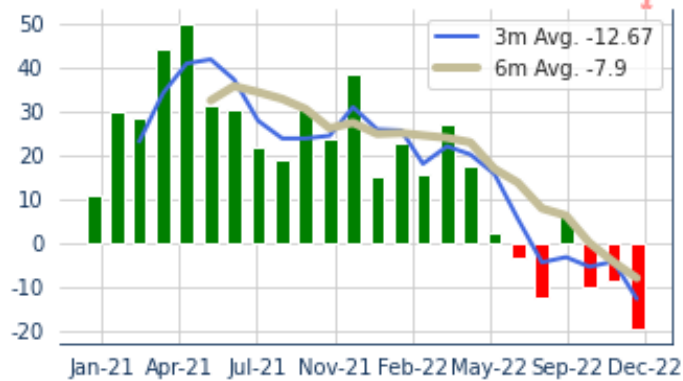


19.Jan.2023

Philly Fed: Surprising Hints of Brightness

Bottom Line: The Philadelphia Fed's index of manufacturing activity rose for the first month in five in January, coming in better than expected. Moreover, there were positive revisions to earlier data. On an ISM-weighted basis, the index edged ever so slightly out of contraction territory. The "future activity index" broke above zero for the first time in eight months. Overall, the Philadelphia Fed survey offers hope that manufacturing activity is stabilizing, painting a much more positive outlook than the abysmal survey we saw from the New York Fed earlier this week.

Philly Fed Current Activity Index November: -19.4, consensus: -6



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

The Philadelphia Fed Manufacturing Index ROSE 4.8 points to -8.9, ABOVE the 3-Month average of -12.7, BELOW the 6-Month average of -7.7 but -29.7 BELOW the year-ago level. On an ISM-weighted basis, the index ROSE 9.4 points to 0.9, ABOVE the 3-Month average of -3.57, ABOVE the 6-Month average of -0.1 but -18.9 BELOW the year-ago level.

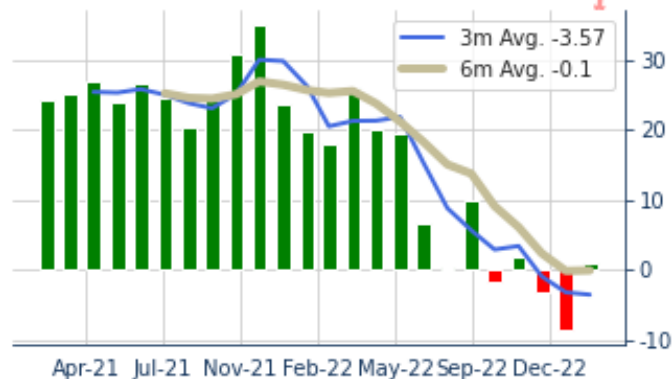
- New Orders ROSE 11.4 points to -10.9, ABOVE the 3-Month average of -16.37, ABOVE the 6-Month average of -13.63 but -29.6 BELOW the year-ago level.
- Shipments ROSE 12 points to 11.1, ABOVE the 3-Month average of 4.77, ABOVE the 6-Month average of 9.58 but -9.8 BELOW the year-ago level.
- Unfilled Orders FELL -5.1 points to -19.2, BELOW the 3-Month average of -18.23, BELOW the 6-Month average of -16.23, and -38.7 BELOW the year-ago level.
- Delivery Time ROSE 1.6 points to -5.6, ABOVE the 3-Month average of -5.87,

- ABOVE the 6-Month average of -6.42 but -27.1 BELOW the year-ago level.
- Inventories ROSE 3.9 points to 0.9, ABOVE the 3-Month average of -2.87, ABOVE the 6-Month average of -2.32 but -1.5 BELOW the year-ago level.
- Prices Paid FELL -11.8 points to 24.5, BELOW the 3-Month average of 33.37, BELOW the 6-Month average of 38.48, and -47.2 BELOW the year-ago level.
- Employment ROSE 11.8 points to 10.9, ABOVE the 3-Month average of 6.73, BELOW the 6-Month average of 14.05 but -16.4 BELOW the year-ago level.
- Future Activity Index ROSE 5.8 points to 4.9, ABOVE the 3-Month average of -1.03, ABOVE the 6-Month average of -4.93 but -20.5 BELOW the year-ago level.
- Future Capital Expenditures FELL -5.7 points to 10.5, BELOW the 3-Month average of 11.67, BELOW the 6-Month average of 11.03, and -14 BELOW the year-ago level.

Philly Fed recalculated by ISM Weightings



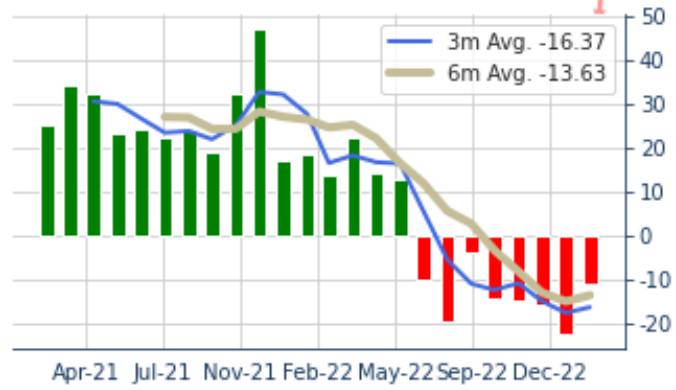
monthly levels



Current New Orders



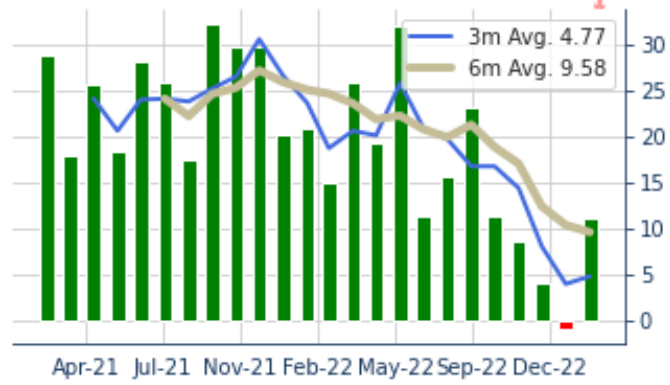
monthly levels



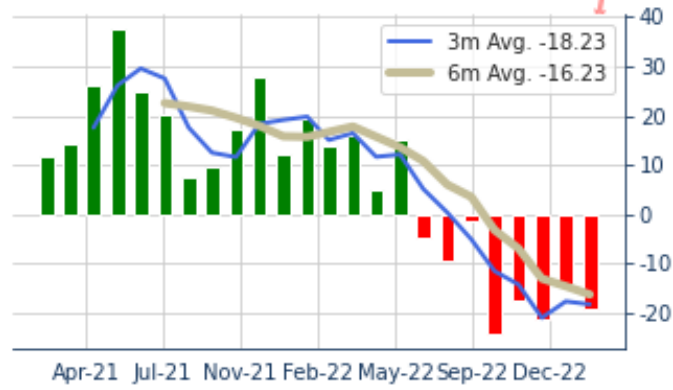
Current Shipments



monthly levels



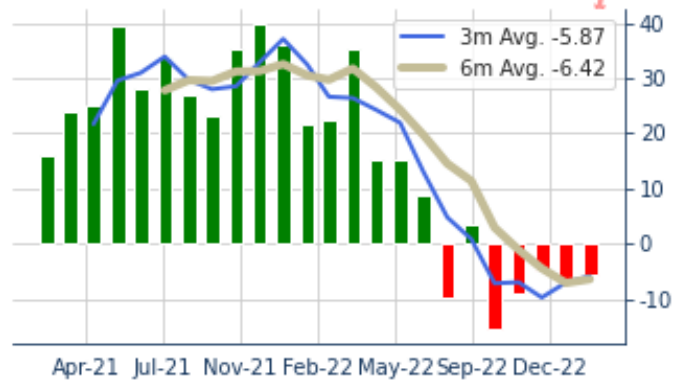
Current Unfilled Orders



Current Delivery Time



monthly levels

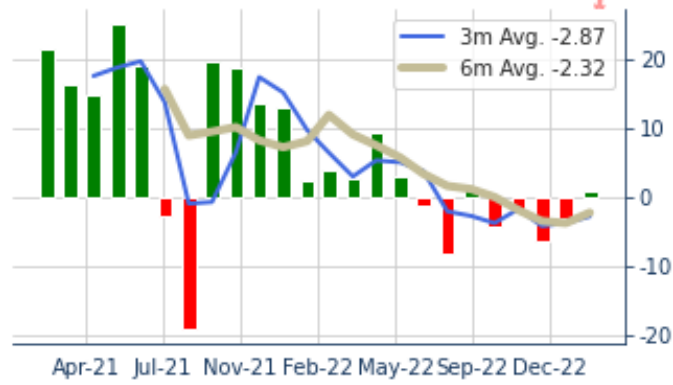


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

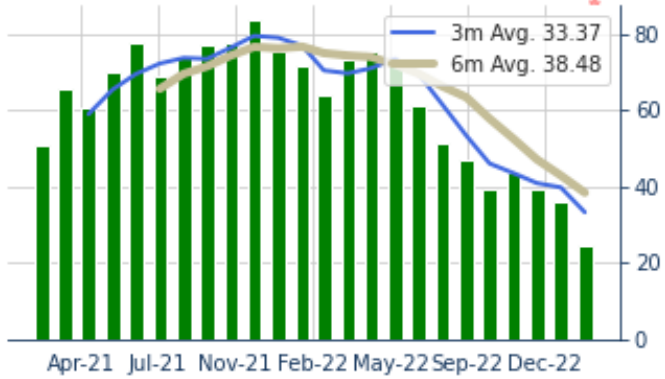
Current Inventories



monthly levels

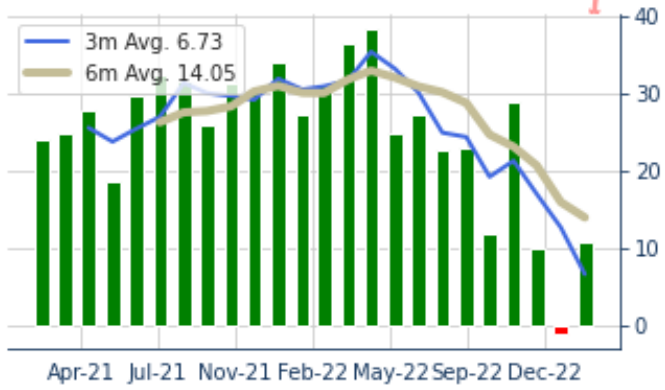


Current Prices Paid



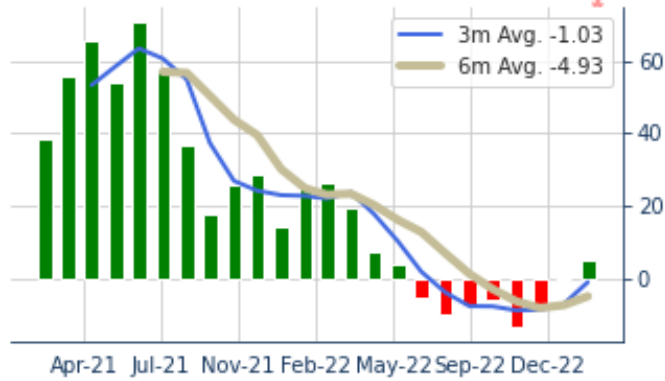
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Current Employment



Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Future Activity Index



Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

Philly Fed Manufacturing Current Indicators	Jan-23	Dec-22	Nov-22	3m. avg.	6m. avg.	12m. avg.	2022	5y
Current Activity Index	-8.90	-13.70	-15.50	-12.70	-7.70	-0.30	2.17	13.80
Current ISM-Weighted	0.90	-8.50	-3.10	-3.60	-0.10	7.40	9.03	14.60
Current New Orders	-10.90	-22.30	-15.90	-16.40	-13.60	-4.00	-1.58	13.70
Current Shipments	11.10	-0.90	4.10	4.80	9.60	14.80	15.58	17.70
Current Unfilled Orders	-19.20	-14.10	-21.40	-18.20	-16.20	-5.10	-1.88	6.20
Current Delivery Time	-5.60	-7.20	-4.80	-5.90	-6.40	4.00	6.30	11.90

Current Inventories	0.90	-3.00	-6.50	-2.90	-2.30	-0.40	-0.25	4.70
Current Prices Paid	24.50	36.30	39.30	33.40	38.50	52.40	56.35	41.60
Current Prices Received	29.90	28.10	37.60	31.90	32.00	38.80	40.02	28.20
Current Employment	10.90	-0.90	10.20	6.70	14.00	22.10	23.50	18.90
Current Average Workweek	4.00	-6.60	1.90	-0.20	2.20	8.00	8.61	13.10

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

Philly Fed Manufacturing Future Indicators	Jan-23	Dec-22	Nov-22	3m. avg.	6m. avg.	12m. avg.	2022	5y
Future Activity Index	4.90	-0.90	-7.10	-1.00	-4.90	1.00	2.70	30.80
Future New Orders	2.40	8.50	-2.80	2.70	-1.80	3.40	5.47	33.60
Future Shipments	9.10	20.40	11.40	13.60	13.50	19.50	22.43	38.80
Future Unfilled Orders	-0.60	-18.10	-17.40	-12.00	-19.60	-20.10	-20.71	3.30
Future Delivery Time	-9.10	-27.00	-18.10	-18.10	-18.60	-20.50	-20.12	-1.00
Future Inventories	-3.20	-13.00	-7.70	-8.00	-4.40	1.70	2.92	8.40
Future Prices Paid	25.70	42.70	26.20	31.50	37.20	47.50	51.59	49.60
Future Prices Received	21.30	35.20	23.20	26.60	32.30	42.20	45.40	42.70
Future Employment	-1.90	18.90	14.90	10.60	16.00	21.90	25.08	32.10
Future Average Workweek	-6.90	-0.10	-9.70	-5.60	-1.20	2.20	3.68	13.20
Future Capital Expenditures	10.50	16.20	8.30	11.70	11.00	13.00	14.14	25.80

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