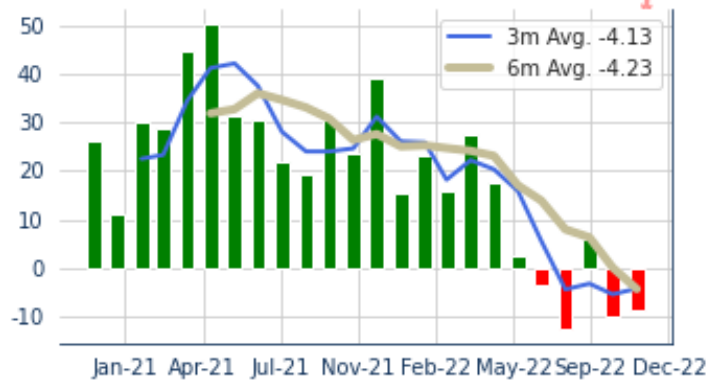


20.Oct.2022

## Philly Fed: Second Month of Declines

**Bottom Line:** The Philadelphia Fed's index of manufacturing activity fell for the second month in a row in October, as new orders declined for the fifth month. Shipments still rose slightly as manufacturers worked off backlogs. However, the report continued to suggest weakness going forward as new orders fell and order backlogs declined. Managers' expectations for future activity fell, with future unfilled orders dropping sharply again. Overall, the Philly Fed survey confirms trends we've been seeing across the country for several months. While current production has decelerated but is holding up as manufacturers work off backlogs, most indications suggest a sharp slowdown is coming.

## Philly Fed Current Activity Index October: -8.7, consensus: -5



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

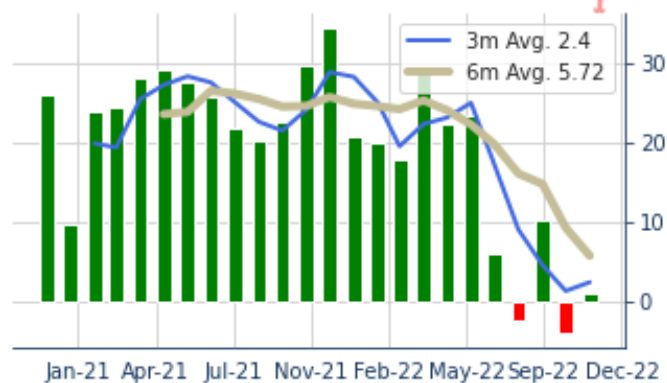
**The Philadelphia Fed Manufacturing Index** was nearly unchanged, 1.2 points to -8.7, **BELOW** the 3-Month average of -4.13, **BELOW** the 6-Month average of -4.23 and -32.5 **BELOW** the year-ago level. On an **ISM-weighted basis**, the index **ROSE** 4.9 points to 1, **BELOW** the 3-Month average of 2.4, **BELOW** the 6-Month average of 5.72 and -28.6 **BELOW** the year-ago level.

- New Orders were nearly unchanged, 1.7 points to -15.9, **BELOW** the 3-Month average of -12.87, **BELOW** the 6-Month average of -8.95 and -46.7 **BELOW** the year-ago level.
- Shipments were nearly unchanged, -0.2 points to 8.6, **BELOW** the 3-Month average of 14.07, **BELOW** the 6-Month average of 17.18 and -21.4 **BELOW** the year-ago level.
- Unfilled Orders **ROSE** 6 points to -22.5, **BELOW** the 3-Month average of -17.6, **BELOW** the 6-Month average of -8.72 and -35.2 **BELOW** the year-ago level.
- Delivery Time **ROSE** 5.6 points to -12.6, **BELOW** the 3-Month average of

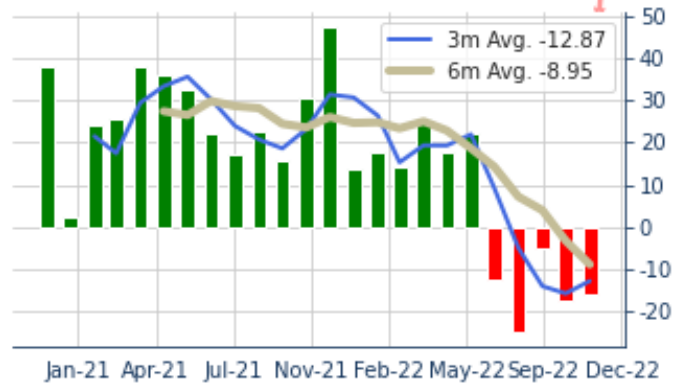
-9.37, BELOW the 6-Month average of -1.82 and -44.8 BELOW the year-ago level.

- Inventories ROSE 3.1 points to -1.7, BELOW the 3-Month average of -1.4, ABOVE the 6-Month average of -2.08 and -20.5 BELOW the year-ago level.
- Prices Paid ROSE 6.5 points to 36.3, BELOW the 3-Month average of 36.57, BELOW the 6-Month average of 50.88 and -34 BELOW the year-ago level.
- Employment ROSE 16.5 points to 28.5, ABOVE the 3-Month average of 21.53, ABOVE the 6-Month average of 22.93 but -2.2 BELOW the year-ago level.
- Future Activity Index FELL -11 points to -14.9, BELOW the 3-Month average of -9.8, BELOW the 6-Month average of -8.72 and -39.1 BELOW the year-ago level.
- Future Capital Expenditures were nearly unchanged, -0.2 points 4.4, BELOW the 3-Month average of 9, BELOW the 6-Month average of 8.78 and -28 BELOW the year-ago level.

### Philly Fed recalculated by ISM Weightings

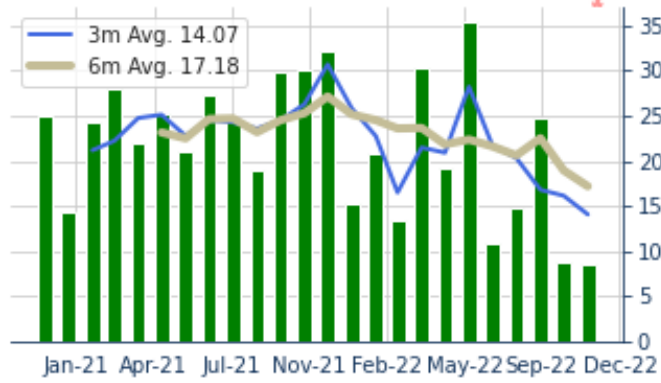


# Current New Orders

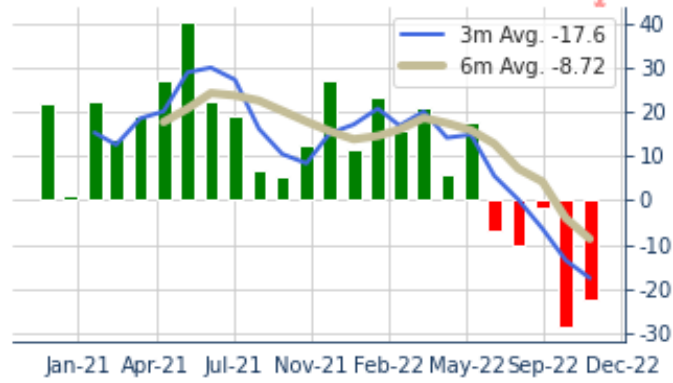


Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current Shipments

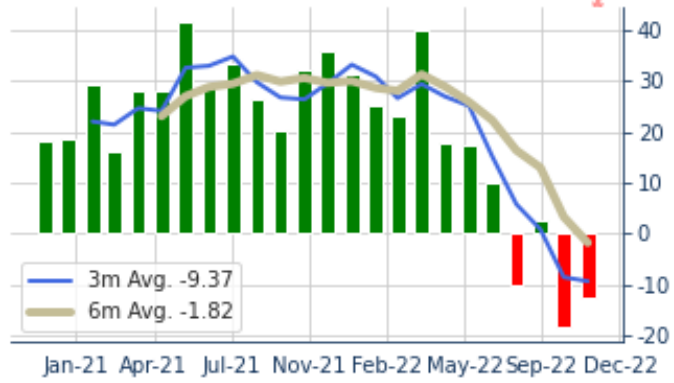


# Current Unfilled Orders

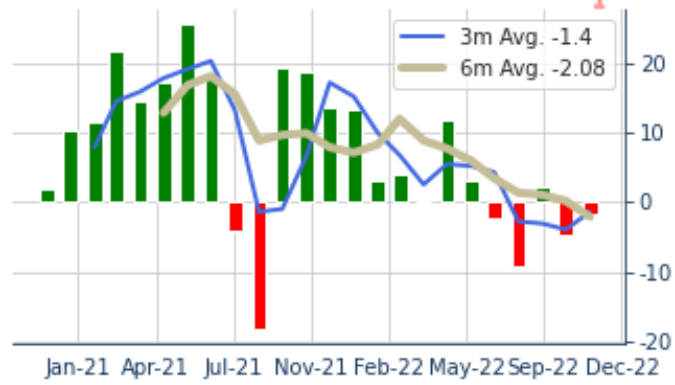
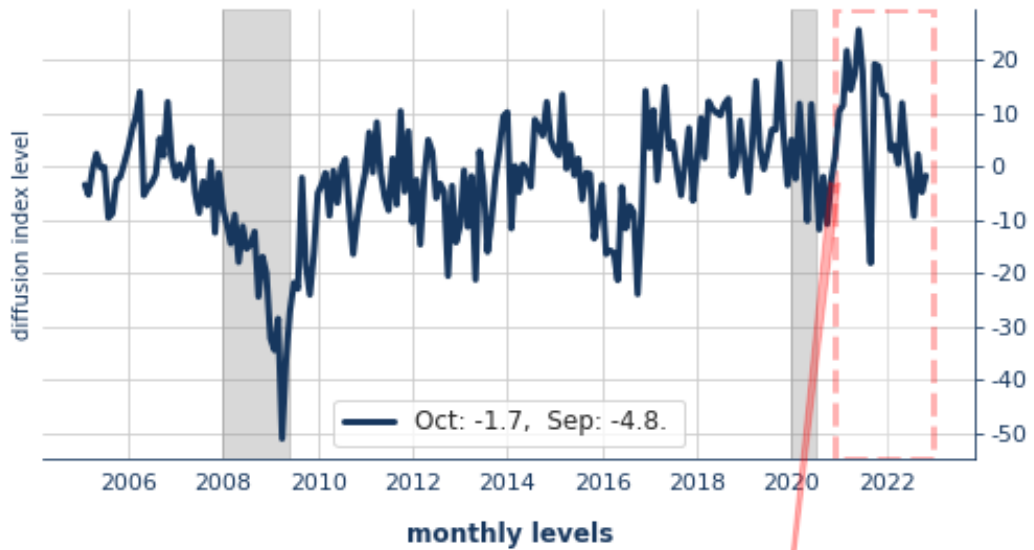


Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current Delivery Time

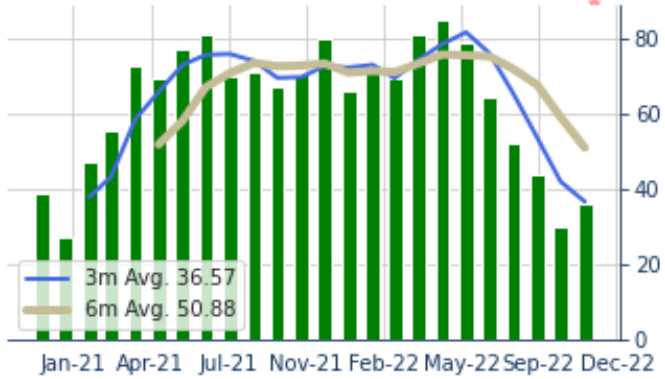


# Current Inventories



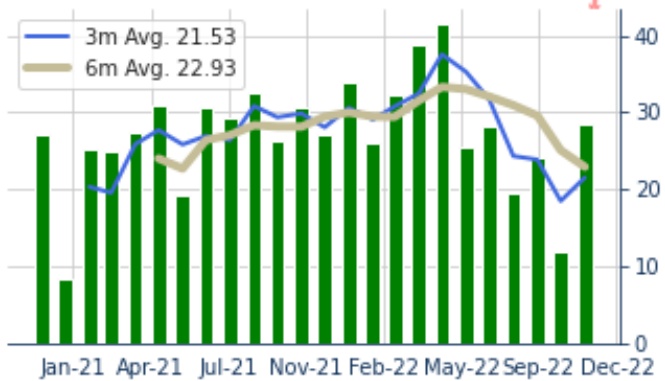


# Current Prices Paid



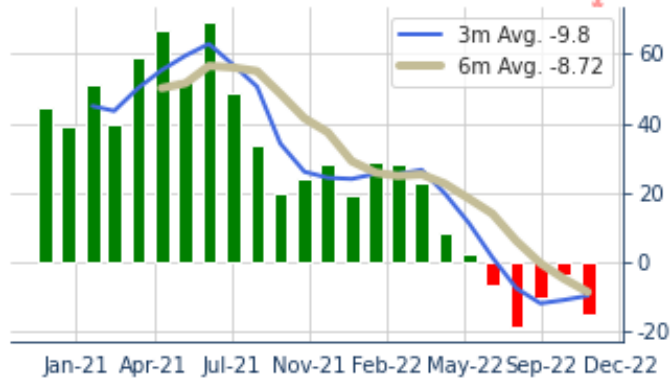
Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current Employment



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

## Future Activity Index



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

Philly Fed Manufacturing Current Indicators	Oct-22	Sep-22	Aug-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
<b>Current Activity Index</b>	<b>-8.70</b>	<b>-9.90</b>	<b>6.20</b>	<b>-4.10</b>	<b>-4.20</b>	<b>9.40</b>	<b>30.49</b>	<b>15.70</b>
<b>Current ISM-Weighted</b>	<b>1.00</b>	<b>-3.90</b>	<b>10.10</b>	<b>2.40</b>	<b>5.70</b>	<b>14.90</b>	<b>25.67</b>	<b>15.70</b>
Current New Orders	-15.90	-17.60	-5.10	-12.90	-9.00	6.90	27.20	15.50
Current Shipments	8.60	8.80	24.80	14.10	17.20	19.50	24.88	18.80
Current Unfilled Orders	-22.50	-28.50	-1.80	-17.60	-8.70	4.40	19.05	7.60
Current Delivery Time	-12.60	-18.20	2.70	-9.40	-1.80	13.50	29.30	12.70

Current Inventories	-1.70	-4.80	2.30	-1.40	-2.10	2.80	12.58	5.00
Current Prices Paid	36.30	29.80	43.60	36.60	50.90	63.20	68.87	41.60
Current Prices Received	30.80	29.60	23.30	27.90	35.80	44.50	43.99	27.40
Current Employment	28.50	12.00	24.10	21.50	22.90	28.10	28.19	19.60
Current Average Workweek	10.40	-3.80	6.10	4.20	7.80	14.20	27.85	14.00

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

Philly Fed Manufacturing Future Indicators	Oct-22	Sep-22	Aug-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
<b>Future Activity Index</b>	<b>-14.90</b>	<b>-3.90</b>	<b>-10.60</b>	<b>-9.80</b>	<b>-8.70</b>	<b>6.90</b>	<b>42.74</b>	<b>33.10</b>
Future New Orders	-16.70	6.00	-8.30	-6.30	-3.80	9.10	41.91	35.90
Future Shipments	4.70	20.60	12.00	12.40	14.30	25.70	47.95	40.40
Future Unfilled Orders	-23.50	-22.30	-38.20	-28.00	-28.40	-19.30	3.70	4.40
Future Delivery Time	-6.30	-23.70	-27.20	-19.10	-25.90	-16.70	3.83	-0.00
Future Inventories	-8.80	5.00	3.70	-0.00	-0.70	7.20	16.15	9.90
Future Prices Paid	25.80	45.10	47.80	39.60	46.90	56.40	60.12	50.70
Future Prices Received	23.40	39.40	45.00	35.90	41.30	50.80	56.37	43.40
Future Employment	12.20	22.40	25.10	19.90	19.30	31.40	46.77	33.40
Future Average Workweek	-3.00	10.80	4.40	4.10	5.60	6.10	17.29	14.30
Future Capital Expenditures	4.40	4.60	18.00	9.00	8.80	16.40	32.82	27.10

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