

16.Feb.2023

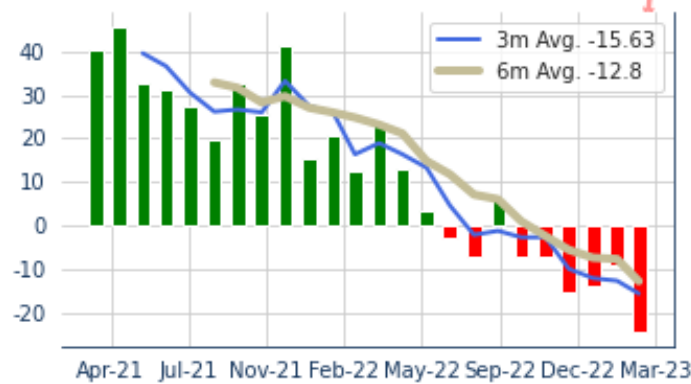
## Philly Fed: Another Sharp Decline

**Bottom Line:** The Philadelphia Fed's index of manufacturing activity fell sharply in February after rebounding in January. The details were not quite as negative as the headline, as the ISM-weighted index was only slightly negative with modest new order declines. Nonetheless, the spike in inventories was concerning, and the trends remained on the downside. Employment was still positive but was trending lower. **Overall, the second of the regional manufacturing surveys painted a picture of continued contraction in manufacturing, much as the New York Fed survey showed earlier.**

## Philly Fed Current Activity Index February: -24.3, consensus: -7.5



### monthly levels



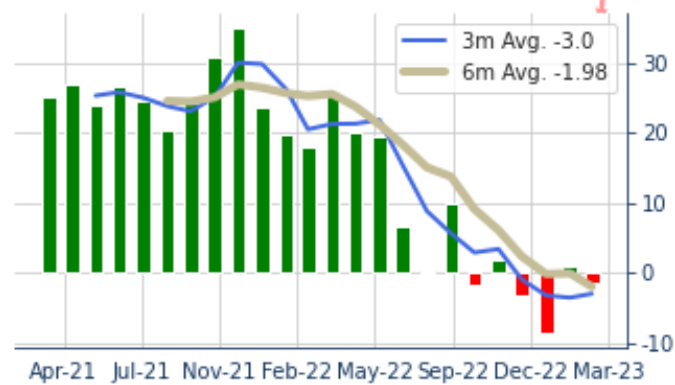
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

**The Philadelphia Fed Manufacturing Index** FELL -15.4 points to -24.3, BELOW the 3-Month average of -15.63, BELOW the 6-Month average of -12.8, and -37 BELOW the year-ago level. On an ISM-weighted basis, the index FELL -2.3 points to -1.4, ABOVE the 3-Month average of -3, ABOVE the 6-Month average of -1.98 but -19.2 BELOW the year-ago level.

- New Orders FELL -2.7 points to -13.6, ABOVE the 3-Month average of -15.6, ABOVE the 6-Month average of -15.28 but -27.2 BELOW the year-ago level.
- Shipments FELL -2.4 points to 8.7, ABOVE the 3-Month average of 6.3, ABOVE the 6-Month average of 7.17 but -6.3 BELOW the year-ago level.
- Unfilled Orders ROSE 2.2 points to -17, BELOW the 3-Month average of -16.77, ABOVE the 6-Month average of -18.87, and -30.7 BELOW the year-ago level.
- Delivery Time FELL -8 points to -13.6, BELOW the 3-Month average of -8.8, BELOW the 6-Month average of -9.27, and -35.9 BELOW the year-ago level.

- Inventories ROSE 14.4 points to 15.3, ABOVE the 3-Month average of 4.4, ABOVE the 6-Month average of 0.07, and 11.5 ABOVE the year-ago level.
- Prices Paid ROSE 2 points to 26.5, BELOW the 3-Month average of 29.1, BELOW the 6-Month average of 35.05, and -37.7 BELOW the year-ago level.
- Employment FELL -5.8 points to 5.1, ABOVE the 3-Month average of 5.03, BELOW the 6-Month average of 11.05 but -26.3 BELOW the year-ago level.
- Future Activity Index FELL -3.2 points to 1.7, BELOW the 3-Month average of 1.9, ABOVE the 6-Month average of -3.38, and -24.6 BELOW the year-ago level.
- Future Capital Expenditures FELL -3 points to 7.5, BELOW the 3-Month average of 11.4, BELOW the 6-Month average of 9.25, and -12.8 BELOW the year-ago level.

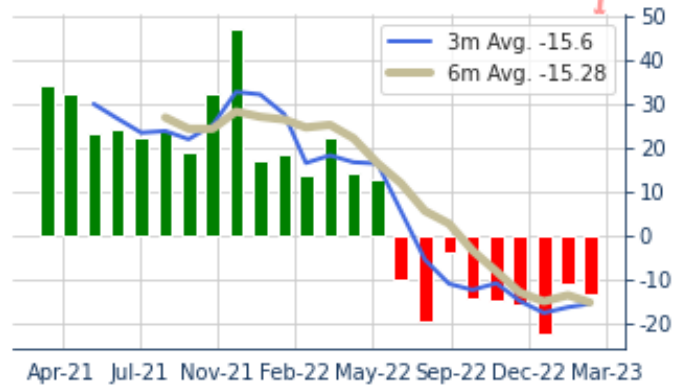
### Philly Fed recalculated by ISM Weightings



# Current New Orders



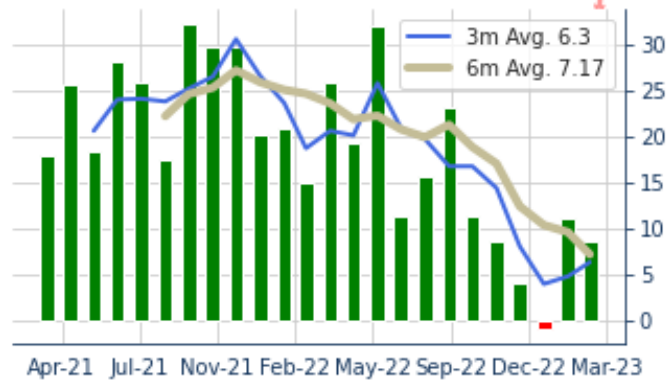
## monthly levels



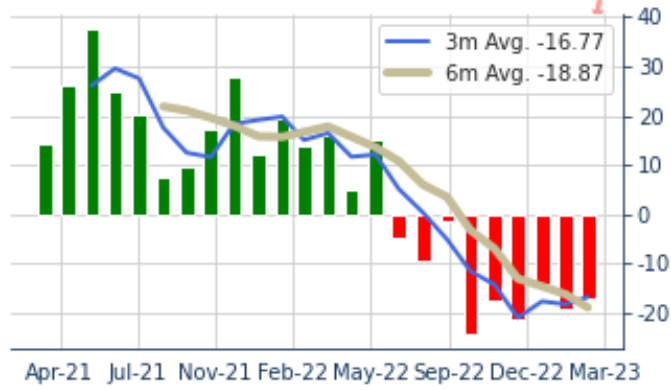
# Current Shipments



## monthly levels



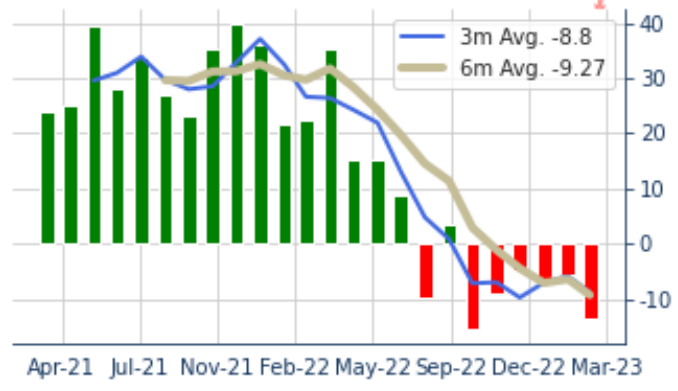
# Current Unfilled Orders



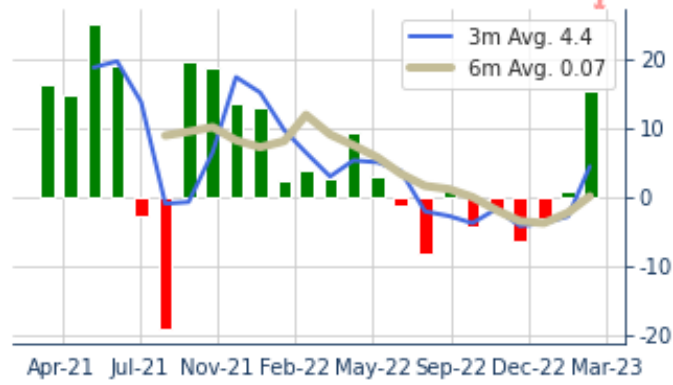
# Current Delivery Time



## monthly levels

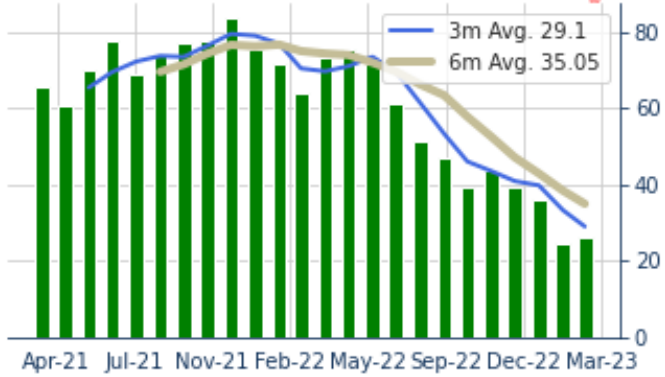


# Current Inventories



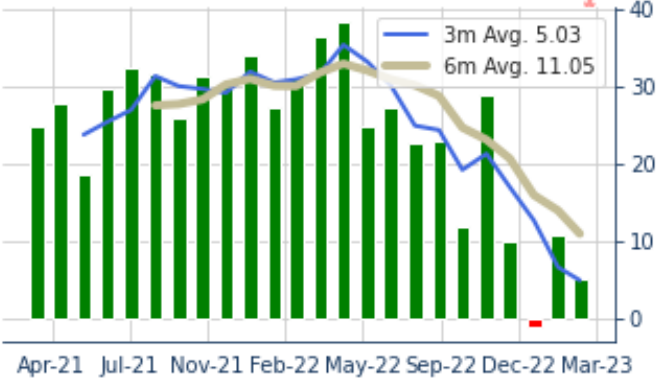


# Current Prices Paid



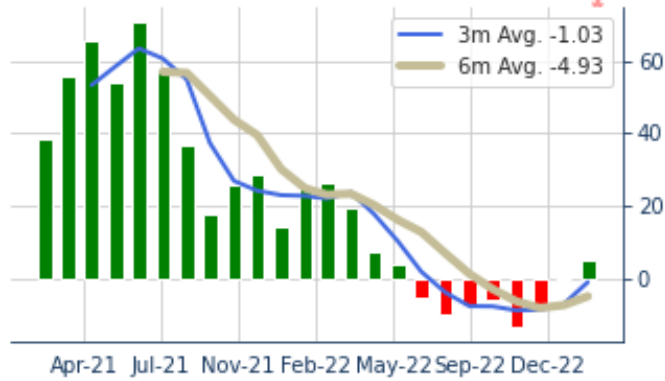
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

# 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	Feb-23	Jan-23	Dec-22	3m. avg.	6m. avg.	12m. avg.	2022	5y
<b>Current Activity Index</b>	<b>-24.30</b>	<b>-8.90</b>	<b>-13.70</b>	<b>-15.60</b>	<b>-12.80</b>	<b>-3.40</b>	<b>2.17</b>	<b>12.90</b>
<b>Current ISM-Weighted</b>	<b>-1.40</b>	<b>0.90</b>	<b>-8.50</b>	<b>-3.00</b>	<b>-2.00</b>	<b>5.90</b>	<b>9.03</b>	<b>14.20</b>
Current New Orders	-13.60	-10.90	-22.30	-15.60	-15.30	-6.30	-1.58	13.00
Current Shipments	8.70	11.10	-0.90	6.30	7.20	14.20	15.58	17.40
Current Unfilled Orders	-17.00	-19.20	-14.10	-16.80	-18.90	-7.70	-1.88	5.80
Current Delivery Time	-13.60	-5.60	-7.20	-8.80	-9.30	1.10	6.30	11.60

Current Inventories	15.30	0.90	-3.00	4.40	0.10	0.60	-0.25	5.00
Current Prices Paid	26.50	24.50	36.30	29.10	35.10	49.30	56.35	41.30
Current Prices Received	14.90	29.90	28.10	24.30	30.00	36.20	40.02	28.10
Current Employment	5.10	10.90	-0.90	5.00	11.00	19.90	23.50	18.60
Current Average Workweek	-3.20	4.00	-6.60	-1.90	0.40	6.70	8.61	12.80

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

<b>Philly Fed Manufacturing Future Indicators</b>	<b>Feb-23</b>	<b>Jan-23</b>	<b>Dec-22</b>	<b>3m. avg.</b>	<b>6m. avg.</b>	<b>12m. avg.</b>	<b>2022</b>	<b>5y</b>
<b>Future Activity Index</b>	<b>1.70</b>	<b>4.90</b>	<b>-0.90</b>	<b>1.90</b>	<b>-3.40</b>	<b>-1.10</b>	<b>2.70</b>	<b>30.20</b>
Future New Orders	9.20	2.40	8.50	6.70	0.90	2.20	5.47	32.90
Future Shipments	4.60	9.10	20.40	11.40	12.00	16.40	22.43	38.00
Future Unfilled Orders	-12.40	-0.60	-18.10	-10.40	-16.00	-19.70	-20.71	2.80
Future Delivery Time	-24.00	-9.10	-27.00	-20.00	-18.30	-20.80	-20.12	-1.60
Future Inventories	-4.90	-3.20	-13.00	-7.00	-5.60	0.90	2.92	7.90
Future Prices Paid	17.90	25.70	42.70	28.80	32.00	44.20	51.59	48.80
Future Prices Received	19.10	21.30	35.20	25.20	28.10	39.30	45.40	42.20
Future Employment	8.10	-1.90	18.90	8.40	13.10	19.60	25.08	31.60
Future Average Workweek	-2.10	-6.90	-0.10	-3.00	-2.10	1.90	3.68	12.90
Future Capital Expenditures	7.50	10.50	16.20	11.40	9.20	11.90	14.14	25.30

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