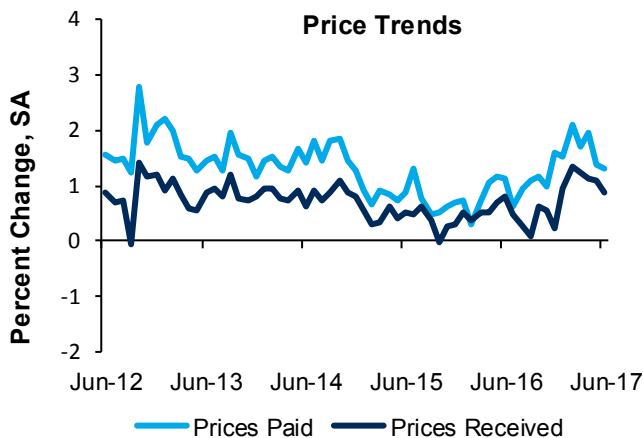
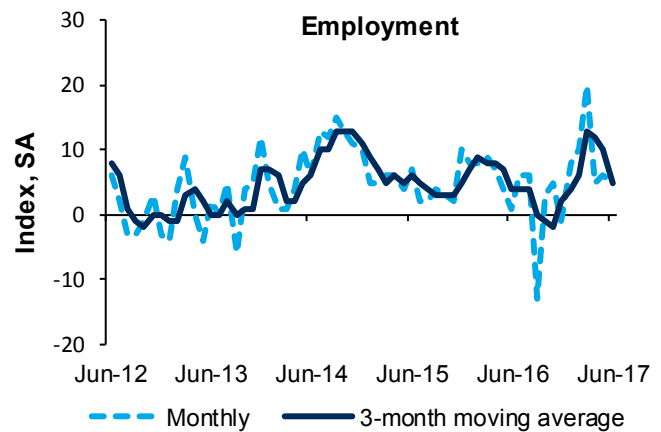
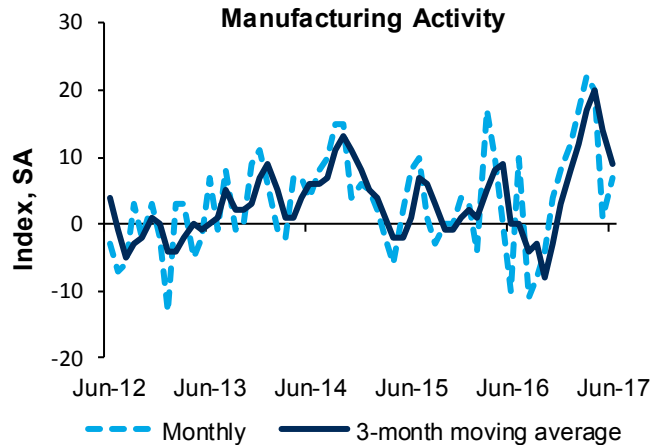
June 27, 2017

Reports from Manufacturers in the Fifth District Improved in June

Reports from Fifth District manufacturers improved in June, according to the latest survey by the Federal Reserve Bank of Richmond. The composite manufacturing index rose from 1 in May to 7 in June, as the indexes for shipments and new orders increased. The employment index was relatively flat. Most firms continued to report steady or higher wages; although the index for wages did fall in June, it remained above 0. Meanwhile, more firms reported a decline in the average workweek than reported an increase.

Looking six months ahead, manufacturing executives were more optimistic in June than in May, although even the May readings were very positive. Among the indexes for expected activity, only two fell: the capital expenditures index declined from 34 in May to 26 in June and the expected shipments metric inched down from 39 to 38.

Survey responses pointed toward more moderate growth in both prices paid and prices received. Expected growth in prices received also moderated, although expected growth in prices paid picked up somewhat.



Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Sector

June 27, 2017

Business Activity Indexes^{1,4}

General Business Assessment	Current Conditions			Expectations ²		
	Jun-17	May-17	Apr-17	Jun-17	May-17	Apr-17
Fifth District Manufacturing Index ³	7	1	20	--	--	--
Company Conditions						
Shipments	11	-2	25	38	39	42
Volume of New Orders	6	0	26	41	35	46
Backlog of Orders	-4	-15	4	31	21	22
Capacity Utilization	1	-9	22	32	29	43
Vendor Lead Time	5	6	2	6	3	3
Number of Employees	5	6	5	31	20	25
Average Workweek	-5	-3	8	16	8	13
Wages	9	23	21	34	32	34
Capital Expenditures	--	--	--	26	34	26
Inventory Levels						
Finished Goods Inventories	20	15	18	--	--	--
Raw Materials Inventories	19	17	24	--	--	--
Price Trends⁴						
Prices Paid	1.31	1.37	1.96	1.66	1.41	1.81
Prices Received	0.90	1.08	1.13	1.38	1.45	1.59

Technical Notes:

- ¹ Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are seasonally adjusted. Results are based on responses from 97 firms.
- 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. 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.
- ⁴ Price changes are expressed as percent change, annualized.

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