



## Tenth District Manufacturing Activity Strengthened Further in March 2017

by: Chad Wilkerson

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March survey of Tenth District manufacturing activity shows more strength in sector with strong expectations for future employment.

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Tenth District manufacturing activity strengthened further in March, and many indexes of expectations for future activity were at or near record highs. Most price indexes increased moderately.

The month-over-month composite index was 20 in March, its highest reading since March 2011, up from 14 in February and 9 in March (Tables 1 & 2, Chart). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Activity in both durable and nondurable goods plants increased, particularly for metals, computer, electronic, and aircraft products. Most month-over-month indexes rose further in March. The production and shipments indexes increased considerably, while the new orders and order backlog indexes rose more moderately but remained high. The employment index moderated slightly from 17 to 13, and the new orders for exports index also eased. Both inventory indexes increased for the second straight month.

Most year-over-year factory indexes improved from the previous month. The composite year-over-year index grew from 6 to 14, and the production, shipments, new orders, and order backlog indexes also increased. The employment index jumped from -2 to 17, while the capital expenditures index eased slightly. The raw materials inventory index decreased from 3 to 1, while the finished goods inventory index moved into positive territory.

Expectations for future factory activity increased further to some of the highest levels in survey history. The future composite index edged up from 29 to 32, its highest reading ever. The future production, shipments, and new orders indexes all increased to near-record highs. The future employment index jumped from 30 to 43, its highest level in survey history, and the future capital expenditures index increased moderately. The future raw materials inventory index decreased from 20 to 8, and the future finished goods index also fell modestly.

Price indexes increased moderately in March. The month-over-month finished goods price index rose from 1 to 9, and the raw materials price index also edged up slightly. The year-over-year finished goods price index jumped from 13 to 26, and the raw materials price index also moved higher. The future raw materials price index rose from 53 to 59, and the future finished goods price index also increased.

## Survey Data

[Current Survey](#)

[Historical Monthly Data](#)

[Historical Quarterly Data](#)

[About Manufacturing Survey](#)

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## Author



### Chad Wilkerson

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Chad Wilkerson serves as Oklahoma City Branch Executive and Senior Vice President of Community Development for the Federal Reserve Bank of Kansas City. Wilkerson has been with the Federal Reserve since 1998, starting in Kansas City's research department. Appointed in 2006 as Oklahoma City Branch Executive, Wilkerson is the Bank's lead officer and regional economist in Oklahoma. He recruits and works closely with the Oklahoma City Branch Board of Directors and is responsible for briefing the Kansas City Fed president, a member of the Federal Open Market Committee, on economic trends in the state. His team conducts research and surveys on key regional issues such as energy, manufacturing and migration. Wilkerson was appointed Senior Vice President in 2022, and supports a Community Development team located across the Kansas City Fed's seven-state region. This group works to understand and address issues affecting the ability of underserved communities and small businesses to access credit. Community development focus areas include financial resiliency, affordable housing, community investments, workforce development, rural development and digital inclusion. Wilkerson holds a master's degree in public policy from the University of Chicago, as well as a master's degree from Southwestern Seminary and bachelor's degree from William Jewell College. He serves on the boards of the Economic Club of Oklahoma, the United Way of Central Oklahoma and City Rescue Mission. He lives in Edmond, Oklahoma, with his wife and children.

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