DECISION ECONOMICS, INC.
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New York: 212 884 9440
London: 011 44 20 7814 6706
Boston: 617 994 0500
Email: decisioneconomics@pdeeco.com

Pierre Ellis

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Empire State

The headline Empire State index rises a somewhat more than expected 4.2 points (Consensus: -0.5 point; Decision Economics: +0.5 point) to 21.7.

The rise was validated by big increases in the important, and independently measured, new orders (+16.5 points, to 22.3) and employment (+14.0 points, to 23.1) indexes. NY manufacturers experienced a broad strengthening in demand, and were confident enough about it to start hiring more broadly too.

Notably, the corresponding six-month-out indexes were sturdy too: orders (+0.7 point, to 43.6), employment (+8.7 point, to 32.1). That means decisionmakers do not see the strength this month as a flash in the pan.

Of course, the Empire State survey runs only broadly in line with the national ISM survey--but there is no clear reason to suspect that the developments today are not reflecting a positive national trend. If ISM results also come in on the strong side, Fed policymakers can only regard overall-economy downside risks as having eased a bit.

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