

21.Apr.2022

## Philly Fed: Prices Surge, Order Growth Slows

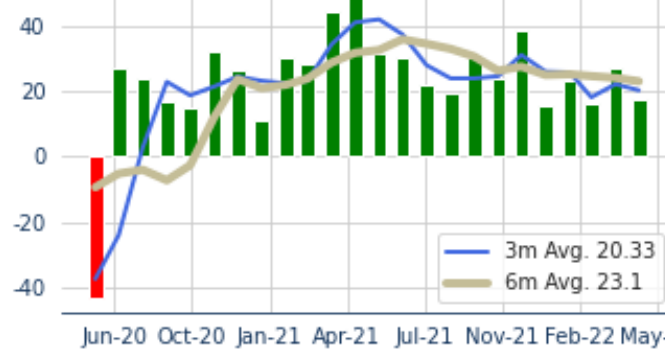
**Bottom Line:** The Philadelphia Fed's index of manufacturing activity fell more than expected in April as manufacturers reported sharply higher input prices and slower new order growth. The prices paid index surged to its highest level since June 1979. Prices received also rose but at a slower pace, suggesting margin compression. Outlooks for future activity fell sharply. On the plus side, employment continued to grow after hitting record highs in March. While most manufacturers reported steady employment, 42% reporting finding qualified candidates to fill openings. Overall, manufacturing activity remains volatile amid supply chain pressures. And while the level of activity remains historically strong, there are indications of deceleration.

## Philly Fed Current Activity Index April: +17.6, consensus: +21.4



### monthly levels

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



**The Philadelphia Fed Manufacturing Index** FELL 9.8 points to 17.6, BELOW the 3-Month average of 20.33, BELOW the 6-Month average of 23.1 and 32.6 BELOW the year-ago level.

- **New Orders** FELL 8 points to 17.8, BELOW the 3-Month average of 19.27, BELOW the 6-Month average of 22.8 and 18.2 BELOW the year-ago level.
- **Shipments** FELL 11.1 points to 19.1, BELOW the 3-Month average of 20.9, BELOW the 6-Month average of 21.82 and 6.2 BELOW the year-ago level.
- **Unfilled Orders** FELL 15.3 points to 5.7, BELOW the 3-Month average of 14.17, BELOW the 6-Month average of 17.47 and 21.5 BELOW the year-ago level. Delivery Time FELL 21.8 points to 17.9, BELOW the 3-Month average of 26.87, BELOW the 6-Month average of 28.82 and 9.9 BELOW the year-ago level.
- **Inventories** ROSE 11.4 points to 11.9, ABOVE the 3-Month average of 5.47, ABOVE the 6-Month average of 7.7 but 5.4 BELOW the year-ago level.

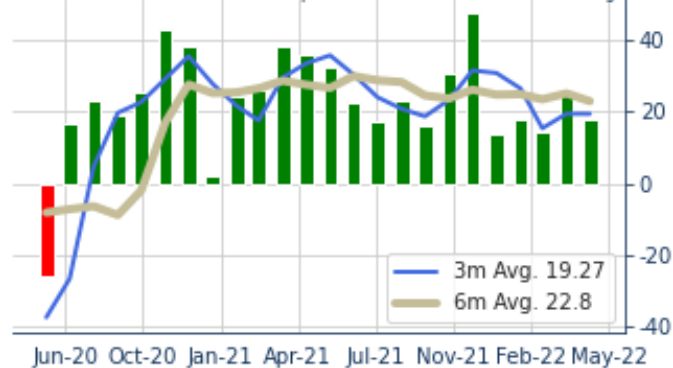
- **Prices Paid** ROSE 3.6 points to 84.6, ABOVE the 3-Month average of 78.3, ABOVE the 6-Month average of 75.58 and 15.5 ABOVE the year-ago level.
- **Employment** ROSE 2.5 points to 41.4, ABOVE the 3-Month average of 37.53, ABOVE the 6-Month average of 33.3 and 10.6 ABOVE the year-ago level.
- **Future Activity Index** FELL 14.5 points to 8.2, BELOW the 3-Month average of 19.67, BELOW the 6-Month average of 22.53 and 58.4 BELOW the year-ago level.
- **Future Capital Expenditures** FELL 4.9 points to 19.9, BELOW the 3-Month average of 22.07, BELOW the 6-Month average of 23.92 and 16.8 BELOW the year-ago level.

### Current New Orders



### monthly levels

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

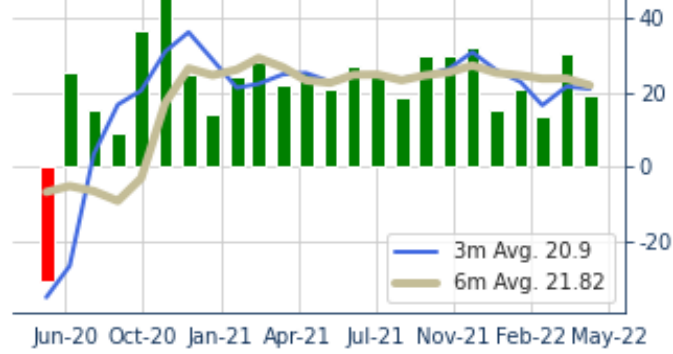


# Current Shipments



## monthly levels

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

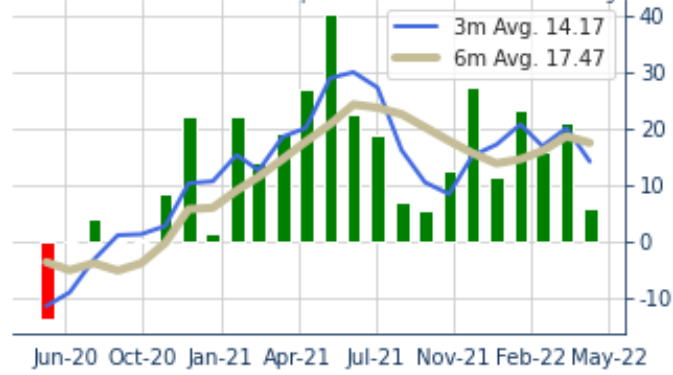


# Current Unfilled Orders



## monthly levels

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

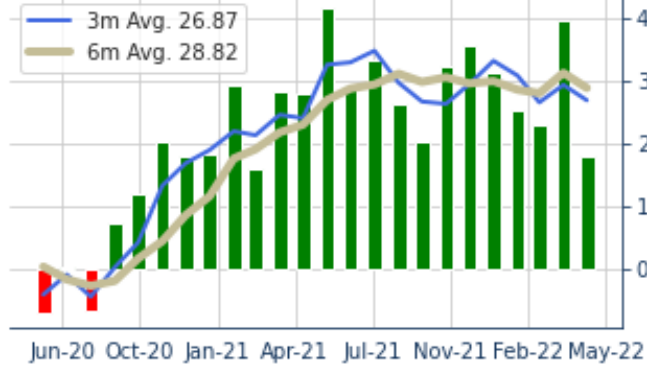


# Current Delivery Time



## monthly levels

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

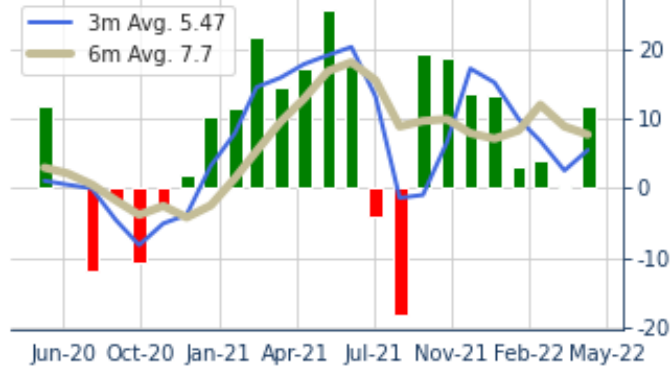


# Current Inventories



## monthly levels

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

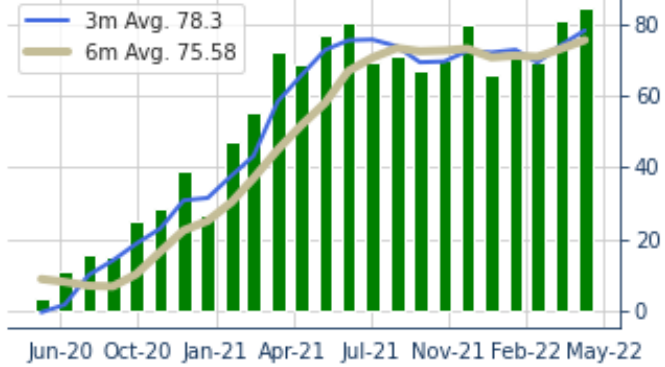


# Current Prices Paid



## monthly levels

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



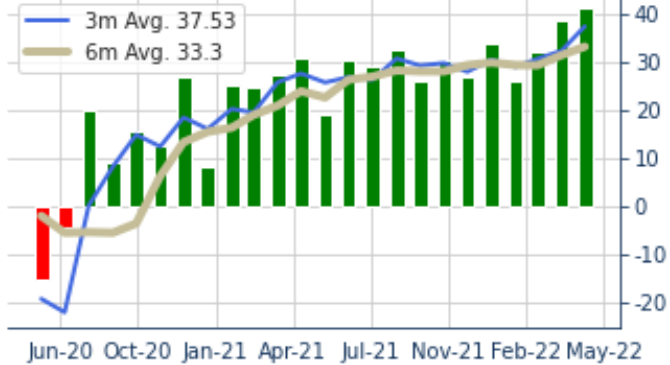


# Current Employment



## monthly levels

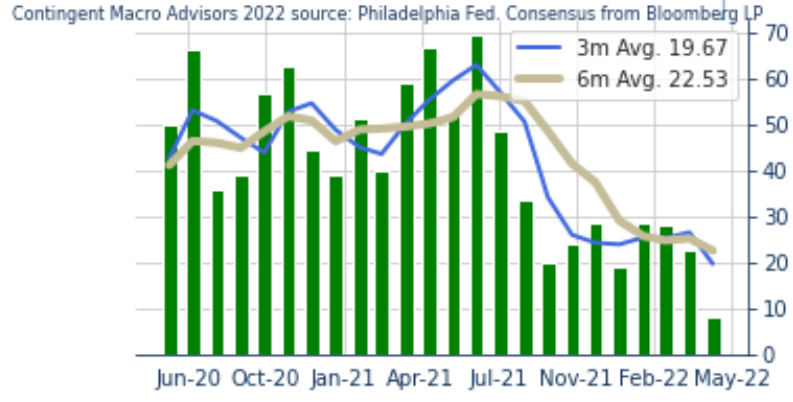
Contingent Macro Advisors 2022 source: Philadelphia Fed, Consensus from Bloomberg LP



# Future Activity Index



## monthly levels

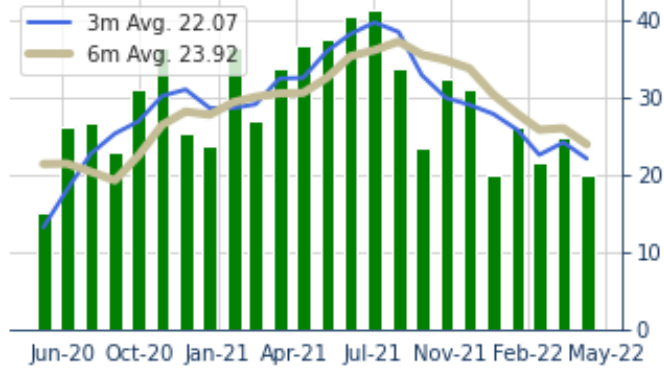


# Future Capital Expenditures



## monthly levels

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



Philly Fed Manufacturing Current Indicators	Apr-22	Mar-22	Feb-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
<b>Current Activity Index</b>	<b>17.6</b>	<b>27.4</b>	<b>16.0</b>	<b>20.3</b>	<b>23.1</b>	<b>24.7</b>	<b>30.5</b>	<b>18.7</b>
Current New Orders	17.8	25.8	14.2	19.3	22.8	23.2	27.2	18.6
Current Shipments	19.1	30.2	13.4	20.9	21.8	23.5	24.9	19.8
Current Unfilled Orders	5.7	21.0	15.8	14.2	17.5	17.7	19.1	9.6
Current Delivery Time	17.9	39.7	23.0	26.9	28.8	29.7	29.3	14.1
Current Inventories	11.9	0.5	4.0	5.5	7.7	8.8	12.6	5.3
Current Prices	84.6	81.0	69.3	78.3	75.6	74.1	68.9	39.2

Paid								
Current Prices Received	55.0	54.4	49.8	53.1	53.2	51.2	44.0	25.4
Current Employment	41.4	38.9	32.3	37.5	33.3	30.7	28.2	18.9
Current Average Workweek	20.8	21.4	10.8	17.7	20.6	23.3	27.8	14.7

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

<b>Philly Fed Manufacturing Future Indicators</b>	<b>Apr-22</b>	<b>Mar-22</b>	<b>Feb-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>8.2</b>	<b>22.7</b>	<b>28.1</b>	<b>19.7</b>	<b>22.5</b>	<b>32.0</b>	<b>42.7</b>	<b>38.3</b>
Future New Orders	3.7	22.0	24.9	16.9	22.0	32.7	41.9	41.0
Future Shipments	29.9	30.6	44.8	35.1	37.1	44.2	47.9	43.4
Future Unfilled Orders	-13.4	-15.9	-18.2	-15.8	-10.2	-3.6	3.7	8.7
Future Delivery Time	-19.1	-6.2	-22.3	-15.9	-7.4	-2.6	3.8	3.0
Future Inventories	17.3	30.8	4.3	17.5	15.0	15.6	16.2	11.9
Future Prices Paid	70.1	71.3	60.2	67.2	66.0	64.1	60.1	50.7
Future Prices Received	62.4	68.5	53.3	61.4	60.2	61.2	56.4	42.6
Future Employment	38.7	40.7	36.6	38.7	43.4	45.2	46.8	34.7
Future Average Workweek	-2.6	14.5	2.4	4.8	6.6	14.6	17.3	15.0
Future Capital Expenditures	19.9	24.8	21.5	22.1	23.9	29.3	32.8	29.9

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