



Tenth District Manufacturing Activity Expanded Slightly in November 2016

by: Chad Wilkerson

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Factory activity in our region rose for the third straight month in November, following a year and a half of near constant declines.

Tenth District manufacturing activity expanded slightly, and producers' expectations for future activity remained solid. Price indexes increased moderately in November. The month-over-month composite index was 1 in November, down from 6 in October and September (Tables 1 & 2, Chart).

The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Durable goods production continued to grow modestly, while nondurable goods activity fell moderately, particularly for food and plastics products.

Most month-over-month indexes slowed somewhat in November. The production index decreased from 18 to 9, and the shipments, new orders, and order backlog indexes also dropped. The employment index eased from 7 to 1, still the second highest reading in over a year. The finished goods inventory index fell from -9 to -13, while the raw materials inventory index was unchanged.

Most year-over-year factory indexes remained below zero. The composite year-over-year index was basically unchanged at -10, while the production, new orders, and order backlog indexes fell further into negative territory. The shipments index was unchanged, while the employment index inched higher from -14 to -11. The capital expenditures index improved somewhat from -7 to -1, while the new orders for exports index remained generally stable. The raw materials inventory index increased from -19 to -15, and the finished goods inventory index also moved higher.

Expectations for future factory activity were mixed, but remained generally solid. The future composite index moderated from 18 to 12, and the future production, shipments, and employment indexes also fell from year-long highs. However, the future new orders and order backlog indexes rose moderately, and the future capital spending index jumped from 8 to 19. The future raw materials inventory index dropped from 13 to 2, and the future finished goods index also decreased considerably. Price indexes increased in November.

The month-over-month finished goods price index edged higher from -5 to -2, and the raw materials price index jumped from 0 to 16. The year-over-year finished goods price index moved higher from 1 to 10, and the raw materials price rose slightly. The future finished goods price index inched higher from 8 to 11, and the future raw materials price index also increased.

Survey Data

[Current Survey](#)

[Historical Monthly Data](#)

[Historical Quarterly Data](#)

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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.
