

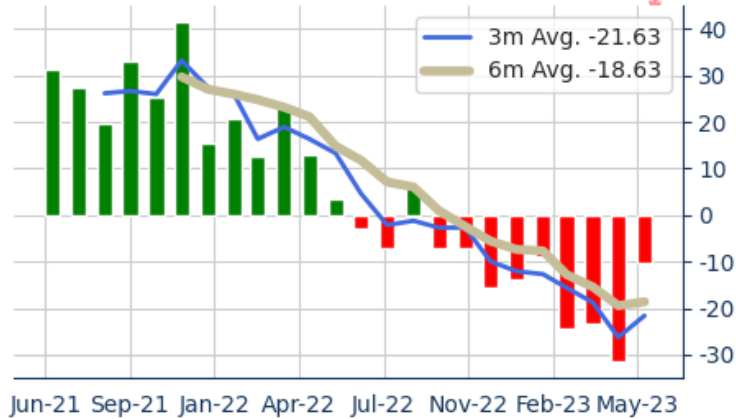
18.May.2023

## Philly Fed: Continued Contraction

**Bottom Line:** The Philadelphia Fed's Manufacturing survey showed a smaller-than-expected contraction in activity. New orders and shipments continued to contract but at a slower pace than earlier this year. Prices paid remained firm, edging modestly higher. Employment fell for the second month in the last three, a notable trend given how strong employment in manufacturing has remained despite the slowdown in activity. **Overall, manufacturing remains weak and was continuing to decline in the first half of May, but this report offered hope that a bottoming is in sight.**

## Philly Fed - Current Activity Index

May: -10.4, consensus: -20



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

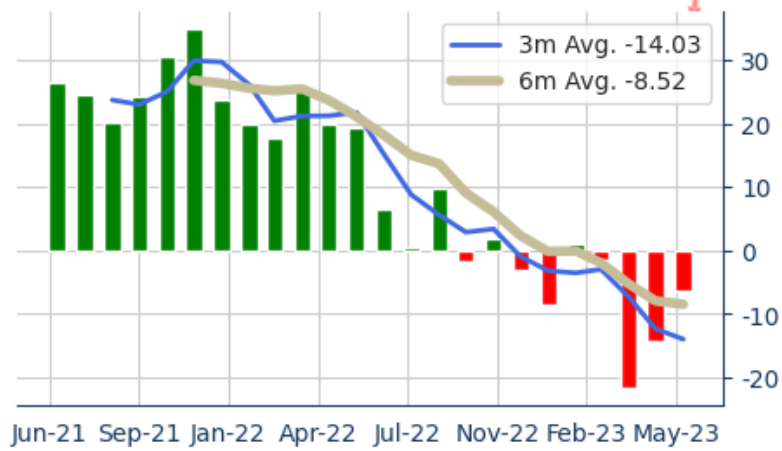
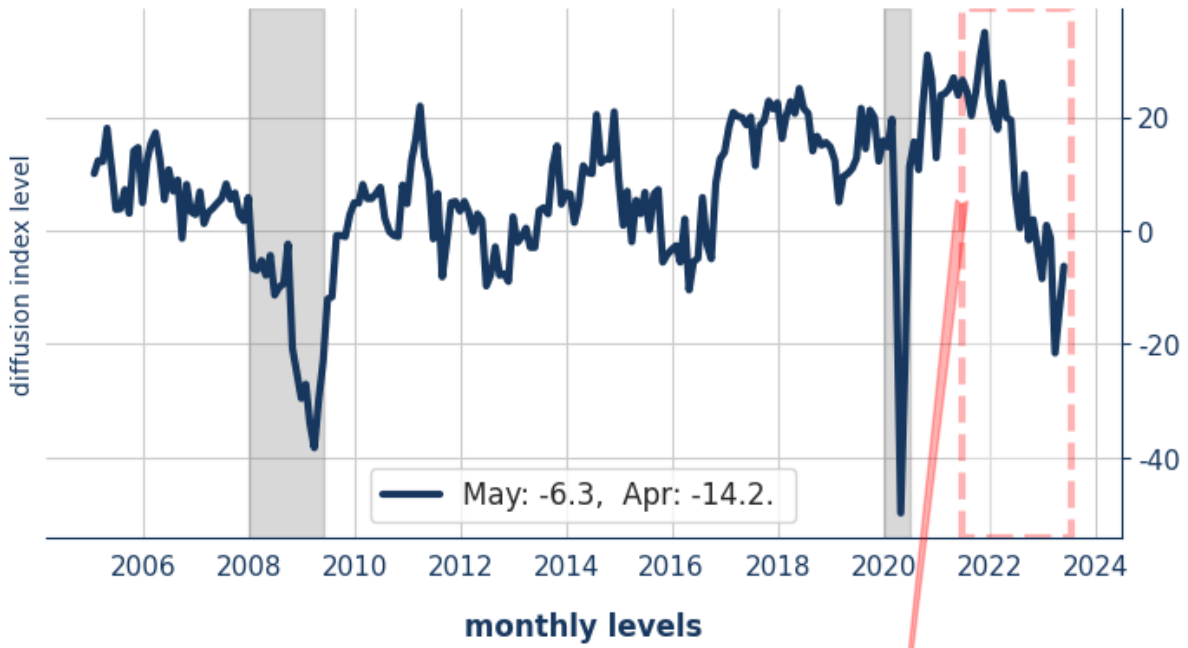
**The Philadelphia Fed Manufacturing Index** ROSE 20.9 points to -10.4, ABOVE the 3-Month average of -21.63, ABOVE the 6-Month average of -18.63 but -13.9 BELOW the year-ago level. On an ISM-weighted basis the index ROSE 7.9 points to -6.3, ABOVE the 3-Month average of -14.03, ABOVE the 6-Month average of -8.52 but -25.7 BELOW the year-ago level.

- New Orders ROSE 13.8 points to -8.9, ABOVE the 3-Month average of -19.93, ABOVE the 6-Month average of -17.77 but -21.6 BELOW the year-ago level.
- Shipments ROSE 2.6 points to -4.7, ABOVE the 3-Month average of -12.47, BELOW the 6-Month average of -3.08 but -36.8 BELOW the year-ago level.
- Unfilled Orders ROSE 11.9 points to 0.8, ABOVE the 3-Month average of -10.53, ABOVE the 6-Month average of -13.65 but -14.3 BELOW the year-ago level.
- Delivery Time ROSE 15.7 points to -9.3, ABOVE the 3-Month average of

-19.53, ABOVE the 6-Month average of -14.17 but -24.6 BELOW the year-ago level. Inventories ROSE 24.3 points to 6.4, ABOVE the 3-Month average of -7.57, ABOVE the 6-Month average of -1.58, and 3.4 ABOVE the year-ago level.

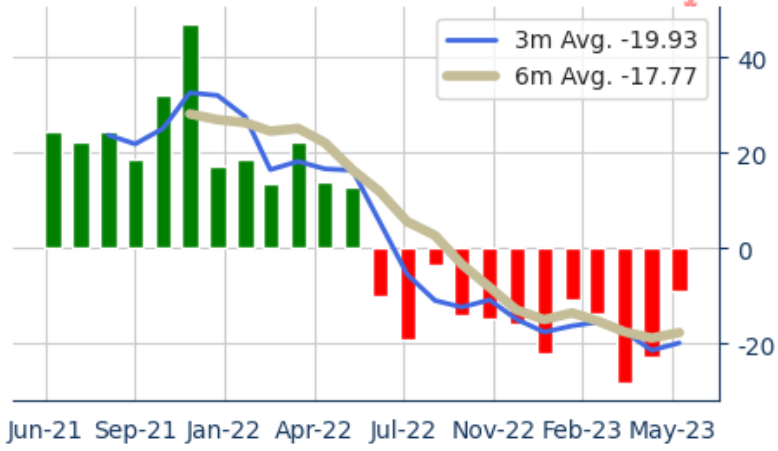
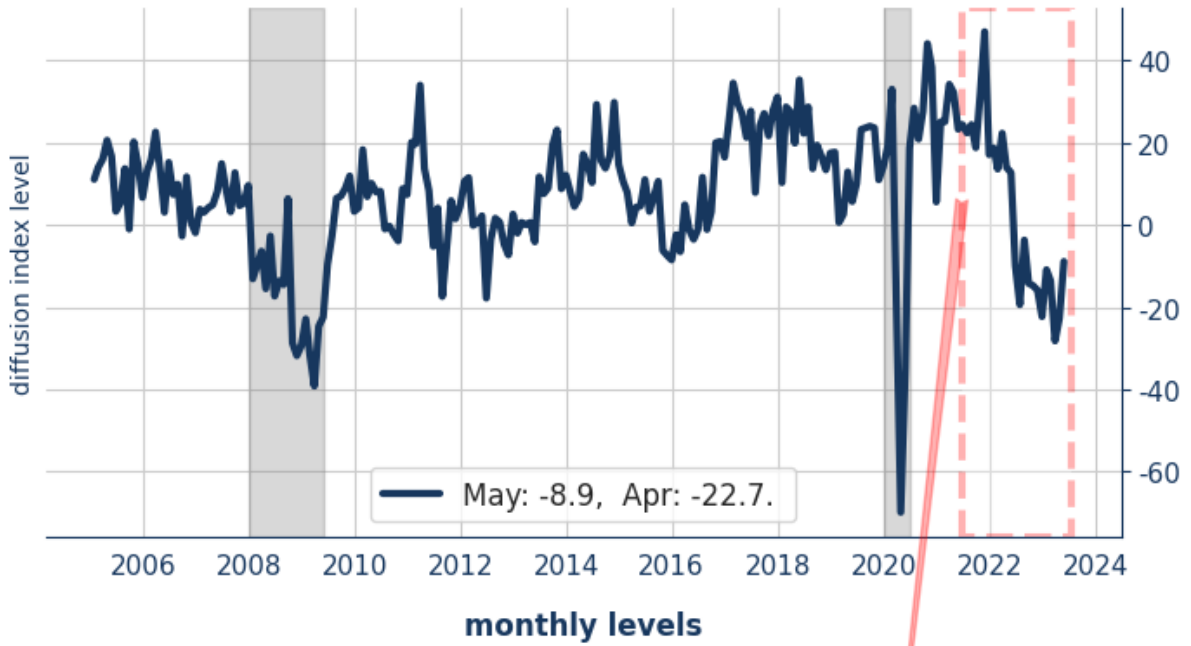
- Prices Paid ROSE 2.7 points to 10.9, BELOW the 3-Month average of 14.2, BELOW the 6-Month average of 21.65, and -60.7 BELOW the year-ago level.
- Employment FELL -8.4 points to -8.6, BELOW the 3-Month average of -6.37, BELOW the 6-Month average of -0.67, and -33.4 BELOW the year-ago level.
- Future Activity Index FELL -8.8 points to -10.3, BELOW the 3-Month average of -6.6, BELOW the 6-Month average of -2.35, and -14 BELOW the year-ago level.
- Future Capital Expenditures ROSE 7.9 points to 2.5, ABOVE the 3-Month average of -2.23, BELOW the 6-Month average of 4.58 but -6.9 BELOW the year-ago level.

# Philly Fed recalculated by ISM Weightings



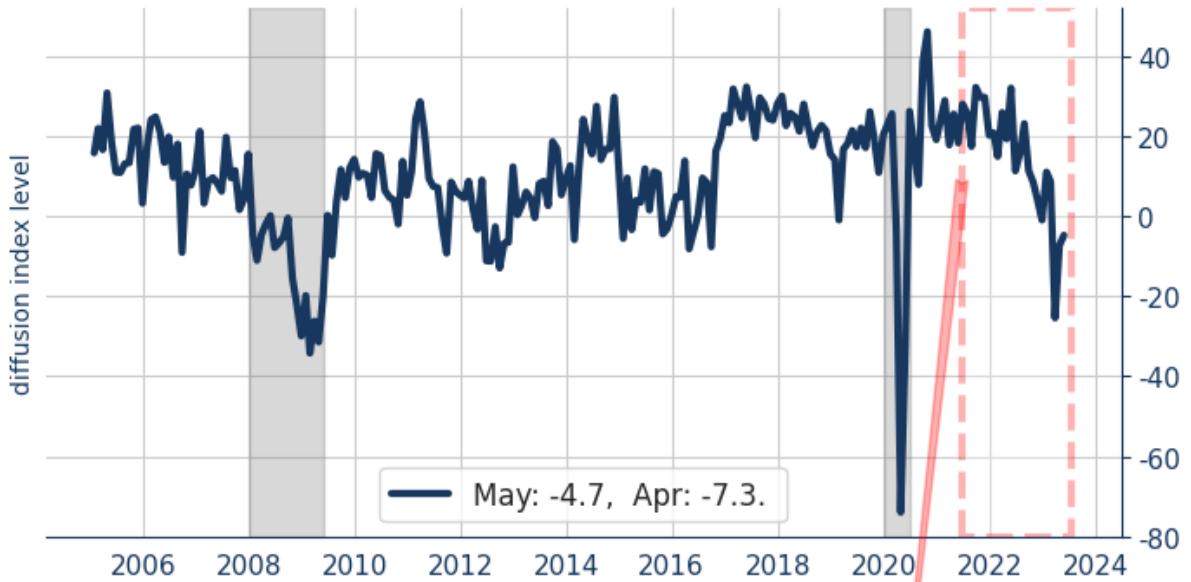
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current New Orders

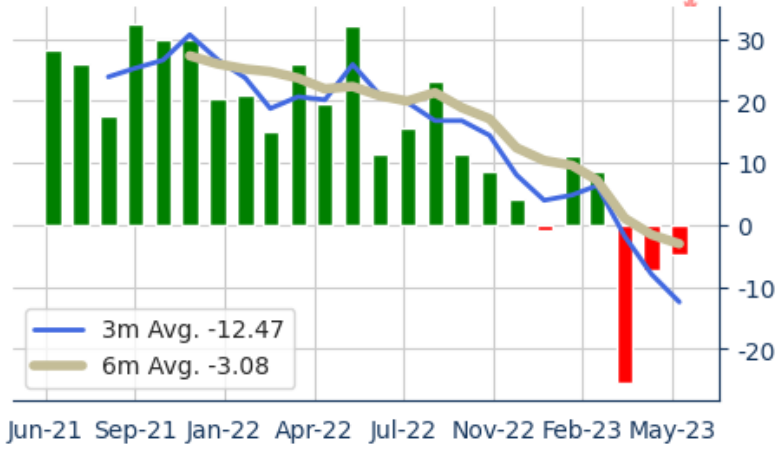


Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current Shipments

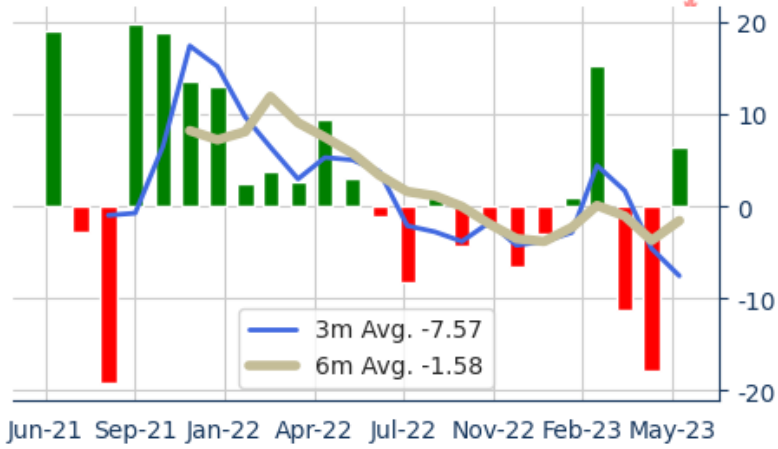
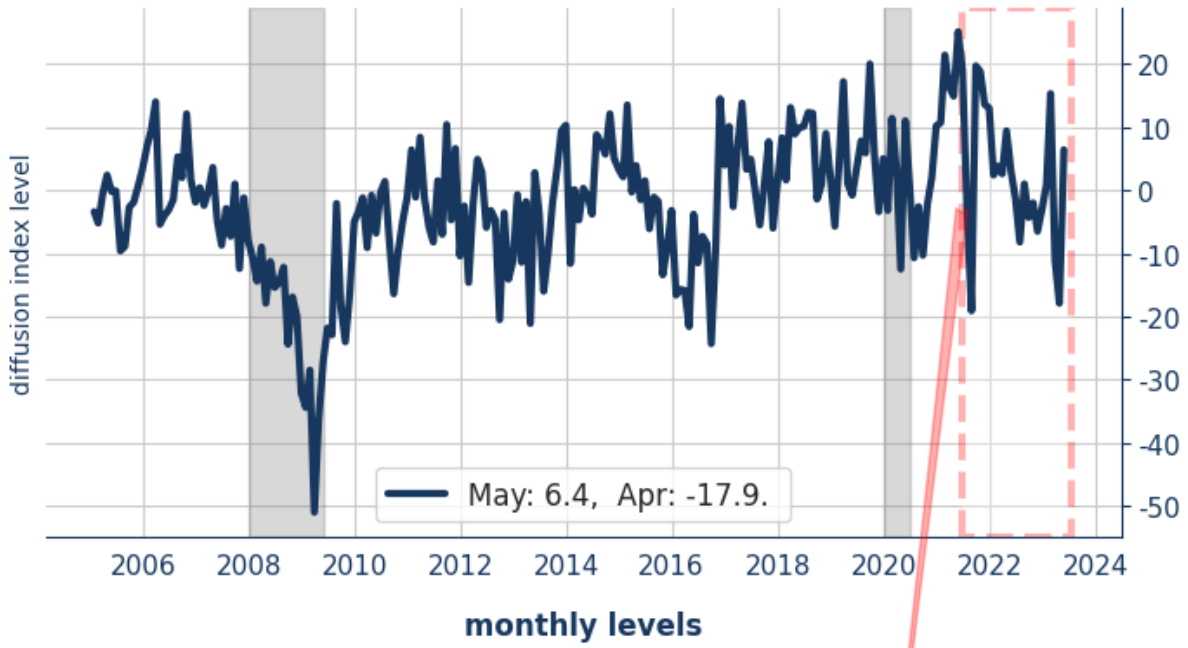


## monthly levels



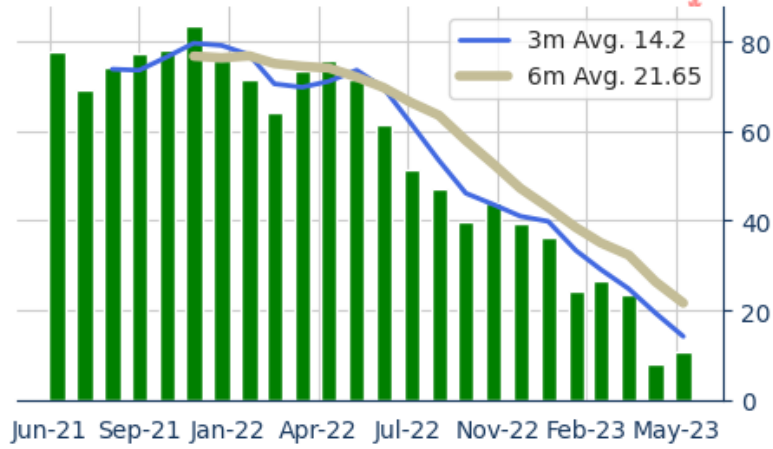
Contingent Macro Advisors 2023 source: Philadelphia Fed. Consensus from Bloomberg LP

# Current Inventories



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

# Current Prices Paid



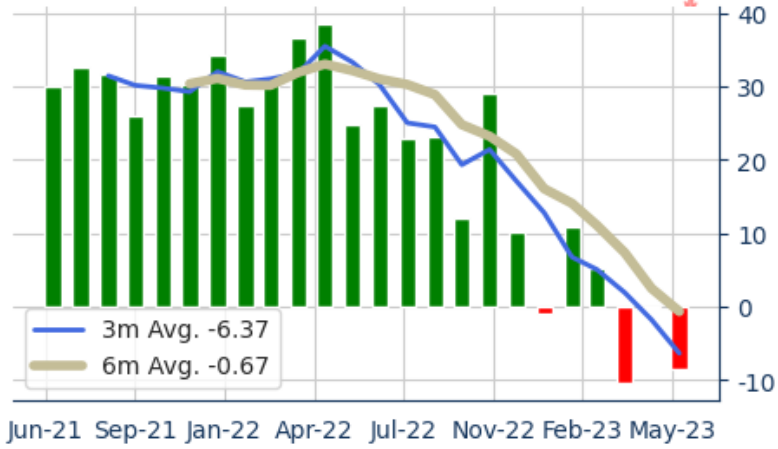
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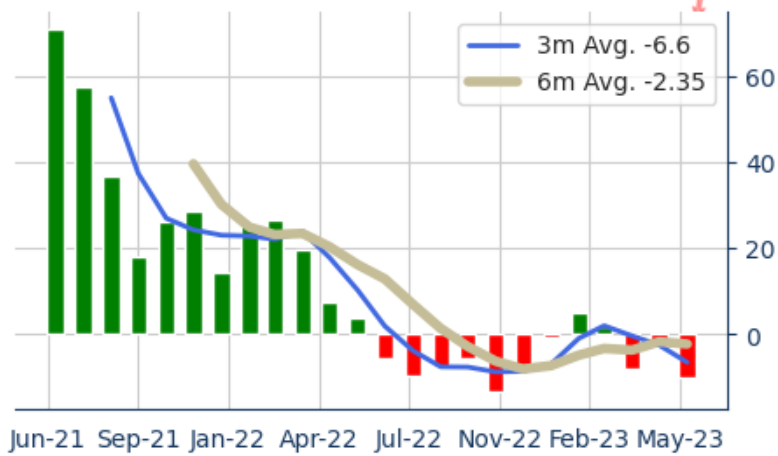
# Current Employment



## monthly levels



# Future Activity Index



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

Philly Fed Manufacturing Current Indicators	May-23	Apr-23	Mar-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
<b>Current Activity Index</b>	<b>-10.40</b>	<b>-31.30</b>	<b>-23.20</b>	<b>-21.60</b>	<b>-18.60</b>	<b>-12.10</b>	<b>2.17</b>	<b>10.60</b>
<b>Current ISM-Weighted</b>	<b>-6.30</b>	<b>-14.20</b>	<b>-21.60</b>	<b>-14.00</b>	<b>-8.50</b>	<b>-3.10</b>	<b>9.03</b>	<b>12.40</b>
Current New Orders	-8.90	-22.70	-28.20	-19.90	-17.80	-15.40	-1.58	10.60
Current Shipments	-4.70	-7.30	-25.40	-12.50	-3.10	4.70	15.58	15.60
Current Unfilled Orders	0.80	-11.10	-21.30	-10.50	-13.60	-13.30	-1.88	4.60

Current Delivery Time	-9.30	-25.00	-24.30	-19.50	-14.20	-9.30	6.30	9.90
Current Inventories	6.40	-17.90	-11.20	-7.60	-1.60	-2.60	-0.25	4.10
Current Prices Paid	10.90	8.20	23.50	14.20	21.70	34.40	56.35	39.70
Current Prices Received	-7.00	-3.30	7.90	-0.80	11.80	23.70	40.02	26.80
Current Employment	-8.60	-0.20	-10.30	-6.40	-0.70	10.00	23.50	17.00
Current Average Workweek	-7.70	-8.40	-22.00	-12.70	-7.30	-0.80	8.61	11.10

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

Philly Fed Manufacturing Future Indicators	May-23	Apr-23	Mar-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
<b>Future Activity Index</b>	<b>-10.30</b>	<b>-1.50</b>	<b>-8.00</b>	<b>-6.60</b>	<b>-2.40</b>	<b>-5.20</b>	<b>2.70</b>	<b>27.70</b>
Future New Orders	-2.30	9.80	4.60	4.00	5.40	-0.10	5.47	30.90
Future Shipments	4.50	13.30	7.80	8.50	10.00	11.10	22.43	36.10
Future Unfilled Orders	-10.10	-16.20	-13.10	-13.10	-11.80	-18.80	-20.71	1.60
Future Delivery Time	-31.00	-28.10	-24.00	-27.70	-23.90	-23.50	-20.12	-3.40
Future Inventories	-2.20	-5.70	-12.90	-6.90	-7.00	-4.90	2.92	6.70
Future Prices Paid	28.30	20.00	26.80	25.00	26.90	34.90	51.59	47.00
Future Prices Received	24.10	11.20	7.90	14.40	19.80	28.10	45.40	40.70
Future Employment	12.60	3.80	6.90	7.80	8.10	13.20	25.08	30.20
Future Average Workweek	-0.20	-0.10	7.80	2.50	-0.30	0.50	3.68	12.30
Future Capital Expenditures	2.50	-5.40	-3.80	-2.20	4.60	7.00	14.14	23.80

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