

Fed Manufacturing Surveys

October 29, 2024

Takeaway:

October **Fed Manufacturing Survey** data point to a modest improvement in manufacturing activity, although the sector remains below the expansionary threshold in aggregate. This data implies that Friday's ISM Manufacturing PMI print will likely be the 7th consecutive month in contraction.

NY Empire slumped to -11.9 in October, down from 11.5 in prior month and missing market expectations of 3.8. This marks the lowest reading since May and points toward a renewed contraction.

- New orders (-20 from 10.2) and shipments (-21 from -2.7) plummeted.
- Six-month expectations rose to their highest level since October 2021 (38.7 from 8).

Richmond edged up to -14 from September's -21 reading, above the forecast of -17. This represents twelve consecutive months of being in contraction.

- New orders decline slowed (-17 from -23), yet still drove another slip in shipments (-8 from -18) despite a continued depletion in backlogs (-14 from -16).
- Looking forward, capital expenditures accelerated their downturn (-23 from -13).

Kansas City improved to -4 from -8 in September, beating the anticipated -7. This marks the fourteenth consecutive month of negative readings.

- Production stalled (0 from -18) as a rebound in shipments (7 from -12) was offset by an additional decline in new orders (-5 from -14) and a further depletion in backlogs (-14 from -33).
- Six-month expectations for activity remain in expansion (7 vs 9) but were slightly less optimistic.

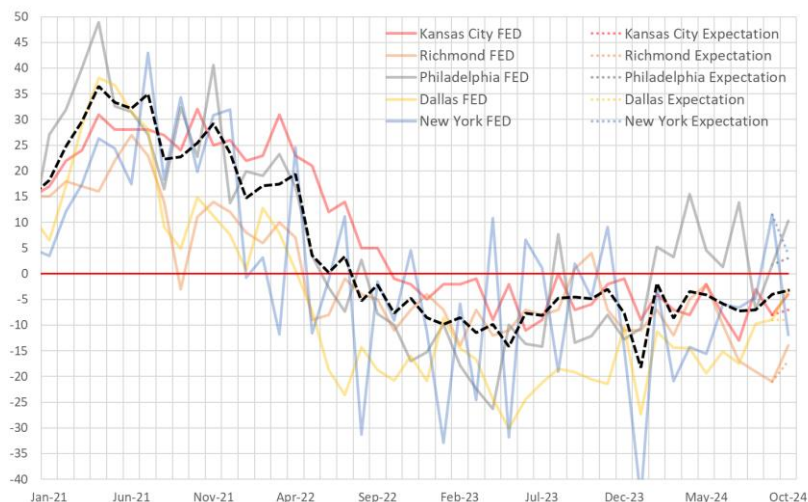
Philadelphia soared to 10.3 in October from September's 1.7 and exceeding the expected 3.

- New orders (14.2 from -1.5) and shipments (7.4 from -14.3) turned to positive.
- Future activity index jumped (36.7 from 15.8), reaching the highest level since July.

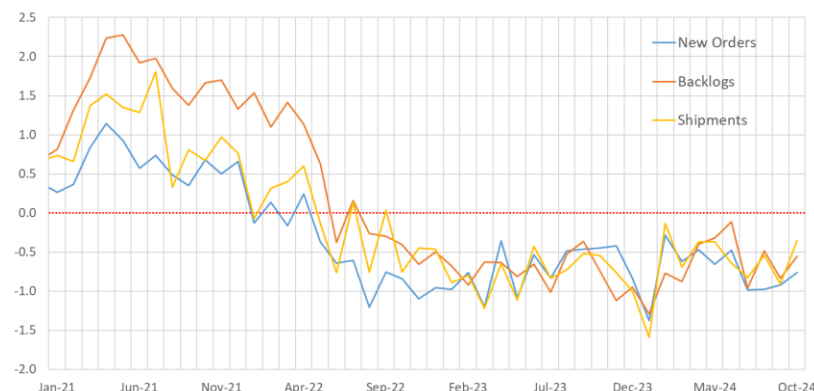
Dallas increased to -3, up from -9 in the previous month and surpassing the forecast of -9. This marked the mildest contraction in the consecutive negative readings that began in May 2022.

- Production surged to its highest reading in more than two years (+18 to 14.6). Shipments also posted a notable gain (1.5 vs -7), moving into positive territory, while new orders remain negative (-3.7 vs -5.2).
- Six-month expectations improved (29.6 vs 11.4), the highest reading since November 2021.

Aggregate Fed Manufacturing Survey



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