



Tenth District Manufacturing Activity Continued to Expand at a Rapid Pace in June 2018

by: Chad Wilkerson

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Tenth District manufacturing activity continued to expand at a rapid pace in June, with the composite index similar to May's record-high reading. Expectations for future growth increased moderately, and many firms reported difficulties finding qualified workers. Price indexes remained at high levels.

The month-over-month composite index was 28 in June, similar to the reading of 29 in May and higher than 26 in April (Tables 1 & 2, Chart 1). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Factory activity increased at durable and nondurable goods plants, particularly for computer, electronics, and food products. Most month-over-month indexes were slightly lower than the previous month, but all indexes remained at high levels. The production index edged down from 41 to 38, and the volume of shipments and new orders for exports indexes eased slightly. The employment index was unchanged, while the new orders and order backlog indexes saw a modest decline. The raw materials inventory index improved from 19 to 27, and the finished goods inventory index also increased.

Most year-over-year factory indexes decreased slightly, but remained favorable. The composite index edged lower from 45 to 43, and the production, shipments, and order backlog indexes declined modestly. In contrast, the new orders, employment, and capital expenditures indexes were little changed. The raw materials inventory index increased from 28 to 36, and the finished goods inventory index also moved slightly higher.

Most future factory activity indexes increased moderately. The future composite index rose from 26 to 36, and the future production, shipments, and new orders indexes jumped considerably. The future capital expenditures index edged up from 33 to 36, and the order backlog and employment indexes also inched higher. The future raw materials inventory index increased substantially from 7 to 30, and the future finished goods inventory index jumped from 3 to 23.

Price indexes remained at high levels in June. The month-over-month finished goods price index was unchanged, while the raw materials price index slipped from 53 to 47. The year-over-year finished goods price index increased from 56 to 60, while the year-over-year raw materials price index inched higher for the second consecutive month. The future finished goods price index fell from 44 to 40, but the future raw materials price index grew slightly.

Survey Data

[Current Release](#)

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Chad Wilkerson serves as Oklahoma City Branch Executive and Senior Vice President for the Federal Reserve Bank of Kansas City. Wilkerson began his career with Federal Reserve in the Kansas City research department in 1998, before accepting the role of Oklahoma City Branch Executive in 2006. In 2022, Wilkerson was appointed Senior Vice President. 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. Serving as Senior Vice President of Community Development, Wilkerson supports community development staff 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.
