



## Report on Business

**Jonathan Basile** *Business Survey Chair*, ISM-New York • (908) 433-0104 • jonathan.basile@ismnewyork.org

**Julienne B. Ryan**, *Executive Director*, ISM-New York • (800) 975-0725 • julienneryan@ismnewyork.org

### NEW YORK CITY REPORT ON BUSINESS *Below-Average Start to 2016*

New York City business activity expanded at the slowest pace in five months, according to the survey taken by the Institute for Supply Management-New York (ISM-NY).

#### New York Metro

**Current Business Conditions** fell to 53.6 in February, the lowest level since September 2015, and has downshifted in three of the last four months. The Q1-to-date average (54.1) started the year below the long-run average (55.8).

The **Six-Month Outlook** moved up to 66.3 in February, off January's four-month low. Future optimism has moderated since reaching a five-year high in June of last year, but is not raising warning flags about continued expansion in the New York Metro area.

#### Company Specific

Labor contracted for the fifth time in the last six months, while purchase volume expanded for the first time in six months. **Employment** declined to 49.3 in February. **Quantity of Purchases** increased to 58.0 in February.

The tone improved this month for the top line and forward guidance. **Current Revenues** bounced back to 56.3 in February after contracting in January. **Expected Revenues** rose to 58.3 in February after stalling the prior two months.

Cost pressures eased. **Prices Paid** fell to a four-month low of 54.2 in February.

**Current Business Conditions**  
(seasonally adjusted)



**Six-Month Outlook**  
(seasonally adjusted)



**Business Conditions in New York City Metro Area**  
(seasonally adjusted)

|                 | Current<br>Business<br>Conditions | Six-Month<br>Outlook | NY-BCI*      |
|-----------------|-----------------------------------|----------------------|--------------|
| February 2015   | 63.1                              | 71.7                 | 677.6        |
| March           | 50.0                              | 69.4                 | 677.6        |
| April           | 58.1                              | 73.4                 | 681.7        |
| May             | 54.0                              | 61.8                 | 683.7        |
| June            | 63.1                              | 78.0                 | 690.2        |
| July            | 68.8                              | 69.2                 | 699.7        |
| August          | 51.1                              | 68.5                 | 700.2        |
| September       | 44.5                              | 62.8                 | 697.4        |
| October         | 65.8                              | 74.0                 | 705.3        |
| November        | 60.7                              | 66.0                 | 710.6        |
| December        | 62.0                              | 70.7                 | 716.6        |
| January 2016    | 54.6                              | 63.3                 | 718.9        |
| <b>February</b> | <b>53.6</b>                       | <b>66.3</b>          | <b>720.8</b> |

\*The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for businesses in the New York City metro area. -r is revised.

## Employment (seasonally adjusted)

The current month's number of employees compared to the previous month.

|            | Jan  | Dec  | Nov  | Oct  | Sep  | Year ago<br>Feb |
|------------|------|------|------|------|------|-----------------|
| <b>Feb</b> | 56.9 | 42.9 | 39.9 | 46.3 | 44.9 | 49.3            |



## Quantity of Purchases

The current month's number of units purchased from suppliers compared to the previous month.

|            | Jan  | Dec  | Nov  | Oct  | Sep  | Year ago<br>Feb |
|------------|------|------|------|------|------|-----------------|
| <b>Feb</b> | 46.4 | 50.0 | 46.7 | 46.2 | 43.8 | 54.8            |



## Prices Paid

The current month's price levels paid for goods and services purchased from suppliers vs. the previous month.

|            | Jan  | Dec  | Nov  | Oct  | Sep  | Year ago<br>Feb |
|------------|------|------|------|------|------|-----------------|
| <b>Feb</b> | 60.7 | 55.0 | 62.5 | 46.2 | 58.8 | 61.4            |



## Current Revenues

The current month's level of revenues (in dollars) compared to the previous month.

|            | Jan  | Dec  | Nov  | Oct  | Sep  | Year ago<br>Feb |
|------------|------|------|------|------|------|-----------------|
| <b>Feb</b> | 45.8 | 60.0 | 57.1 | 54.2 | 52.9 | 63.2            |

## Expected Revenues

The expected level of revenues (in dollars) in the next six months.

|            | Jan  | Dec  | Nov  | Oct  | Sep  | Year ago<br>Feb |
|------------|------|------|------|------|------|-----------------|
| <b>Feb</b> | 50.0 | 50.0 | 71.4 | 58.3 | 64.7 | 76.3            |

## About the Survey

The purpose of the survey is to quickly assess business conditions among firms in the New York City area. The survey results are compiled as diffusion indices - the percent of positive responses plus one-half of those responding the same (considered positive). A reading of 50% means no change from the prior month, greater than 50% indicates a faster pace of activity, and less than 50% a slower rate. The Current Business Conditions index, Six-Month Outlook index, the NY-BCI, and the Employment index are seasonally adjusted. All other measures are not seasonally adjusted. -r is revised.