

17.Nov.2022

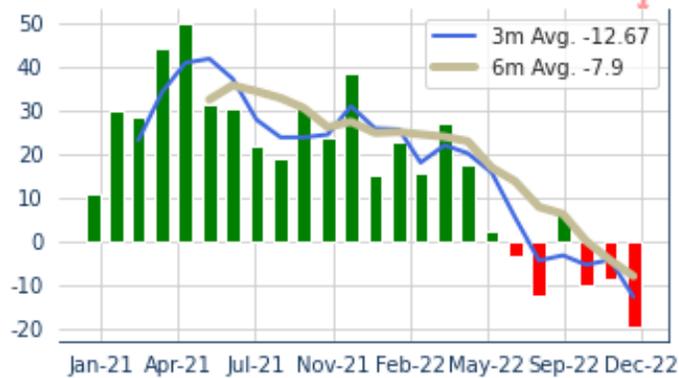
Philly Fed: Sharp Drop As New Orders Plunge

Bottom Line: The Philadelphia Fed's index of manufacturing activity fell for the third month in a row in October, as new orders dropped sharply, declining for the sixth 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. Remarkably, manufacturers continued to report net hiring as they continue to struggle to find skilled labor and fear they won't have enough in the next cyclical rebound. 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 November: -19.4, consensus: -6



monthly levels



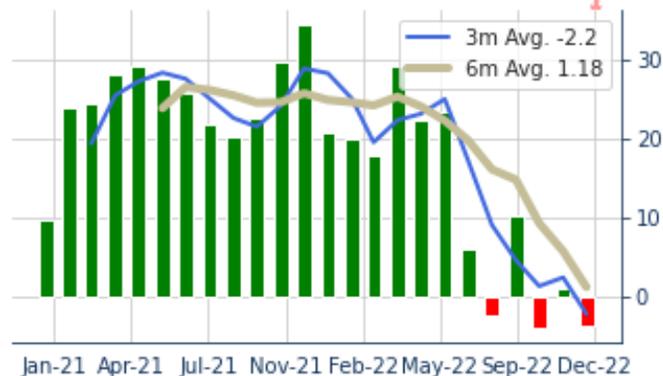
Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

The Philadelphia Fed Manufacturing Index FELL -10.7 points to -19.4, BELOW the 3-Month average of -12.67, BELOW the 6-Month average of -7.9, and -58.4 BELOW the year-ago level. **On an ISM-weighted basis**, the index FELL -4.7 points to -3.7, BELOW the 3-Month average of -2.2, BELOW the 6-Month average of 1.18, and -38.1 BELOW the year-ago level.

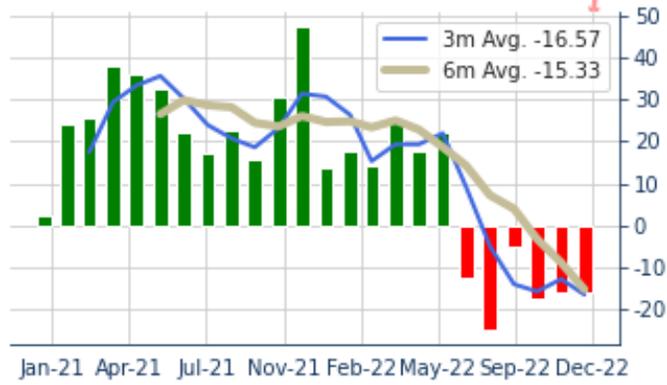
- New Orders were nearly unchanged, -0.3 points -16.2, ABOVE the 3-Month average of -16.57, BELOW the 6-Month average of -15.33 but -63.6 BELOW the year-ago level.
- Shipments FELL -1.6 points to 7, BELOW the 3-Month average of 8.13, BELOW the 6-Month average of 12.47, and -25.1 BELOW the year-ago level.
- Unfilled Orders were nearly unchanged, -0.4 points -22.9, ABOVE the 3-Month average of -24.63, BELOW the 6-Month average of -15.52 but -50.3 BELOW the year-ago level.
- Delivery Time ROSE 3.8 points to -8.8, ABOVE the 3-Month average of -13.2,

- BELOW the 6-Month average of -6.2 but -44.5 BELOW the year-ago level.
- Inventories FELL -4.8 points to -6.5, BELOW the 3-Month average of -4.33, BELOW the 6-Month average of -3.7 and -20 BELOW the year-ago level.
- Prices Paid FELL -1 points to 35.3, ABOVE the 3-Month average of 33.8, BELOW the 6-Month average of 43.62 but -44.7 BELOW the year-ago level.
- Employment FELL -21.4 points to 7.1, BELOW the 3-Month average of 15.87, BELOW the 6-Month average of 19.87 and -20.1 BELOW the year-ago level.
- Future Activity Index ROSE 7.8 points to -7.1, ABOVE the 3-Month average of -8.63, ABOVE the 6-Month average of -10.32 but -35.6 BELOW the year-ago level.
- Future Capital Expenditures ROSE 2 points to 6.4, ABOVE the 3-Month average of 5.13, BELOW the 6-Month average of 8.25 but -24.7 BELOW the year-ago level.

Philly Fed recalculated by ISM Weightings

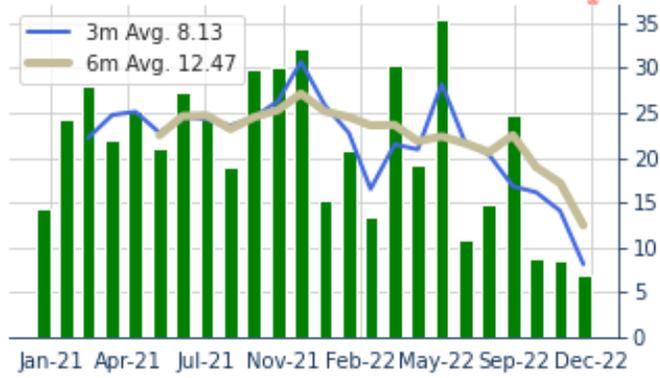


Current New Orders

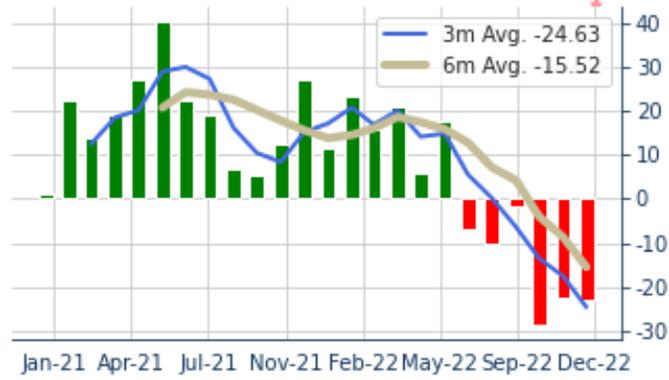


Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

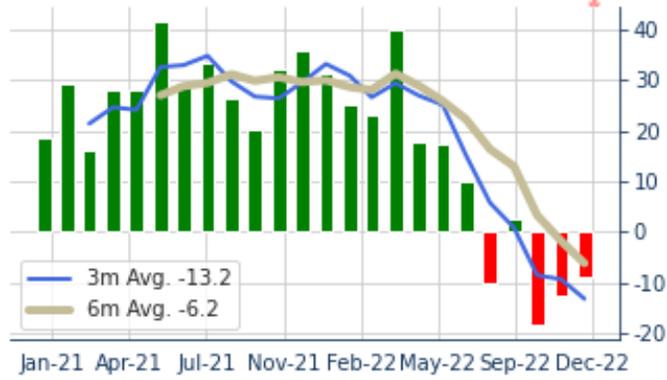
Current Shipments



Current Unfilled Orders



Current Delivery Time



Current Inventories



monthly levels

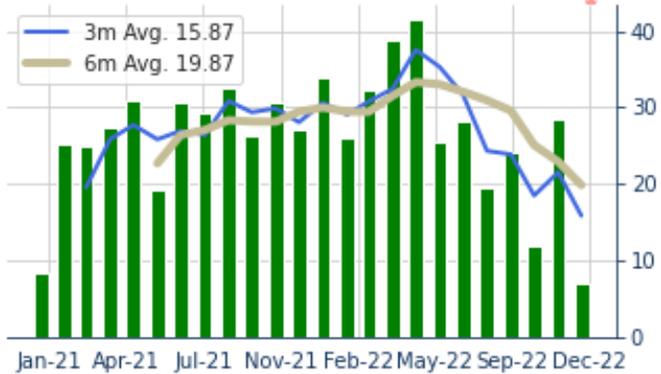


Current Prices Paid



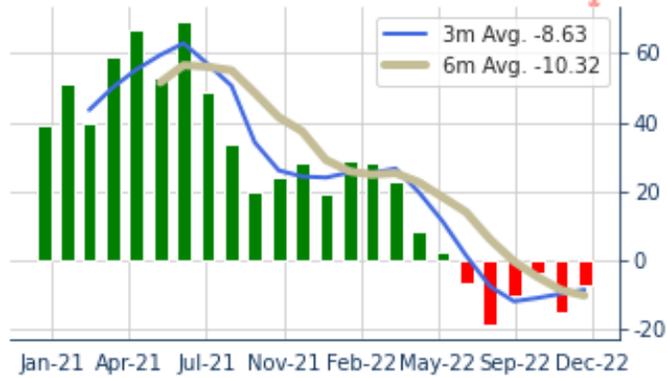
Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

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	Nov-22	Oct-22	Sep-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
Current Activity Index	-19.40	-8.70	-9.90	-12.70	-7.90	4.60	30.49	15.00
Current ISM-Weighted	-3.70	1.00	-3.90	-2.20	1.20	11.70	25.67	15.30
Current New Orders	-16.20	-15.90	-17.60	-16.60	-15.30	1.60	27.20	14.80
Current Shipments	7.00	8.60	8.80	8.10	12.50	17.40	24.88	18.50
Current Unfilled Orders	-22.90	-22.50	-28.50	-24.60	-15.50	0.20	19.05	6.90
Current Delivery Time	-8.80	-12.60	-18.20	-13.20	-6.20	9.80	29.30	12.30

Current Inventories	-6.50	-1.70	-4.80	-4.30	-3.70	1.10	12.58	5.00
Current Prices Paid	35.30	36.30	29.80	33.80	43.60	59.50	68.87	41.50
Current Prices Received	34.60	30.80	29.60	31.70	33.00	42.10	43.99	27.70
Current Employment	7.10	28.50	12.00	15.90	19.90	26.40	28.19	19.40
Current Average Workweek	1.40	10.40	-3.80	2.70	5.40	11.80	27.85	13.70

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

Philly Fed Manufacturing Future Indicators	Nov-22	Oct-22	Sep-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
Future Activity Index	-7.10	-14.90	-3.90	-8.60	-10.30	3.90	42.74	32.20
Future New Orders	-4.80	-16.70	6.00	-5.20	-7.30	6.40	41.91	35.00
Future Shipments	10.20	4.70	20.60	11.80	10.60	23.20	47.95	39.90
Future Unfilled Orders	-11.80	-23.50	-22.30	-19.20	-26.20	-20.20	3.70	3.90
Future Delivery Time	-13.00	-6.30	-23.70	-14.30	-23.20	-17.60	3.83	-0.30
Future Inventories	-9.10	-8.80	5.00	-4.30	-3.00	5.30	16.15	9.40
Future Prices Paid	18.50	25.80	45.10	29.80	40.10	52.70	60.12	50.20
Future Prices Received	15.70	23.40	39.40	26.20	34.10	47.10	56.37	43.00
Future Employment	11.10	12.20	22.40	15.20	16.30	28.20	46.77	32.90
Future Average Workweek	-12.10	-3.00	10.80	-1.40	1.60	4.30	17.29	13.80
Future Capital Expenditures	6.40	4.40	4.60	5.10	8.20	14.30	32.82	26.60

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