

18.Aug.2022

## Philly Fed: Higher But Orders Still Falling

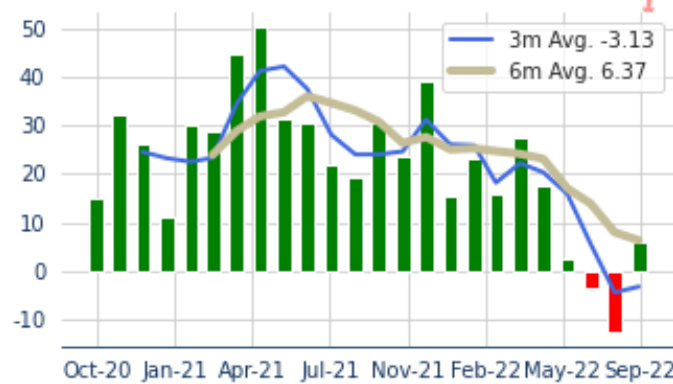
**Bottom Line:** The Philadelphia Fed's index of manufacturing activity rose, coming in better than expected and much better than the New York Fed's survey. Shipments were stronger as manufacturers worked off backlogs. However, the report continued to suggest weakness going forward as new orders fell and inventories rose.

Managers' expectations for future activity fell with future unfilled orders dropping sharply. Overall, while activity is holding up in some regions as manufacturers work off backlogs, most indications suggest a sharp slowdown is coming (if we haven't seen it already, like the New York Fed survey suggested).

## Philly Fed Current Activity Index August: +6.2, consensus: -5



### monthly levels



Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

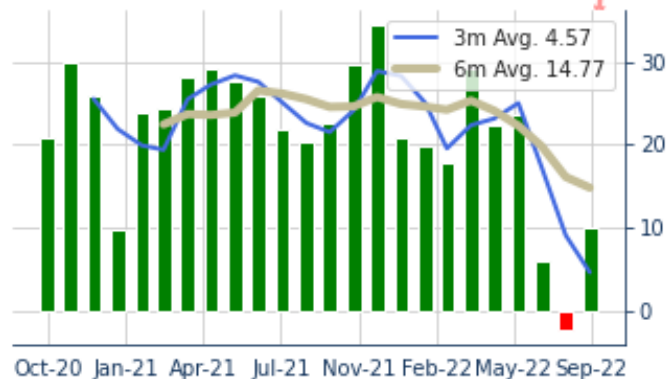
**The Philadelphia Fed Manufacturing Index** ROSE 18.5 points to 6.2, ABOVE the 3-Month average of -3.13, BELOW the 6-Month average of 6.37 but -13.2 BELOW the year-ago level. **On an ISM-weighted basis the index** ROSE 12.4 points to 10.1, ABOVE the 3-Month average of 4.57, BELOW the 6-Month average of 14.77 but -10.1 BELOW the year-ago level.

- New Orders ROSE 19.7 points to -5.1, ABOVE the 3-Month average of -14.1, BELOW the 6-Month average of 3.9 but -27.9 BELOW the year-ago level.
- Shipments ROSE 10 points to 24.8, ABOVE the 3-Month average of 16.8, ABOVE the 6-Month average of 22.5 and 5.9 ABOVE the year-ago level.
- Unfilled Orders ROSE 8.6 points to -1.8, ABOVE the 3-Month average of -6.4, BELOW the 6-Month average of 4.23 but -8.8 BELOW the year-ago level.
- Delivery Time ROSE 12.9 points to 2.7, ABOVE the 3-Month average of 0.8, BELOW the 6-Month average of 12.92 but -23.6 BELOW the year-ago level.
- Inventories ROSE 11.6 points to 2.3, ABOVE the 3-Month average of -3.07,

ABOVE the 6-Month average of 1.07 but 20.4 BELOW the year-ago level.

- Prices Paid FELL -8.6 points to 43.6, BELOW the 3-Month average of 53.43, BELOW the 6-Month average of 67.47 and -27.6 BELOW the year-ago level.
- Employment ROSE 4.7 points to 24.1, ABOVE the 3-Month average of 23.87, BELOW the 6-Month average of 29.57 but -8.5 BELOW the year-ago level.
- Future Activity Index ROSE 8 points to -10.6, ABOVE the 3-Month average of -12, BELOW the 6-Month average of -0.43 but -44.3 BELOW the year-ago level.
- Future Capital Expenditures ROSE 13.6 points to 18, ABOVE the 3-Month average of 11.37, ABOVE the 6-Month average of 14.73 but -15.7 BELOW the year-ago level.

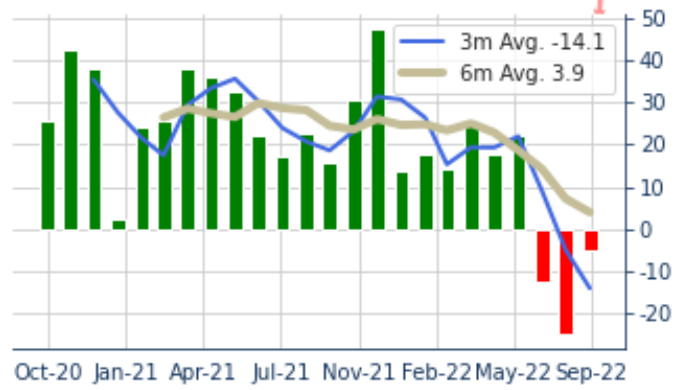
### Philly Fed recalculated by ISM Weightings



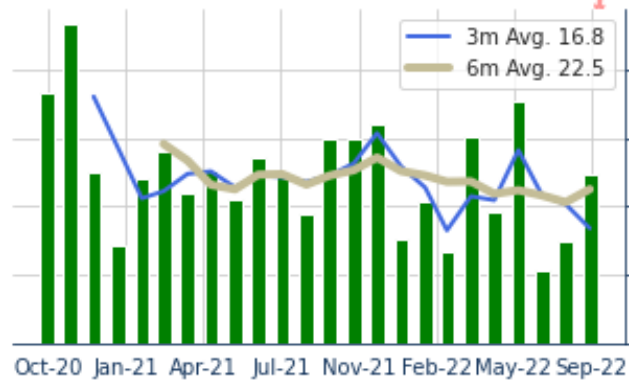
# Current New Orders



## monthly levels



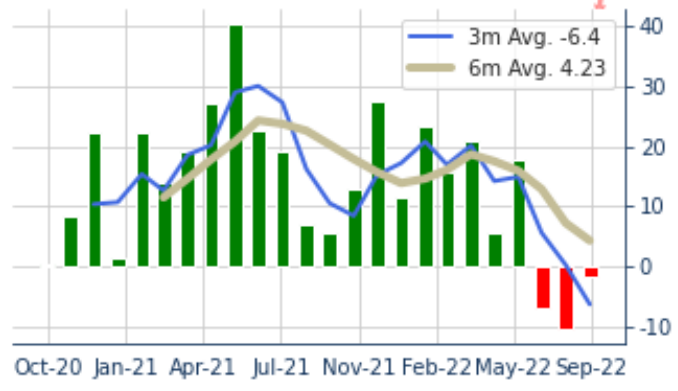
# Current Shipments



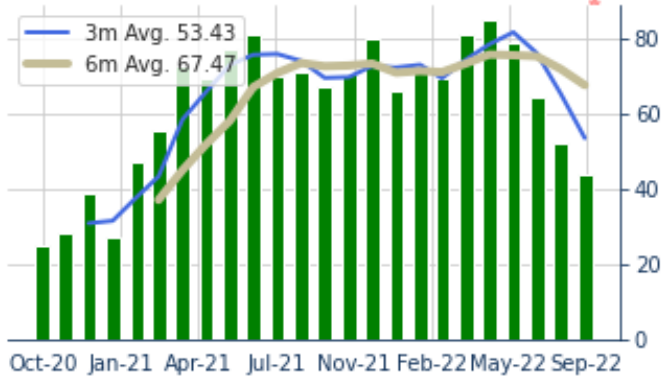
# Current Unfilled Orders



## monthly levels



# Current Prices Paid

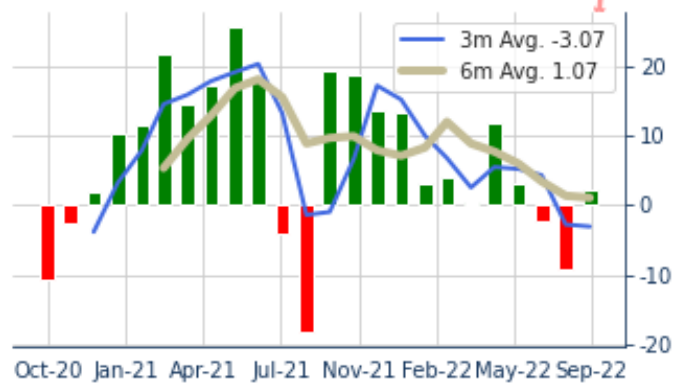


Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current Inventories

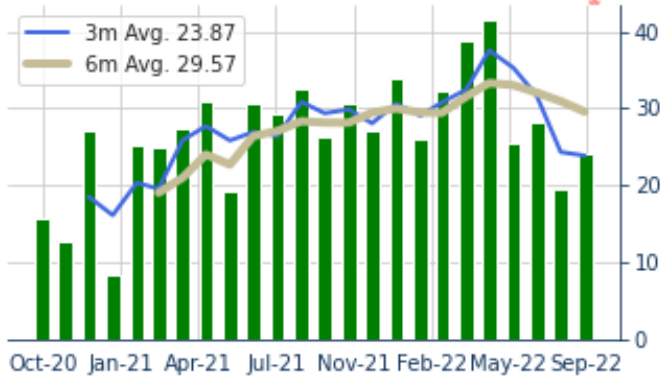


## monthly levels





# Current Employment

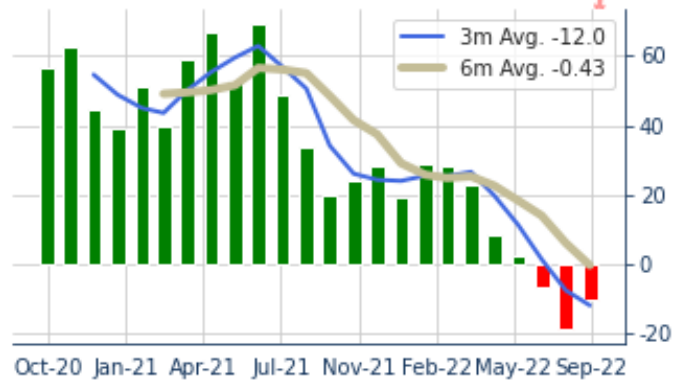


Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

# Future Activity Index



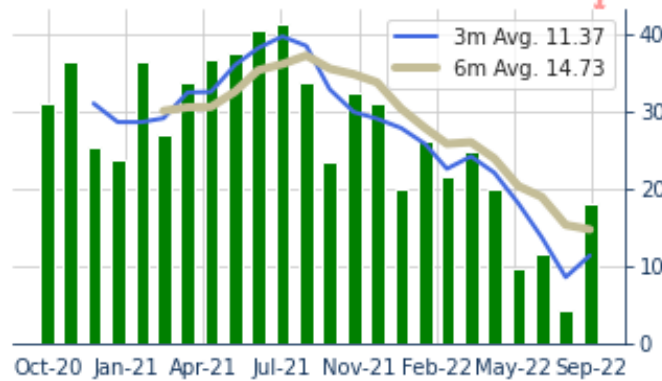
## monthly levels



## Future Capital Expenditures



### monthly levels



Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

Philly Fed Manufacturing Current Indicators	Aug-22	Jul-22	Jun-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
<b>Current Activity Index</b>	<b>6.2</b>	<b>-12.3</b>	<b>-3.3</b>	<b>-3.1</b>	<b>6.4</b>	<b>15.5</b>	<b>30.5</b>	<b>16.9</b>
<b>Current ISM-Weighted</b>	<b>10.1</b>	<b>-2.3</b>	<b>5.9</b>	<b>4.6</b>	<b>14.8</b>	<b>19.5</b>	<b>25.7</b>	<b>16.4</b>
Current New Orders	-5.1	-24.8	-12.4	-14.1	3.9	13.6	27.2	16.9
Current Shipments	24.8	14.8	10.8	16.8	22.5	23.0	24.9	19.4
Current Unfilled Orders	-1.8	-10.4	-7.0	-6.4	4.2	10.1	19.1	8.8
Current Delivery Time	2.7	-10.2	9.9	0.8	12.9	20.4	29.3	13.8

Current Inventories	2.3	-9.3	-2.2	-3.1	1.1	6.5	12.6	5.2
Current Prices Paid	43.6	52.2	64.5	53.4	67.5	69.2	68.9	41.7
Current Prices Received	23.3	30.3	49.2	34.3	44.0	48.1	44.0	27.0
Current Employment	24.1	19.4	28.1	23.9	29.6	29.5	28.2	19.6
Current Average Workweek	6.1	6.4	11.8	8.1	13.8	18.4	27.8	14.4

Source: Federal Reserve Bank of Philadelphia - Manufacturing Business Outlook Survey

<b>Philly Fed Manufacturing Future Indicators</b>	<b>Aug-22</b>	<b>Jul-22</b>	<b>Jun-22</b>	<b>3m. avg.</b>	<b>6m. avg.</b>	<b>12m. avg.</b>	<b>2021</b>	<b>5y</b>
<b>Future Activity Index</b>	<b>-10.6</b>	<b>-18.6</b>	<b>-6.8</b>	<b>-12.0</b>	<b>-0.4</b>	<b>12.2</b>	<b>42.7</b>	<b>35.1</b>
Future New Orders	-8.3	-12.4	-7.4	-9.4	2.3	14.9	41.9	37.8
Future Shipments	12.0	12.8	3.6	9.5	20.2	29.6	47.9	41.7
Future Unfilled Orders	-38.2	-29.6	-32.0	-33.3	-25.6	-17.8	3.7	5.7
Future Delivery Time	-27.2	-32.9	-36.3	-32.1	-25.1	-13.7	3.8	0.6
Future Inventories	3.7	-6.8	-1.7	-1.6	8.0	10.7	16.2	10.5
Future Prices Paid	47.8	45.0	58.5	50.4	58.7	60.3	60.1	51.3
Future Prices Received	45.0	34.6	46.7	42.1	52.7	55.6	56.4	43.6
Future Employment	25.1	16.5	10.5	17.4	26.8	34.8	46.8	34.0
Future Average Workweek	4.4	3.4	6.4	4.7	6.3	9.0	17.3	14.7
Future Capital Expenditures	18.0	4.4	11.7	11.4	14.7	20.3	32.8	28.3

Source: Federal Reserve Bank of Philadelphia - Manufacturing Business Outlook Survey