News Release

Federal Reserve Bank of Kansas City

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FOR RELEASE Thursday, April 29, 2010
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Growth in Tenth District manufacturing activity continued at a solid pace, and producers remained moderately optimistic about the future. Price indexes were mixed, with further increases in raw materials prices, but finished goods prices were mostly stable.

A summary of the April survey is attached to this press release. Results from past surveys and release dates for future surveys can be found at: http://www.kc.frb.org/mfgsurv/mfgmain.htm. For further information about the survey, contact Tim Todd, Public Affairs Department, (816) 881-2308.

The Tenth Federal Reserve District encompasses Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Survey of Tenth District Manufacturing

Growth in Tenth District manufacturing activity continued at a solid pace, and producers remained moderately optimistic about the future. Price indexes were mixed, with further increases in raw materials prices, but finished goods prices were mostly stable.

The net percentage of firms reporting month-over-month increases in production in April was 24, up from 18 in March and 19 in February (Tables 1 & 2, Chart). Production increased at both durable and nondurable-goods-producing plants. Most other month-over-month indicators climbed higher in April. The shipments, new orders, and order backlog indexes all increased, and the employment index recorded its highest level in over two years. Meanwhile, the new orders for exports index edged up for the second straight month. The raw materials inventory index fell from -3 to -7, and the finished goods inventory index eased from -7 to -9.

Year-over-year factory indexes showed marked improvement in April, with many indexes finally reaching positive territory. The production index jumped from -1 to 14, and the shipments, new orders, and order backlog indexes also rose considerably, with all at their highest levels since late 2007. The employment index improved from -31 to -18 and the capital expenditures and new orders for exports indexes also increased somewhat. Both inventory indexes edged up marginally.

Future factory activity indexes were mixed after rising modestly last month. The future production index eased from 33 to 22, and the future shipments, order backlog, and employment indexes also fell somewhat. In contrast, the future new orders index inched higher, and the future capital expenditures and new orders for exports indexes also increased moderately. The future raw materials inventory index eased slightly, while the future finished goods inventory index edged up from -4 to 0.

Price indexes were mixed in April, with an increase in raw materials price increases but little to no change in selling prices. The month-over-month raw materials price index climbed from 42 to 53, while the finished goods price index remained unchanged. The year-over-year raw materials price edged higher from 55 to 58, with the finished goods price index stable at 7. The future raw materials price index rose after falling slightly last month, but the future finished goods price index eased after five straight months of increase.

Table1

Summary of Tenth District Manufacturing Conditions, April 2010

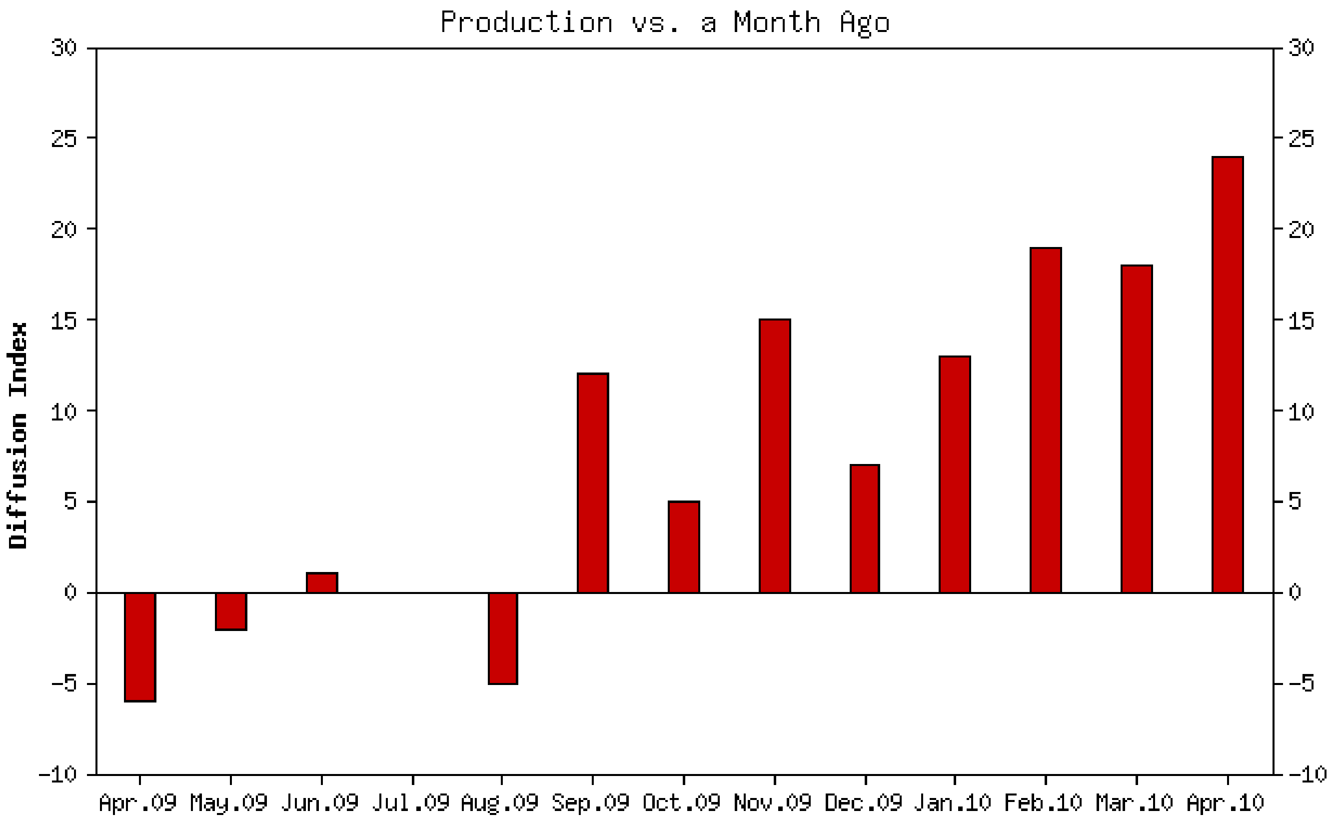
Plant Level Indicators	April vs. March (percent)[1]					April vs. Year Ago (percent)[1]				Expected in Six Months (percent)[1]				
	Increase	No Change	Decrease	Diff Index[2]	SA Index[3]	Increase	No Change	Decrease	Diff Index[2]	Increase	No Change	Decrease	Diff Index[2]	SA Index[3]
Production	47	37	14	33	24	47	18	33	14	46	32	20	25	22
Volume of shipments	51	32	14	36	27	48	17	33	15	45	32	21	23	21
Volume of new orders	47	30	21	25	15	48	19	29	19	50	28	19	31	28
Backlog of orders	38	38	22	15	11	33	28	36	-3	32	45	19	12	9
Number of employees	24	59	15	9	5	25	30	43	-18	31	56	12	19	18
Average employee workweek	25	61	12	13	6	23	50	25	-1	23	59	16	6	4
Prices received for finished product	13	76	9	4	5	33	39	25	7	29	56	12	17	17
Prices paid for raw materials	54	42	2	52	53	71	16	12	58	67	24	7	60	61
Capital expenditures						26	38	32	-5	29	44	20	9	11
New orders for exports	12	69	9	3	5	19	58	12	7	18	62	8	9	11
Supplier delivery time	16	73	5	10	10	21	63	13	8	19	74	4	14	15
Inventories:														
Materials	24	46	28	-4	-7	28	30	40	-12	23	53	21	2	3
Finished goods	15	59	21	-5	-9	23	39	33	-9	22	53	20	1	0

[1]Percentage may not add to 100 due to rounding.
[2]Diffusion Index. The diffusion index is calculated as the percentage of total respondents reporting increases minus the percentage reporting declines.
[3]Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-12.
Note: The April survey included 121 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Table2

Historical Manufacturing Survey Indexes

	Apr'09	May'09	Jun'09	Jul'09	Aug'09	Sep'09	Oct'09	Nov'09	Dec'09	Jan'10	Feb'10	Mar'10	Apr'10
Versus a Month Ago (seasonally adjusted)													
Production	-6	-2	1	0	-5	12	5	15	7	13	19	18	24
Volume of shipments	-5	-1	4	4	-13	8	0	8	3	9	14	17	27
Volume of new orders	-7	2	8	6	-8	7	7	10	0	9	11	12	15
Backlog of orders	-26	-18	-1	-11	-17	-10	-1	0	-4	0	-5	7	11
Number of employees	-22	-15	-14	-15	-10	-3	-4	0	-1	2	-4	3	5
Average employee workweek	-15	-14	2	-13	-9	8	-3	4	0	4	-3	1	6
Prices received for finished product	-17	-17	-14	-16	-12	-6	-6	1	-1	0	0	5	5
Prices paid for raw materials	-23	-17	-9	-7	0	9	12	21	22	42	45	42	53
Capital expenditures	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New orders for exports	-11	-7	-2	0	0	2	3	2	5	6	0	4	5
Supplier delivery time	-4	-6	-3	-4	0	3	3	11	8	8	12	11	10
Inventories: Materials	-25	-19	-22	-23	-20	-15	-4	-6	-12	-7	-1	3	-7
Inventories: Finished goods	-15	-11	-12	-14	-10	-7	2	-6	-1	0	0	-7	-9
Versus a Year Ago (not seasonally adjusted)													
Production	-62	-52	-44	-50	-60	-46	-40	-31	-30	-10	-9	-1	14
Volume of shipments	-60	-53	-45	-50	-57	-43	-40	-28	-31	-10	-11	-5	15
Volume of new orders	-53	-47	-49	-48	-57	-43	-37	-16	-25	-11	-8	-3	19
Backlog of orders	-56	-53	-47	-50	-52	-48	-44	-24	-32	-14	-19	-13	-3
Number of employees	-60	-65	-54	-57	-66	-56	-47	-49	-48	-39	-29	-31	-18
Average employee workweek	-49	-54	-44	-41	-50	-40	-33	-28	-32	-20	-11	-10	-1
Prices received for finished product	-8	-8	-11	-24	-27	-14	-14	-12	-10	-1	-4	7	7
Prices paid for raw materials	-16	-25	-20	-27	-17	-9	-5	-12	6	25	38	55	58
Capital expenditures	-42	-48	-28	-24	-23	-24	-25	-26	-31	-14	-15	-8	-5
New orders for exports	-22	-26	-17	-14	-16	-7	-6	-8	0	6	7	2	7
Supplier delivery time	-13	-19	-17	-13	-8	1	-2	-3	0	-1	2	10	8
Inventories: Materials	-34	-38	-38	-43	-37	-37	-37	-34	-35	-18	-20	-17	-12
Inventories: Finished goods	-20	-20	-23	-23	-25	-17	-14	-24	-12	-14	-14	-11	-9
Expected in Six Months (seasonally adjusted)													
Production	0	3	11	9	19	17	24	32	17	35	24	33	22
Volume of shipments	0	0	8	6	12	12	18	31	15	35	32	36	21
Volume of new orders	5	2	15	14	19	17	26	23	17	25	25	27	28
Backlog of orders	-9	-9	0	6	7	0	13	16	7	12	5	16	9
Number of employees	-19	-13	0	-11	-7	1	4	8	2	9	18	20	18
Average employee workweek	-10	-11	3	-4	0	5	5	16	8	7	13	10	4
Prices received for finished product	-7	-13	4	-10	-3	1	0	5	8	12	15	19	17
Prices paid for raw materials	-6	-2	13	1	23	20	28	32	31	60	59	55	61
Capital expenditures	-15	-11	-13	-12	-2	-8	-5	-1	0	14	3	5	11
New orders for exports	-3	-3	2	6	6	7	10	9	11	13	12	5	11
Supplier delivery time	-5	-5	-7	-7	-2	4	-1	6	10	6	6	9	15
Inventories: Materials	-25	-24	-18	-18	-13	-12	-6	-3	-2	3	6	4	3
Inventories: Finished goods	-19	-20	-9	-12	-15	-11	-7	-5	2	2	1	-4	0



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