

Regional Surveys of Business Activity

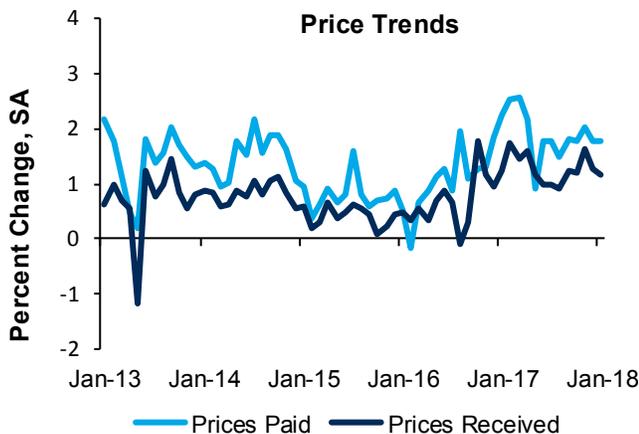
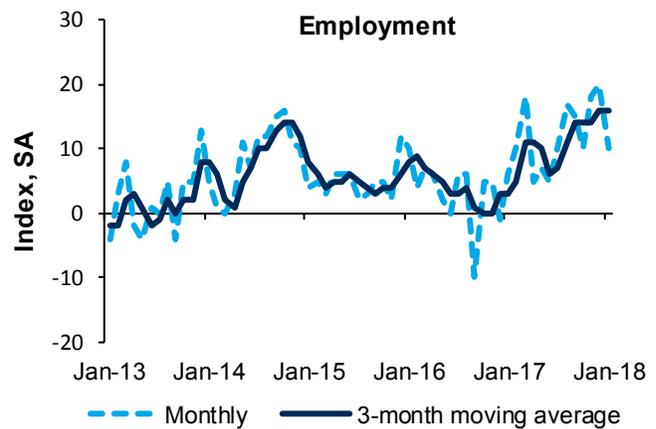
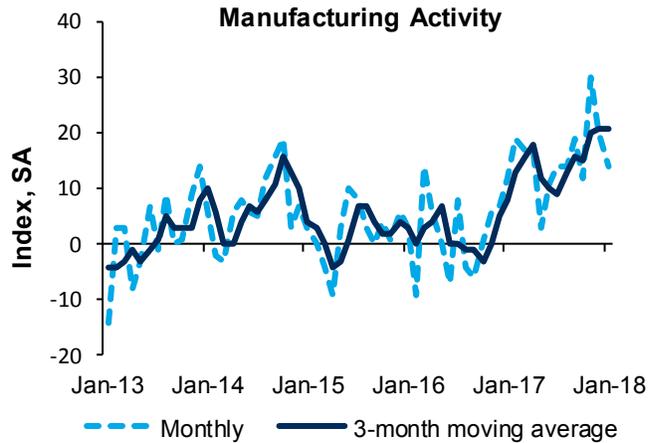
Fifth District Survey of Manufacturing Activity

January 23, 2018

Fifth District Manufacturing Firms Reported Slowing Growth in January

According to the latest survey by the Federal Reserve Bank of Richmond, Fifth District manufacturing firms saw slower growth in January, even as each of the expansion metrics remained positive. The composite index moved down from 20 to 14. This decrease resulted from a decline in the metrics for both shipments and employment. The third component, new orders, held steady. However, manufacturing firms saw an increase in backlogs in January, after a decrease in December, as the index rose from -4 to 5. Firms reported that they expect growth to strengthen in the coming months.

District manufacturing firms saw continued price increases in January. However, prices received grew at a slower rate than they had in December, while increases in prices paid was unchanged. Firms expect prices to rise at a faster rate in the next six months, although expectations of price growth were below their December values.



Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Sector

January 23, 2018

Business Activity Indexes^{1,4}

General Business Assessment	Current Conditions			Expectations ²		
	Jan-18	Dec-17	Nov-17	Jan-18	Dec-17	Nov-17
Fifth District Manufacturing Index ³	14	20	30	--	--	--
Company Conditions						
Shipments	15	24	33	45	44	40
Volume of New Orders	16	16	35	36	44	38
Backlog of Orders	5	-4	21	25	22	15
Capacity Utilization	13	16	19	30	35	31
Vendor Lead Time	18	6	18	13	7	10
Number of Employees	10	20	18	21	26	24
Average Workweek	2	8	17	7	9	5
Wages	24	22	21	33	44	39
Capital Expenditures	--	--	--	30	35	32
Inventory Levels						
Finished Goods Inventories	17	17	9	--	--	--
Raw Materials Inventories	14	24	20	--	--	--
Price Trends⁴						
Prices Paid	1.79	1.79	2.04	2.33	2.10	1.78
Prices Received	1.18	1.27	1.63	1.58	2.02	1.60

Technical Notes:

- 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 94 firms.
- 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. 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.
- Price changes are expressed as percent change, annualized.

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